



ASSESSING FEED MILL PROFITABILITY: A CASE STUDY OF SYNERGY MIMSHACK INT'L FEEDS IN JALINGO METROPOLIS

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ASSESSING FEED MILL PROFITABILITY: A CASE STUDY OF SYNERGY MIMSHACK INT'L FEEDS IN JALINGO METROPOLIS

A Research Thesis Submitted to Van Hall Larenstein University of Applied Sciences in Partial Fulfilment of the Requirements for the Degree of Master in Agricultural Production Chain Management (APCM), Specialization Livestock Chains

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LIST OF ABBREVIATION

SMIF.....	Synergy Mimshack Int'l Feeds
USDA.....	United States Department of Agriculture
GDP.....	Gross Domestic Product
MT.....	Metric tons
FAO.....	Food and Agricultural Organization
CEO.....	Chief Executive Officer
SWOT.....	Strengths, Weaknesses, Opportunities, Threats
IOM.....	Integrated Organization Model
ROI.....	Return On Investment
ROE.....	Return In Equity
CAGR.....	Compound Annual Growth Rate
BMC.....	Business Model Canvas
TRSG.....	Taraba State Government
SPSS.....	Statistical Package for the Social Sciences
CAC.....	Cooperate Affairs Commission
NAFDAC.....	National Food and Drug Administrative Control
SON.....	Standard Organization of Nigeria
CYIAP.....	Children and Youth in Agriculture Program
CBN.....	Central Bank of Nigeria
SBM.....	Soy Bean Meal
COGS.....	Cost of Goods Sold
BOA.....	Bank of Agriculture

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To my parent (Mr and Mrs Polycarp Kwah Mbande), may you live long to eat the fruit of your labour and finally to my brothers, especially my twin (Innocent, Paul, Job, Victor and David), the Lord enlarge your coast.

DEDICATION

I dedicate this report to Synergy Mimshack Int'l Feeds for the opportunity giving to me to conduct this research.

EXECUTIVE SUMMMERY

The study assesses the profitability of Synergy Mimshack Int'l Feeds (SMIF) feed mill in Jalingo metropolis, Taraba State. SMIF is a feed producing company in Jalingo that produces only broiler feed and sell directly to poultry farmers. The feed mill is temporarily closed to assess it and formulate managerial strategies to make it profitable. The study strives to answer three main research questions. 1 What is the market of SMIF?. 2 What is the current organizational situation of SMIF?. 3. What is the financial performance of SMIF?.

To find answers to the main research questions, case study, desk study, and survey strategies were employed with qualitative and quantitative approaches. Analytical tools such as SWOT, IOM, BUSINESS MODEL CANVAS were used to present the findings of the internal and external environment of SMIF.

A purposive sampling method was used to select 59 respondents for the study. 2 were SMIF representatives, five distributors and 52 were poultry farmers. Primary data were collected using well-structured questionnaire and semi-structured interviews. In contrast, secondary data were collected through desk study from SMIF record books and google scholar, research gate etc. The structured questionnaire was analyzed using descriptive statistics, while the semi-structured interview was analyzed by categorizing topics, coding, identifying patterns, and contradicting responses.

The results show that SMIF customers are broiler poultry farmers, 63.46% of SMIF customers were male, 38.46% are within the age bracket of 34-41, and 88.46% are satisfied with the quality of SMIF feed. The study also shows that SMIF sells feed on credit to its customers; hence, some customers delay in payments while some don't pay. The study also reveals that SMIF has some weaknesses and threats that affect the performance of the organization. However, it has strengths and opportunities that could enable it to penetrate the market. The study found four distributors who are willing to buy feed from SMIF when it restarts.

Key words: Profitability, management strategy

CHAPTER 1.

INTRODUCTION

This chapter highlights the background of the country Nigeria, agricultural sector, a review of the country's poultry sector, the commissioner background, research problems, objectives, and the research questions. The study seeks to assess the profitability performance of Synergy Mimshack Int'l Feeds company.

1.1 Background

Nigeria is a federal republic in West Africa, and it's often called the "Giant of Africa", owing to its large population and economy, with approximately 184 million people. It is on the Western axis of Africa on the Gulf of Guinea with a total area of 923,768 km² (356,669 sq mi). Nigeria lies between latitudes 4° and 14°N, and longitudes 3° and 15°E (Ben et al., 2012).



Source: [Allu and Ochedi \(2015\) http://www.infoplease.com/atlas/country/nigeria.html](http://www.infoplease.com/atlas/country/nigeria.html)

Figure 1. 1 Map of Nigeria

There are climatic variations in different country areas as one moves from the Southern part to the Northern part of the country through the middle belt region. Near the Coast, the seasons are not sharply defined. The temperature rarely exceeds 32°C (90°F), but the humidity is very high, and nights are hot. There are two distinct seasons in the hinterlands: a wet season from April to October with generally

lower temperatures and a dry season from November to March with midday temperatures that surpass 38°C (100°F) but relatively cool nights.

Agricultural sector in Nigeria:

Agriculture in Nigeria is a branch of the economy that employs about 35% of its population ([world bank 2020](#)). Agriculture is still the foundation of the Nigerian economy despite the oil sector, and it has been the primary source of livelihood for most Nigerians. This sector contributes 21.20% to the overall GDP and employs 36.5% of its population ([Kamil et al., 2017](#)).

Livestock sector in Nigeria:

The livestock sector is an integral part of agriculture, and it is vital to the socio-economic development of the country. Although its productivity is low, it contributes about 1.7 per cent to the GDP and around 9% to the agricultural value-added. Nigerian National herd comprises approximately 18.4 million cattle, 43.4 million sheep, 76 million goats, and 180 million poultry ([FMARD, 2017](#))

The livestock sector in Nigeria has been characterized by a supply deficit which leads to a rise in the price of feed; factors such as the prevalence of disease, inadequate and unbalanced nutrition, etc., are suggested to be responsible for the deficit problem. The most prime factor, however, is feed supplies fluctuation leading to poor livestock performance. ([Oladeja, 2012](#))

Poultry sector in Nigeria:

Poultry is defined as a group of domesticated birds reared for food, fibre. Poultry is the most considerable meat production section in the market industry globally. It is generally consumed and, unlike beef and pork, it is without any religious impact (Thornton, 2018)

Poultry industries in Nigeria have been expanding rapidly in recent years and therefore are one of the most commercialized (capitalized) sectors of Nigerian Agriculture ([USDA, 2013; Adene and Oguntade 2006](#)). It has grown from a backyard production system into a flourishing industry since its independence in 1960 ([Jongur et al., 2009](#)). The poultry industry in Nigeria is divided into three production systems: the extensive or free-range system, semi-intensive and intensive system. The production systems comprise about 180 million birds. 46% are extensive or free-range systems, 33% are semi-intensive, and 21% are intensive systems. Over 70% of Nigerians derive livelihoods directly or indirectly from the poultry industry by engaging into poultry farming. The poultry sector contributes 6-8% to the GDP, about 30% of the total agriculture sector contribution.

Broiler sector in Nigeria:

Broilers are reared for meat. They are bred for about 8-10 weeks. They can be bred for 6-8 weeks when proper management practices are adhered to and when appropriate feeding and administered. Broilers can mature at 6-8 weeks with a live weight of 1.8- 2.0kg. This can be accredited to the advantage of broiler's fast-growing rate, short lifespan, high feed conversion rate, and the cheapest, familiar, and good source of animal protein in Nigeria ([Udoro, Sunday and Ubokudom, 2017](#)). Though there are no records on the national population of domestic production of broiler, it was estimated that 20% of the commercial flock account for broilers while 80% for layers ([Pagani et al., 2008](#)).

Feed industry:

Globally, feed is a critical input in poultry, livestock production, including commercial aquaculture/ marine farming. In the total animal feed market, poultry feed has the most significant share and allocates 439 million MT. Poultry feed is nutritional food for different poultry such as chicken, domestic fowls, ducks, and geese (Thornton, 2018)

Feed mill industries are a very important sub-sector in the poultry sector, and it's engaged in the formulation of different kinds of feeds, including Broiler starter, Broiler finisher, Grower mash, Layer mash, Chick mash, and many others in various forms. Different feed mills today produce different forms of broiler feed for different bird ages. The physical structure of feed are Mash, Pellet, and Crumble, and they are an essential factor in the meat yield of broiler, it influences the cost and production performance of birds directly ([Jahan et al. 2006](#)). The feed millers used various feed ingredients such as maize, wheat offal, maize bran, soybean meal, bone meal, lysine, methionine, etc. ([Oladeja, 2012](#)).

Feed claims about 75% of the cost of production, the principal ingredient used as a carbohydrate source are known to be maize, which accounts for about 60% of the total feed formation. However, the absence of maize in the feed mill industry hampers the process of feed production, which leads to feeds unavailability for animals. ([Oladeja, 2012](#)). The most significant volumes of maize and some raw materials are produced in the Northern part of Nigeria, specifically in Kaduna, Borno, Niger, and Taraba state. The grain merchants in Northern Nigeria store grains during the peak of harvest and sell at a higher price in the off-season to food processor and feed mill industries ([Sahel reports, 2017](#)). The animal feed sector consumes about 50% of the maize produced, with poultry consuming as much as 98% of the total feed produced in Nigeria ([Sahel, 2017](#)).

There are about 215 feed producers in Nigeria. Animal feed production in Nigeria is about 5.3 million tons annually ([Alltech, 2016](#)). 80% of the total production is for poultry meat and egg production, while 12% is for aquafeeds. Poultry feed is exclusively produced in Nigeria (no importation of feed).

According to Alltech, 2016. The summary of the inventories of feed producers in Nigeria shows that feed producers are concentrated in the Southern part of Nigeria. The subtotal of 32 feed producers is from the South-East zone, 18 feed producers from the South-South zone, and 91 feed producers in the South-West zone. In comparison, the Northern part of Nigeria comprises 36 feed producers from the North-Central zone, three feed producers from the North-East zone and 35 from the Northwest zone.

The poultry industry has an important effect on the state's economy; it refers to the industry for smallholders with a tremendous contribution to GDP and jobs creation ([Oladokun and A. Johnson, 2012](#)). The people of Taraba depends on poultry for food, and it serves as an additional occupation to increase the income of small and marginal farm families. FAO has divided poultry production in Nigeria into four sectors ([Pagani et al. 2008](#)).

Sector 1	Industrial integrated system
Sector 2	Commercial production system
Sector 3	Small-scale commercial production system
Sector 4	Village or backyard system

The four sectors are further classified base on their scale of production:

Sector 1	Commercial (above 10,000 birds)
Sector 2	Medium-scale commercial (2,500 – 10,000 birds)
Sector 3	Small-scale commercial production (200 – 2,500 birds)
Sector 4	Rural (a few – 200 birds or more birds)

The essential factor limiting poultry industry expansion is the high shortage of feed and high cost of feed ([Benjamin 2013](#)). The feed has been the major factor hindering the poultry industry. It has hampered production by the increases in feed prices and the low quality of feed produced by farmers due to insufficient feed supply ([Bamiro et al., 2001](#)).

In Taraba, the few establish feed mills are not in operations at the moment. The poultry feed shipped are Animal Care feed, Top feed, Livestock feed sent from the South-Western region of Nigeria, Vital Feed from the Middle Belt of Nigeria, and Chikun feed from the North West region of Nigeria.

Most of the feeds supplied in Jalingo are from the South Western region (about 1066 km away) ([Alltech, 2016](#)). The situation of insurgencies, bad roads, armed robbers, etc., has contributed to the delay in feed supply, therefore, holding the truck for more than two weeks before arriving in Jalingo. This delay causes a severe effect on the poultry sector, destabilizing the supply chain ([Munyori et al., 2014](#)). The inefficiency of feed supply led farmers to formulate feed of lesser quality for their birds which harms the birds and their productivity ([Gura, 2008](#)). As a result, Synergy Mimshack Int'l Feeds (SMIF) was established in Jalingo. All the macro ingredients for feed production are readily available, and major distributors for the micro ingredient are also available in the region.

SMIF background:

Synergy Mimshack Int'l Feeds (SMIF) is a solely indigenous Nigerian company. The company emerged as a result of a competition won by the CEO from a Youth with Innovation (YouWin) empowerment program organized by the Federal Government of Nigeria. It was legally registered with the Corporate Affairs Commission dated June 05, 2013, and was Trade Marked on 8/8/2020 with registration number NG/TM/0/2020. The factory is sited on 100m by 100m, and it's located adjacent to New Era Primary School Nukkai, Jalingo, Taraba State, Nigeria.

SMIF became operational in 2017 as a 'sole proprietorship business intending to manufacture good quality broiler feeds for broiler farmers to address the issue of delay in broiler feed supply and the high price of feed. Its manufacture feed in mash form.

The total capacity of the machine is two tons per hour; however, the factory produces below capacity (one ton of feed in one week) despite the demand from the market and the availability of raw material. SMIF produces broiler feeds packaged in 25kg bag and gets its raw materials within the region. SMIF obtained its ingredients such as maize from local farmers and soybean meal from Afcott in Adamawa state, which is about 170.3 km to Jalingo, premix, limestone, and other ingredients are gotten from Hi nutrient in Plateau state, which is about 207km to Jalingo. The organization entirely operates the generator for its productions.

Synergy Mimshack Int'l Feeds temporarily closed the business around April 2021 because there was no adequate cash management information and no proper records on how profitable the company had

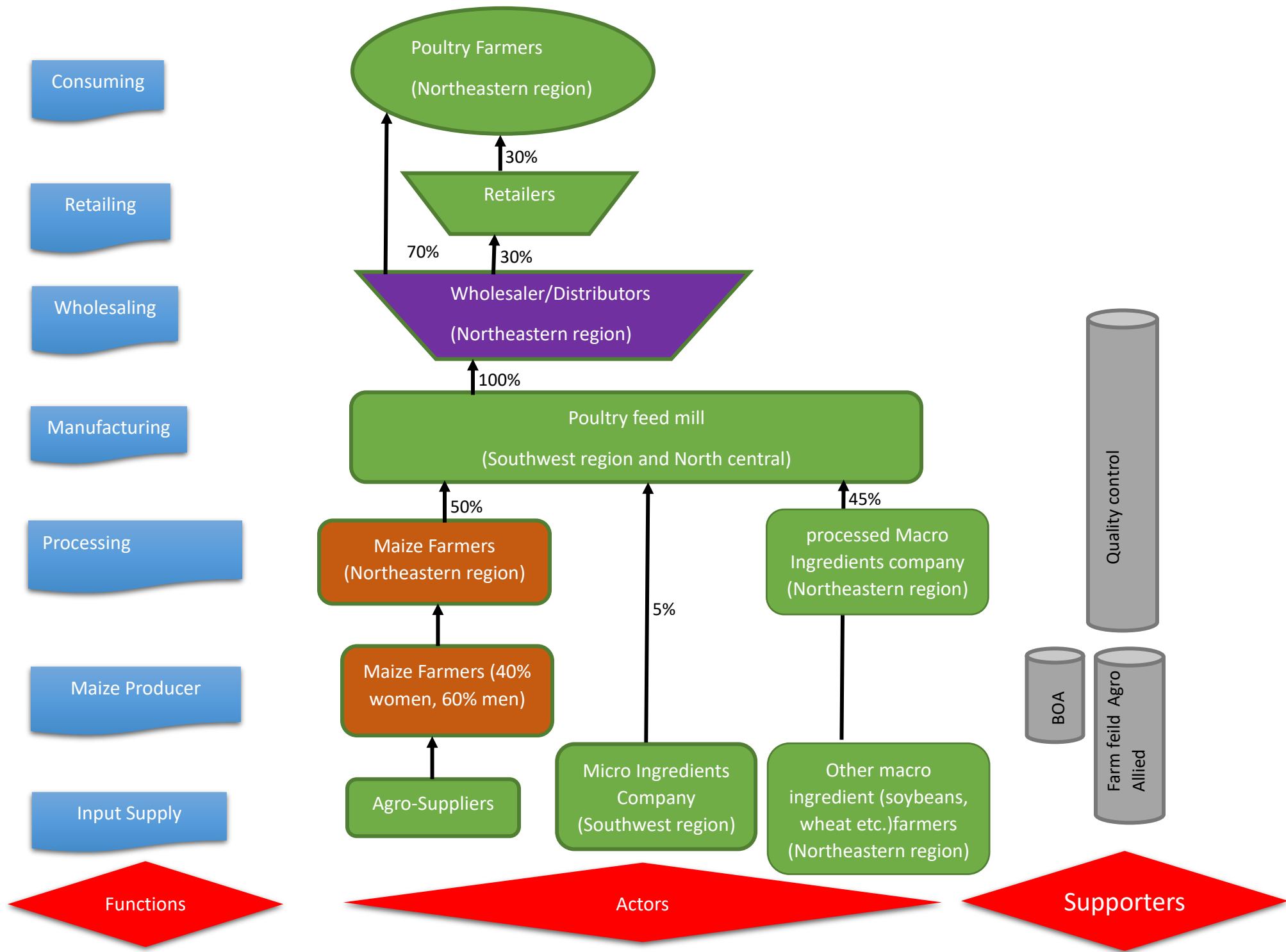
been. Therefore, a lack of management information makes it difficult for the management to decide how to turn the business into a profitable one.

1.2 Actual Situation

The diagram below depicts the current value chain situation of poultry feed in Jalingo. It shows that the significant feed ingredient (macro ingredient) use for poultry feed production is purchased from the Northeastern part of Nigeria and then transported to the feed mills in Southeast, South-South, Southwest, Middle Belt and North Central, etc. At the same time, the companies producing the micro ingredient are found in the southwest. After manufacturing, the poultry feed is then shipped back to the distributors in Jalingo (Northeastern region) to sell to the poultry farmers. The maize farmers get support like soft loan from the Bank of Agriculture and Farm Field Agro-Allied Company.

Figure 1. 2 Current Value Chain Map

Title: POULTRY FEEDS MANUFACTURING FACTORY



1.3. Problem Statement

Poultry feed is shipped into Jalingo from the South-Western region of Nigeria. Due to distance (about 1000km), insurgencies, and bad roads, feed trucks encounter numerous delays (usually more than two weeks) before arrival to Jalingo. Due to these challenges, feed shortages are experienced in Jalingo. Consequently, SMIF was established to address the scarcity. However, the business is struggling to thrive for reasons unknown to the business owner. It is an utmost concern of any company that profitability is taken into consideration. The continuous flow of income assures the continuity and stability of the operation. The current situation of the SMIF has been bottled up to whether the business is doing well in terms of profitability and whether it can maximize the opportunity that might be present in the market. Therefore, this research was conducted to look into the business's profitability by assessing the business management, financial performance, and the prospect of increasing production by assessing new markets.

1.4 Commissioner

Dr David Ishaya is the commissioner of this research. He is a veterinary doctor, and has been the honourable commissioner of Agriculture Taraba State from 2015 till date.

1.5 Research Objective

The purpose of this study was to assess the profitability performance of SMIF to formulate new management strategies that will promote the profitability of the business and increase production.

1.6 Research Questions

1. What is the market of SMIF?

- i. Who are SMIF customers?
- ii. Who are the feed distributors in Jalingo District?
- iii. What is the poultry feed market demand for broiler in Jalingo District?
- iv. What is SMIF market share?

1. What is the current organizational situation of SMIF?

- i. What are the strength and weaknesses of SMIF?
- ii. What is the business model of SMIF?
- iii. What is the organizational structure of SMIF?

2. What is the financial performance of SMIF?

- i. What is the revenue of SMIF?
- ii. What is the cost of production of SMIF?
- iii. What is the profit margin of SMIF?
- iv. What is SMIF break even?

Chapter Two

LITERATURE REVIEW

The literature review covers the conceptual framework, key concept definition, review of marketing, organizational and financial dimensions that would help assess profitability.

2.1 Conceptual framework

The related conceptual framework of this research is shown in figure 2.1. It was developed while considering assessing the profitability of Synergy Mimshack Int'l Feeds (SMIF). The review on the marketing, organizational and financial dimensions will help analyze. At the same time, the aspects are measured using the indicators such as age, income, strengths, weaknesses, etc., to answer the research questions.

The marketing dimension unravels the available market for SMIF, the customer production capacity, and gets valuable insight into the demographics on-going market trends, etc.

The organizational dimension analyzes the internal organization competence of SMIF, competitive viability in the market to grow the business, etc.

The financial dimension assesses the financial aspect of SMIF business to see how it has been and create more certainty and confidence in making business decisions.

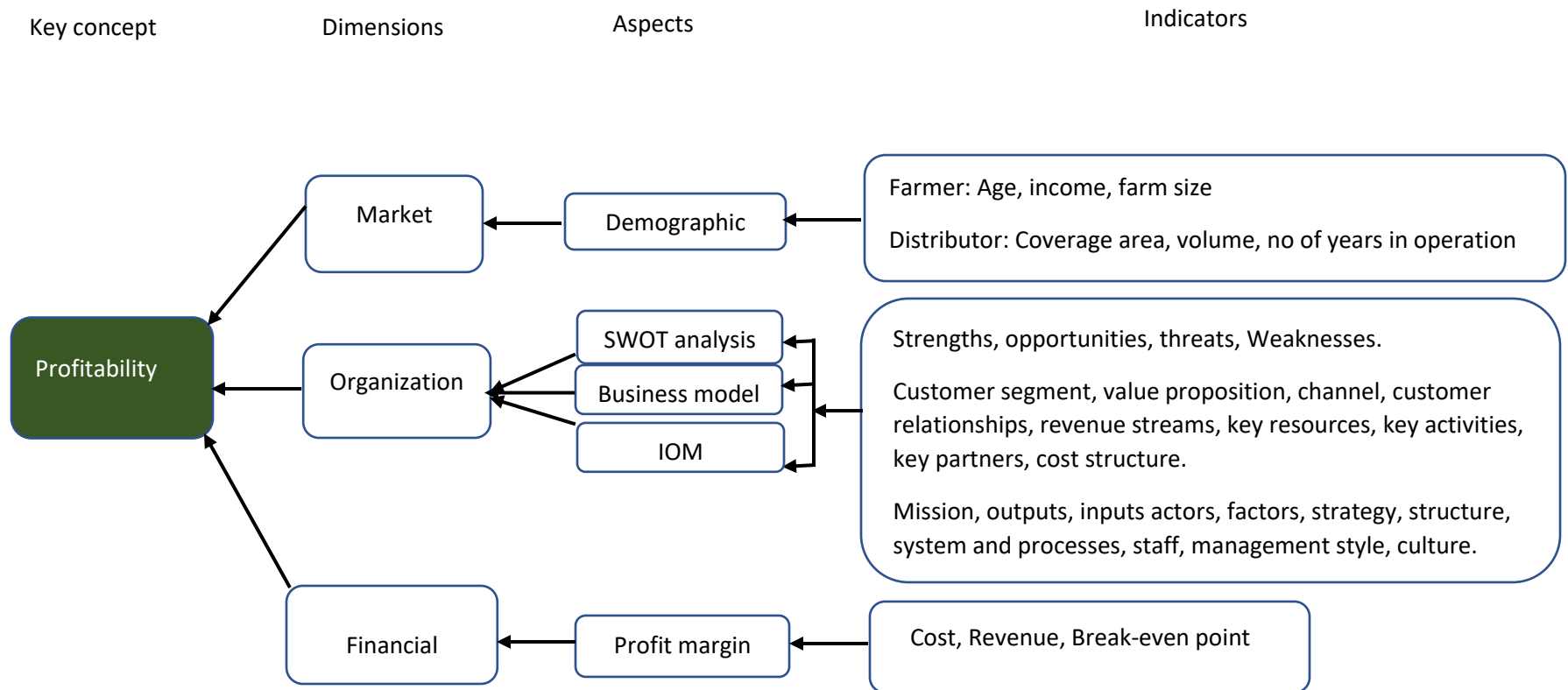


Figure 2. 1 Conceptual Framework

source: Author's design, 2021.

2.2 Key terms and concept definition

2.2.1 Profitability

Profitability is the ability of a firm to generate profit and estimate the firm's operational efficiency value and efficiency to use the firm's property ([Chen, 2004](#)). According to [Petronila and Mukhlisin \(2003\)](#), profitability is defined as the management performance in controlling the firm. Profitability can be measured in the form of operational profit, net income, level of return on investment/ assets, and level of the capitalist's return on equity.

[Ang \(1997\)](#) stated that the Profitability and rentability ratio reveals a firm's success to acquire profit. The ability of a firm to gain profit on its operational activity is the focal point on the measurement of the firm's achievement. Aside from being the indicator of a firm fulfilling its task for its shareholders, profit is also an element to determine its value. The effectuality is measured by connecting the net income as the ratio toward the assets, such as the profitability ratio. The analysis of profitability stresses the aptness of the firm to utilize its wealth to generate profit over a certain period measured through the ratio of profitability ([Riyanto, 1999](#)). The other factors used are Gross Profit Margin, Net Profit Margin, Return on Investment (ROI), Return on Equity (ROE), and Earning Power ([Brigham and Houston, 2001](#)).

2.2.2 Market

The market for poultry feed has been increasing globally because of the growing population and increase in disposable income. The main drivers for the market are the increase in meat quality and dairy production. Hence, the market for poultry feed is anticipated to get to \$220 billion markets by 2020 at the end of the forecasted period and is expected to grow at a CAGR of 2.7% during the forecast period. The thriving of the poultry feed market is related to the demand and consumption of poultry meat (Thornton, 2018). The final consumers of poultry feed include the poultry meat industry, home-mixers, farmers, integrators, and compound feed manufacturers.

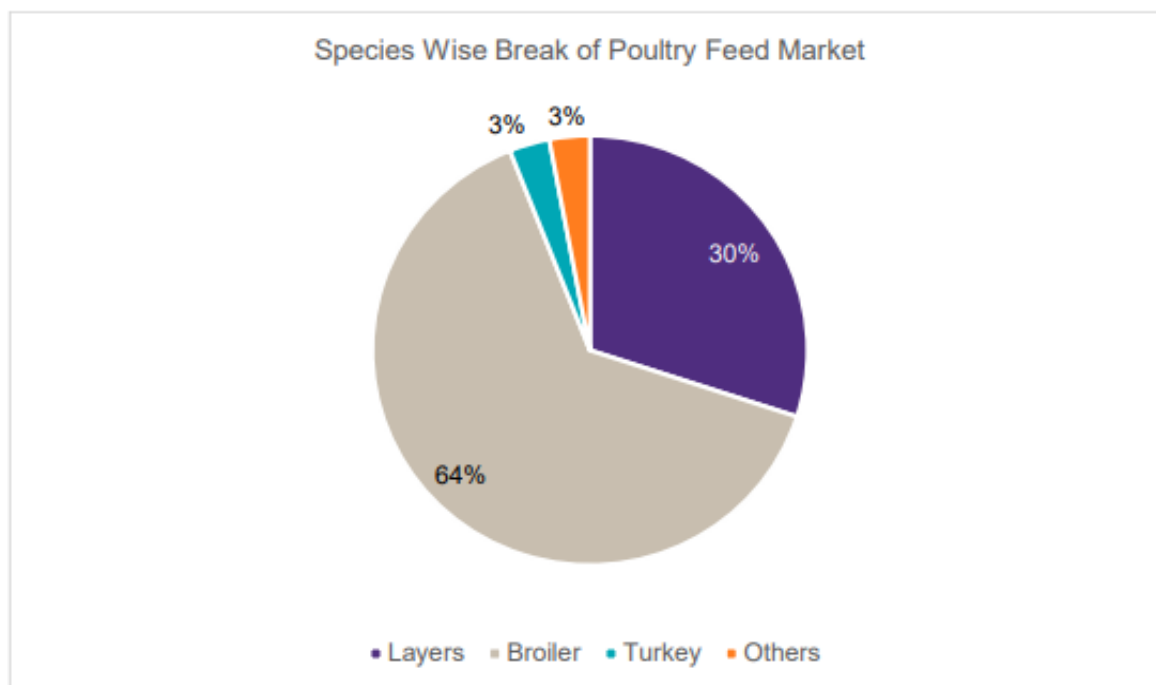


Figure 2. 2 Species Breakdown Poultry Feed Market

Source: ([Alltech, 2015](#)).

The above diagram shows that broilers have the most significant share in the poultry feed with 64%, which dominates the entire poultry feed market with more than half of the market share. The next is the layers, then turkey and others.

Market Segmentation: Market segmentation is one of the key factors of successful marketing; it is essential to matching procedures between the wants, needs, and the ability of the organization to satisfy the consumer ([McDonald and Christopher, 2003](#)). There are different varieties of buyers in any market, with various wants, resources, locations, and other attitudes of buying, etc. Market segmentations help marketers divide these large markets into smaller segments that can easily be reached efficiently with products and services that meet a particular target group's needs.

The market can be segmented using different variables such as:

Geographical: According to [Camilleri,\(2018\)](#). Geographical segmentation involves the selection of market based on where the market are located and may consider element like climate, terrain, natural resources etc. It is centered on the perception that consumers living in the same region share common wants and needs which are different from a consumer in another region. (Gillian Coote Martin, June 2011) This is made of up demographic factors like age, occupation, nationality, ethnicity, gender, income, etc. In the demographic segment, an organization can decide which customers to serve with these variables in mind. ([Gillian Coote Martin, June 2011](#)).

Men are involved more in poultry management activities like vaccination, drugs delivery, debeaking, and chick supplies while women participate more in the everyday routines such as providing feed and water, cleaning of pen etc. [Okoh et al. \(2010\)](#).

[Al- Rimawi, \(2002\)](#) who stated that women play a major role in livestock production activities and decision making related to farm management. ([Maigida, 2000](#)) indicated that many women all over Nigeria are engaged in different aspects of animal production.

[Farayola et al. \(2013\)](#) observed that poultry farming is mostly dominated by youth who are regarded to be equal to the task necessary for poultry production. The mean age of poultry farmers was 45 years, implying that most of the poultry farmers are at the peak of life and therefore have the energy for strenuous activities involve in poultry production. [Osuji. M.O. \(2019\)](#)

Behaviour: This is a segmentation based on the behaviour, attitudes of customers, and how they respond to a product and service. In this segment, the organization collects data to see the segment that fits their customer's behaviour.

Psychographics: This segmentation link personality with brands. The organization knows the habits of the customers to connect with it effectively. It acts on the psychology of the prospective customer, which helps the organization to decide how to manage their customer. (Gillian Coote Martin, June 2011).

This study will focus on **demographics segmentation** in order to be more specific in the organization marketing strategy and to have more clarity on the organizational vision, to have guidance with future advertisement plans, improve time, resources and budget, also **geographical segmentation** in order to be more cost-effective and fucus the organizations marketing efforts particularly on its area of interest, hence preventing purposeless spending.

Market Demand: This is the total sum of goods and services that the entire consumers are willing and are able to buy from suppliers at a certain price in the marketplace. In today's business environment, market demand is a critical factor. Intense competitions in the market compel firms to have variable strategies for their products and process ([Chang and Chiu 2007](#)). Different studies accented that customer benefit and price are crucial elements for market demand ([Kammerer,2009; Zhou et al., 2009](#)).

Market supply: This is the total quantity of goods or services producers are willing and able to sell at various prices over a period of time.

Market share: Market share is defined as sales of a company in relation to total sales of an industry for a certain period. [O'Regan, \(2002\)](#). [Pearce and Robinson \(2003\)](#) define market share as sales relative to sales of other competitors in the market. Market share is normally used to indicate a competitive position. It is broadly accepted that market share increase can be related to success while, on the contrary, decreased market share is an indication of unsuitable actions by firms and is normally equated with failure.

The usual explanations why market share leads to higher profitability are higher economies of scale, experience, and market power ([Buzzel, 2004](#)). Economies of scale give big firms cost advantages ([sharp et al., 2002](#)). However, most studies show that economies of scale disappear at a small percentage of the market. According to the efficiency hypothesis, market share is the outcome of efficiency rather than its cause. The differences in the firm's profitability are associated with higher efficiency. Efficient

firms acquire large market shares and earn high profits to bring about a causal relationship between size and profitability.

Marketing Mix: The marketing mix is defined as the controllable marketing tools such as Product, Price, Promotion, and Place, that a company or an organization uses to produce a desired response in the targeted market. ([Riaz 2011](#)).

According to [Rad, Akbari \(2014\)](#), Marketing mix is a controllable part of marketing tools such as Product, Price, Promotion, Place that affects the demand and increases it. By the combination of the tools, it implies that the four Ps should have a constructed and organized systematic approach to have a beneficial impact on persuading customers.

The marketing mix is one of the important objectives of the marketing mix elements used for setting objectives and marketing budget measures. The significance of the elements does not depend on the organization and its activities but on the competition and time. ([Isoraite, 2016](#)). The marketing mix is the blending of various marketing decision variables that are used by an organization to market its goods and services. After the market has been identified and basic information about the market has been gathered, marketing programming is the next step to take, to decide upon the instrument and strategy to meet customers' needs and the competitor's challenge. It provides an excellent mix of all the marketing ingredients so that an organization can realize goals such as sales volume, profit, return on investment, etc. (Singh 2012).

Table 2. 1 The marketing mix. Product, Price, Promotion, and Place.

PRODUCT	PRICE	PROMOTION	PLACE
Design	Retail	Special offers	Channels
Technology	Wholesale	Public relations	Logistics
Usefulness	Internet	Advertising	Product inventory
Value	Direct sales	Support	Transport
Convenience	Peer to peer	Sales promotion	Place
Quality	Multi-channel	Leaflets/ posters	
Packaging		Free gifts	
Branding		Direct marketing	
Warranties		Exhibitions	

Source: ([Singh, 2012](#); [Gronholm 2012](#))

Marketing mix is the mix of fair inputs of the whole important elements or ingredients that sum up the marketing programs. It is made up of the company's basic style of marketing and is very important and depends on each other and are interrelated.

Product: A product is a tangible product or service to consumers for which they are willing to pay. It consists of halves of the material goods, such as furniture, clothing, etc., and intangible products like services, which users buy ([Isoraite, 2016](#)).

Dang (2015) defines a product as the first and one of the vital marketing elements.

Author cit. Kotler and Armstrong stress that product: "is what can be offered to the market, to get attention, to be the acquisition of used, and can satisfy the want or needs of customers."

Price: Price is defined as how much customers pay for your product or service. To decide on a product, the price can be tricky and even frightening. Many owners of small businesses feel their prices have to be the lowest, and that gives the impression of bargain pricing. However, this could be a sign of low quality and not the image you try to show. Your pricing should consider the proper positioning of your product in the market and result in the price that encloses your cost per item and include a profit margin. ([Ehmke et al., 2016](#))

Price is the amount in which a consumer has to exchange to receive the offering. The price of a product depends on different elements; hence it constantly changes. The pricing should be dynamic to bear the changes over the duration. An important factor in pricing is the decision on the product, marketing strategy, and its expenses associated with distribution, advertisement expenses, or any kind of price differences in the market. However, if there is a change in all differences, then the price of the product may vary accordingly. ([Singh 2012](#))

Promotion: Promotion is defined as the advertising and selling aspect of marketing. It is how you let people perceive what you have for sale. The reason for promotion is to make people understand what your product is all about, why they should want it and that it satisfies their needs. For an organization to be effective, the promotional efforts should have a crystal-clear message targeted to a particular audience reached through the proper channel. The target group will be people that use or influence the buying of the product. Identifying such individuals should be the focus of market researchers.

Your message must be in line with your overall image of marketing, get your target audience's attention, and draw out the response you want, whether it is to purchase your product or to form an opinion. Promotion includes advertising, public relations, personal selling, and sales promotions. A key channel is advertising. ([Ehmke et al., 2016](#))

Place: Place is referred to the channels of distribution used to get your product to your customers. The distribution of the product will greatly be influence by what the product is. For example, if you own a retail shop or offer a service to your local community, then you are at the end of the distribution chain, and so you will be supplied directly to the customer. Businesses that create or assemble a product will have two options: selling directly to consumers or selling to a vendor. (Ehmke et al., 2016)

According to [Singh 2012](#), Place includes the distribution channels, warehousing facilities, mode of transportation, and inventory control management which is the channel through which goods and services are shipped from the service provider to manufacturer to consumer. If the product is a business product, a business team is needed to interrelate with the various clients and secure the product availability to them.

Distribution has a massive effect on profitability; therefore, an organization needs to have an outstanding supply chain and logistics management plan for distribution. All four marketing mixes are interrelated. By increasing product price, demand will be less, and the distribution point requires will the lesser.

Finally, the overall marketing mix can result in dynamic modelling based on customer feedback for improving a product, and the same can be launched as the upgraded product.

2.2.3 Organization

SWOT Analysis

SWOT analysis is an analytical tool used in an organization for strategic planning and strategic management. Organizational strategy and competitive strategy can be built effectively using SWOT. According to the System Approach, an organization is an entity that interacts with its environment and has different sub-systems. The organization has two environments, one being itself and the other being outside. Analyzing both environments is essential for strategic management practices. ([Gurel and Tat 2017](#)). The process by which an organization's environment is examined is called SWOT Analysis. SWOT Analysis is made up of two dimensions: The Internal and External Dimensions.

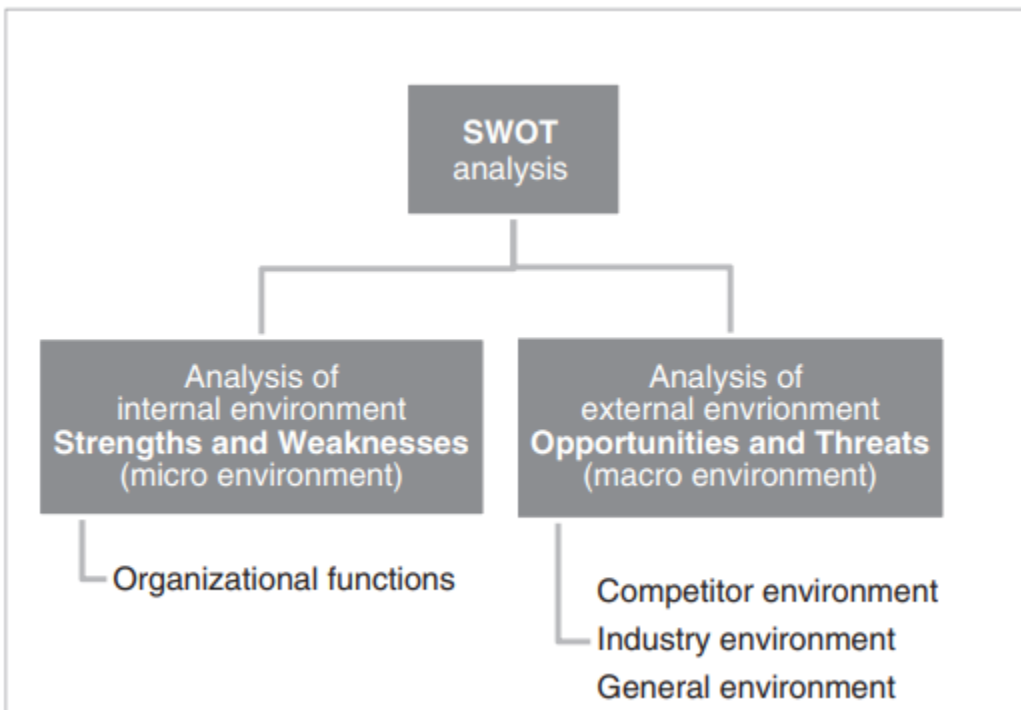


Figure 2. 3 SWOT Analysis

Source: ([Bonnici, 2015](#))

SWOT stands for Strengths, Weakness', Opportunities' and Threats'. "It is a simple but powerful tool for measuring up an organization's resource capabilities and deficiencies, its market opportunities and external threats to its future" ([Thompson et al., 2007](#))

The Internal dimension: This includes analysing organizational factors such as strengths and weaknesses. It identifies resources, capabilities, core competencies, and competitive advantages. It identifies resources that need to be developed and sustained to remain competitive. (Bonnici, 2015)

External dimension: This includes environmental factors such as opportunities and threats. It identifies market opportunities and threats by considering competitors' resources, the industry environment, and the general environment. (Bonnici, 2015). It helps an organization identify its main development and future implications. The external environment is made up of variables that are beyond the

organization's control but needs analysis to reposition corporate strategy to shifting the business environment.

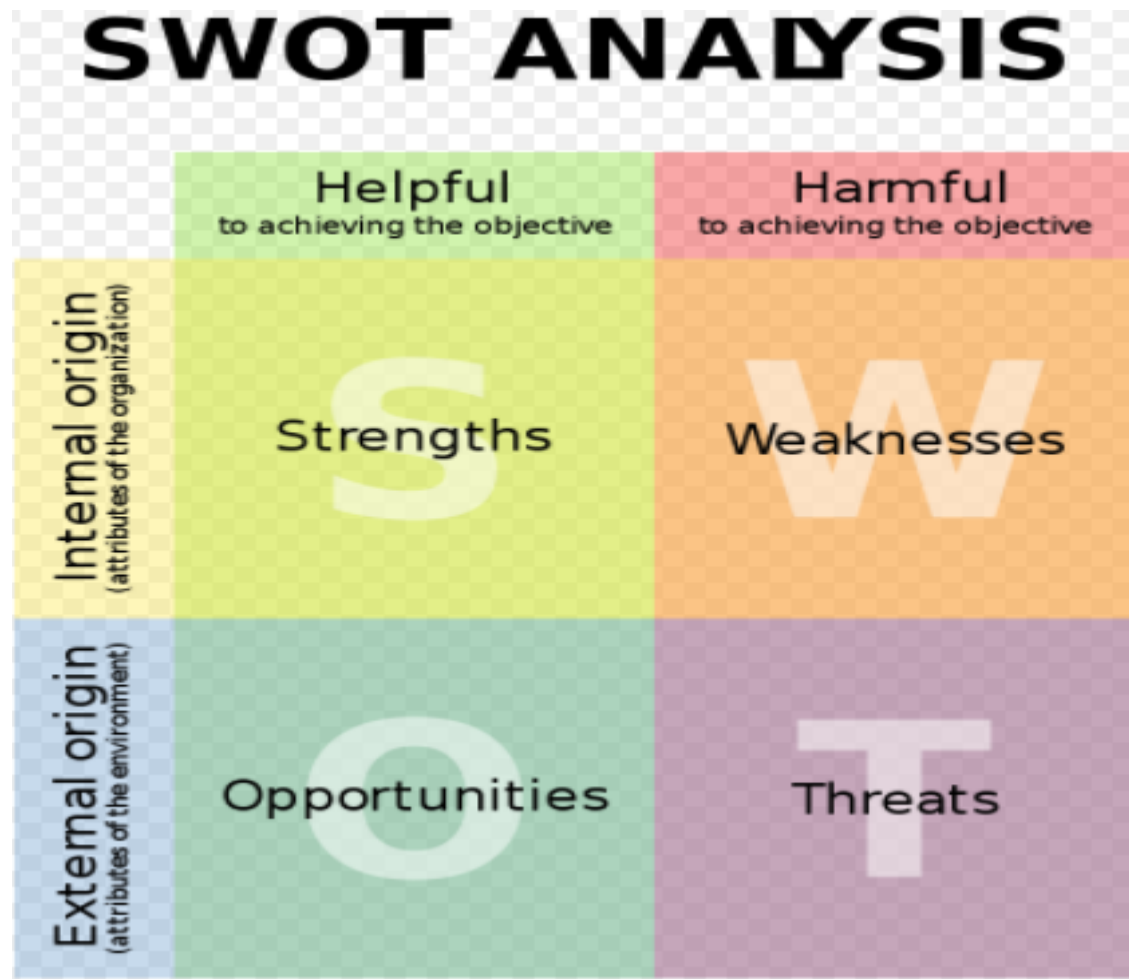


Figure 2. 4 SWOT Analysis

Source: https://en.wikipedia.org/wiki/SWOT_analysis

Strengths: These are the business characteristics that offer it an advantage over others.

Weaknesses: These are the business characteristics that put it at a disadvantage relative to others.

Opportunities: These are environmental elements that the business could utilize to its advantage.

Threats: These are environmental elements that could harm the business

Business Model

A business model describes the rationale of how an organization creates, delivers, and captures value. (Alexander & Yves, 2009). The genesis of any reasonable discussion, meeting or workshop on business model innovation should be a shared understanding of what a business model is. An organization needs a business model that is understandable by everybody: one that aids description and discussion, starting from the same point and talking about the same thing. The concept of the business model must be

simple, relevant, and intuitively understandable while not oversimplifying the complexities of how enterprises function. A business model can best be described through nine basic building blocks, which show how an organization intends to make money, and it covers all the main four areas of a business which are: Customers, Offer, Infrastructure, and Financial viability. The business model is like a design for a strategy to be implemented through organizational structure, processes, and systems.

Business model canvas (BMC)

The business model canvas is made up of nine basic components of the business model. The components are put on a canvas for improved visualization of the various issues' relation instead of putting them on a row. This assists the user to map, discuss, design, and invent new business models. The BMC is divided into the product on the left side and the market on the right. The value proposition is divided into half, on the right, are the Customer Segment, Value Proposition, Channels, Customer Relationships, Revenue Streams and on the left are the Key Activities, Key Partners, Key Resources, Cost Structure:

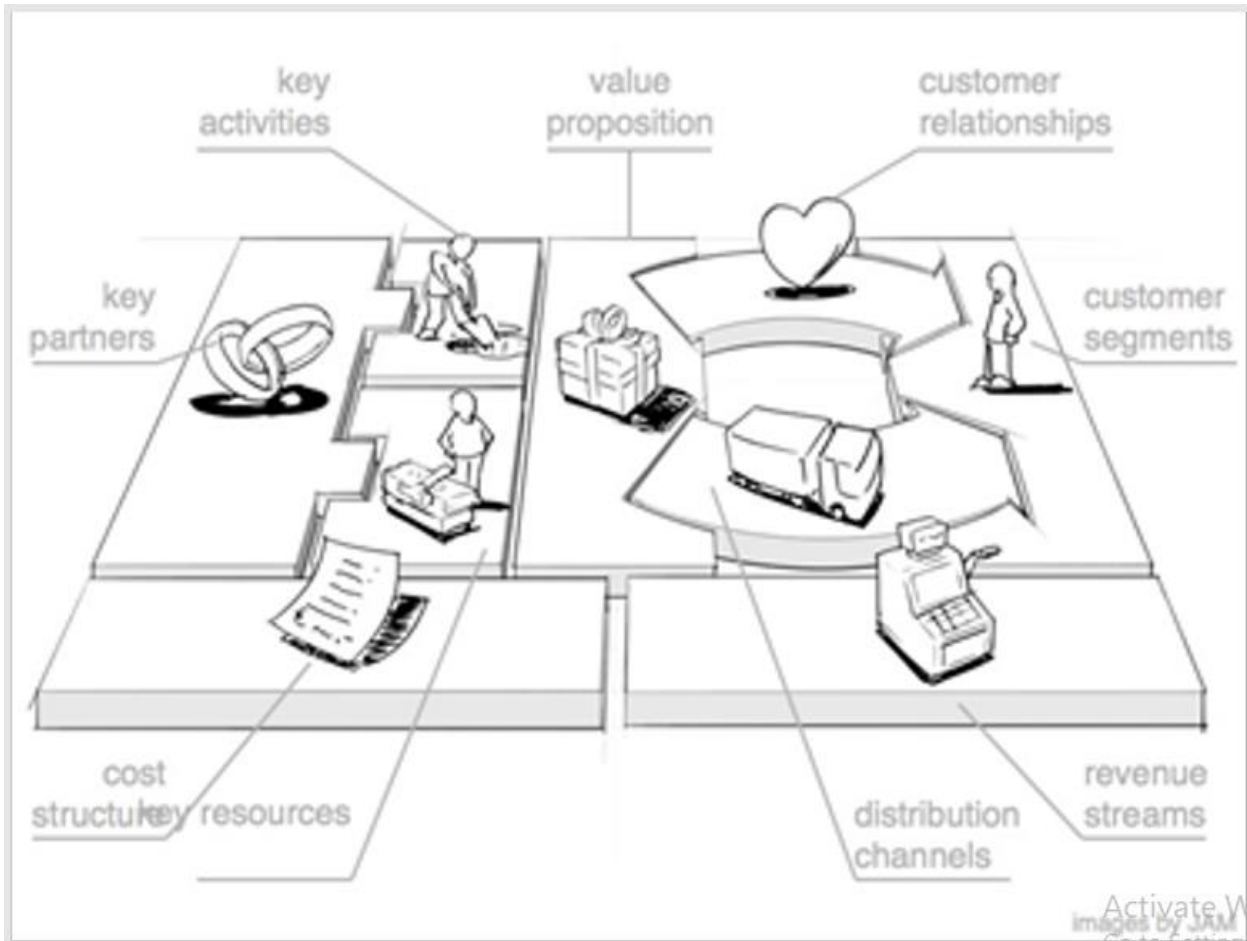


Figure 2. 5 Business Model Canvas

Source: ([Alexander & Yves, 2009](#))

Customer Segments: These are all the people or organizations you are creating value for, comprising simple users as well as paying customers. For every segment, there is a specific Value Proposition. ([Hong and Clemens 2013](#))

According to (Alexander & Yves, 2009), Customer Segments Building Block describes the various groups of people or organizations an enterprise targets to reach and serve. The heart of any business model is made up of customers. Without profitable customers, no organization can survive for a long time. to satisfy your customers better, an organization needs to group the customers based on common needs, common behaviors, or attributes.

Value Proposition: These are all the collections of products and services which generate value for customers. ([Hong and Clemens 2013](#)).

According to (Alexander & Yves, 2009), value proposition aims to solve customer problems and satisfy their needs with value proposition. It describes the various products and services that generate value for a specific Customer Segment. It is the bundle of benefits an organization offers customers.

Channels: The channels delineate through which points of contact you are connecting with your customers and delivering value. (Hong and Clemens 2013).

These are the channels through which value propositions are delivered to customers through communication, sales, and distribution channels. It defines how an organization communicates with and gets to its customers' segments to deliver Value Proposition. Channels are an organizational point of contact to the customer who plays an important role in the customer experience. Communication, and distribution and sales channels are made up of an organization's interface with customers. (Alexander & Yves, 2009)

Customer Relationships: This indicates the type of relationship you are establishing with your customer. (Hong and Clemens 2013).

Customer relationships are set up and maintained with each Customer Segment. It defines the kinds of relationships an organization initiates with particular Customer Segments. (Alexander & Yves, 2009).

Revenue streams: This shows clearly how and by which pricing mechanisms your business model is capturing value. (Hong and Clemens 2013). It is the outcome of a value proposition successfully delivered to customers. It is the money an organization makes from each Customer Segment. That is revenue minus cost. (Alexander & Yves, 2009).

Key Resources: This shows the assets of your business. (Hong and Clemens 2013). It is the assets needed to offer and deliver the elements defined above, and it is the most significant assets needed to make a business model work. Key resources permit an organization to generate and offer a Value Proposition, get to market, maintain relationships with Customer Segments and earn revenue. (Alexander & Yves, 2009).

Key Activities: These are the things you need to do well (Hong and Clemens 2013). It defines the most significant things or actions an organization needs to do to make the business model successful. (Alexander & Yves, 2009).

Key Partners: These are all the people who help you support your business model, as long as you will not own all key resources nor carry out key activities yourself. (Hong and Clemens 2013). It defines the network of suppliers and partners that contributes to and makes the business successful. Organizations create partnerships for various reasons, and partnerships are becoming the backbone of many business models. The organization creates relationships to maximize its business model, reduce risk, or acquire resources. (Alexander & Yves, 2009)

Cost structure: The Cost Structure is obtained when the business infrastructure is understood. (Hong and Clemens 2013). It describes all the costs earned while operating under a specific business model. Generating and delivering value, maintaining Customer Relationships, and generating revenue all incur a cost. The cost structure can easily be calculated after the Key Resources, Key Activities, Key Partnerships are defined.

Integrated Organization Model (IOM)

The Integrated Organization Model is a model that can be used to describe, analyze and diagnose an organization. IOM simplifies complex reality whereby all different aspects or elements influence one other. The IOM emphasizes the interrelationship of the different aspects of an organization. Though they

can be treated separately to some extent, they are still connected to one another and -ideally- in balance. When the different elements are not balanced or no clear balance, the organization will not optimally function, and needed for change will be or become evident. (MDF, 2018)

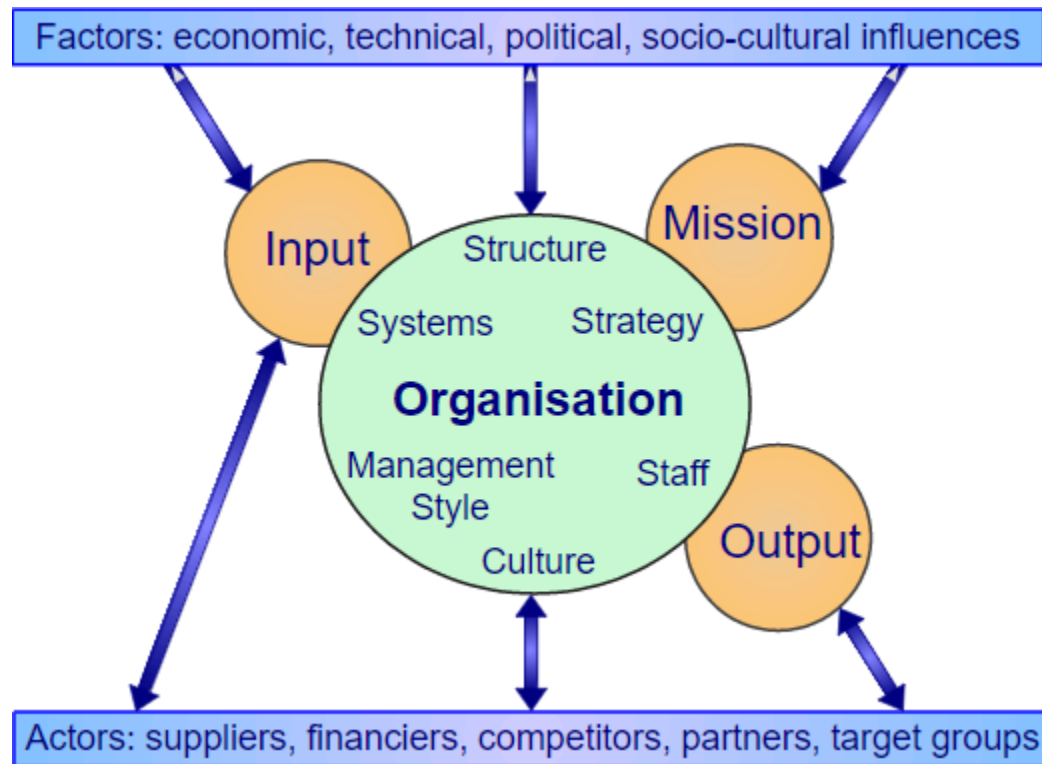


Figure 2. 6 Integrated Organization Model

Source: [MDF. \(2018\)](#)

The IOM is made up of 5 external component and 6 internal components.

External components include: Mission, output, input, general environment (factors) and specific environment (Actors). The external factors describe the environment of the organization.

Internal components include: Structure, systems, strategy, management style, staff, and culture. The internal environment describes the internal organizational choices. (MDF, 2018)

Organizational Structure

Organizational structure implies how individuals and teamwork within an organization are organized. To realize organizational goals and objectives, individual work requires to be organized and managed. The structure is a useful tool in realizing coordination, as it identifies reporting relationships (who report to whom), outlines formal communication channels, and describes how individual actions are linked together. Organizations can operate within several various structures, each having distinct advantages and disadvantages. Although any structure that is not correctly managed will be bugged with problems, some organisational models are better suited for specific environments and tasks (MDF, 2018)

Departmentalization: Organizational structure varies in terms of departmentalization, which is widely classified as either functional or divisional.

Functional Structures: Organization operating on functional structures, group jobs based on similarity in functions. These kinds of structures may have a department like manufacturing, marketing, accounting, finance, human resources, and information technology. Specialized roles and large volumes of transactions are handled and served by each person in these structures. For example, in a functional structure, a marketing employee may serve as both the event planner, planning promotional events for all the company's products ([MDF, 2018](#)).

Divisional Structures: In organizations operating on divisional structures, departments represent special products, services, customers, or geographic areas the organization is serving. Thus, each special product or service the organization is producing will have its department. Within the departments, functions like manufacturing, marketing, etc., are replicated. In these structures, employees function as generalists as contrary to a specialist. Instead of performing specialized tasks, employees perform and oversee many different tasks in the service of the product. For instance, a marketing employee in an organization that operates in a divisional structure may oversee planning promotions, coordinating relations with advertising agencies, and planning and carrying out market research, all for the product line his or her division handles ([MDF, 2018](#)).

Product:

Animal feeds globally plays a significant role in the food industry, which allows the economical production of animal-origin products in the world. Animal feeds may be produced on-farm mixers or industrial feed mills. Manufactured feeds are utilized to grow or sustain animals for food, fibre, and other products under a wide range of farming conditions ([FAO, 2010](#)).

Blended and balanced feeds are needed for the intensive production of animal products such as meat, milk, eggs, and other foods. Safe feed products reduce the cost of production, increase, or maintain food quality and consistency; it allows farms to check food safety and as well improve animal health and welfare by providing sufficient nutrition at every stage of growth and production ([FAO, 2010](#)).

Livestock feeds production includes the changing and blending of various raw materials such as maize, soybean meal, bone meal etc., with different physical, chemical, and nutritional compositions into a homogeneous and standardized mixture needed to stir up an expected nutritional response in the animal fed. The feed can be in a Pellet, Mash, or Crumble form, delivered in a bag. ([Adetifa and Okewole, 2015](#)).

Mash feed: This is the combination of ingredients in a meal form. It is a complete feed grounded into smaller particles and homogeneously mixed in such a way that it is inseparable for the birds; each mouthful provides a well-balanced diet to the birds. Mash feed is more economical and results in less death loss, and make birds grow uniformly. However, it is not so palatable to birds and does not maintain its nutritive value as ungrounded feed ([Jahan et al. 2006](#)). ([Mendes et al. 1995](#)) mentioned that birds that are feed with mash feeds had better feed conversion efficiency than those fed on pellet feed.

Pellet feed: This is a form of feed whereby the ground feed is being compressed, forced, and allowed to pass through die opening by a mechanical process that comes out in a pellet form. It is a value-added on

the mash feed. The huge benefit of feeding pellets is that there is little waste in feeding. (Asha Rajini et al., 1998) stated that pellets had better feed efficiency for up to six weeks of age of birds.

Crumble feed: This is a form of feeds whereby pellet feed is further reduced to granular form. Due to its convenience during feeding, it is becoming well known in broiler production. The crumble form of feed with a high energy level with a high protein profile has the best feed conversion ([Jahan et al. 2006](#))

2.2.4. Financial

Cost:

Cost is the amount of input (money) spent to obtain an output. It is divided into two categories: Variable and Fixed cost. ([Kay, 2020](#))

Variable cost: These are short-term costs used only once. It takes place only when something is produced and can be apportioned to individual enterprises. Variable cost varies according to the volume of output. ([Kay, 2020](#))

Fixed cost: These are long-term costs that last for more than one year. It does not change regardless of the volume of output and does not tend to change with little changes in the size of the enterprise. ([Kay, 2020](#))

Revenue:

Revenue, according to The International Accounting Standard Board (2003), means “the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an enterprise when those inflows result in increases in equity, other than increases relating to contributions from equity participant”. Furthermore, “revenue” is the gross inflow of money into the business from the sale of goods or services. ([Jit, 2018](#))

Profit:

Profit or gain is obtained from the transaction of capital and revenue collection and expenditure. Fazal (2011) asserted that “profit is the value remaining after deducting expense from revenue, which makes the receipts of revenue possible, and gains are what business earns on selling such assets which is not an inventory of the business”.

Break-even point:

Break-even point is the point at which an organization makes a profit that is equal to the cost of the production in the accounting period. Meaning the income and expenses is zero. Break-even analysis helps to find out the minimum sales volume for the business not to suffer losses but yet not made a profit. Break-even analysis can give information on whether revenue from a product can offset the cost of the product. The information can be used by management in making various business decisions on selling prices, competitive bids, etc., and helps in finding the right amount of output needed in order not they incur a loss. (Jit, 2018)

Break-even= revenue-COGS/revenue.

Chapter three

RESEARCH METHODOLOGY

This chapter presents in details a description of the study area, research design, data collection method, sampling procedure, data collection tools and how the data were analyzed.

3.1 The study Area

Taraba is a state located in the North-Eastern geopolitical zone of Nigeria. Taraba state is one of the thirty-six states in Nigeria. It was created on 27 August 1991 out of the former Gongola State and shares borders with six other states (Nasarawa and Benue states in the West, Plateau state in the Northwest, Bauchi and Gombe states in the North, and Adamawa state in the Northeast). The state was named after the Taraba River which travels through the southern part of the state. It comprises sixteen (16) Local Government Areas. Jalingo is one of the Local Government Areas and it is the capital city of the state. ([Nyameh and Jauro, 2014](#))

Taraba State is primarily an agrarian State, having about 80% of the population engaged in active farming. The state is blessed with agricultural potentials extending from fertile soils to good climatic conditions. Taraba has about 6million total landmass from which 4million hectares are arable. Every year, about a 1.3million hectares are put under crop cultivation. Some of the crops that thrive well in Taraba State and can be cultivated in commercial quantity are cereals (Maize, Millet, Soybean, Sorghum, and Rice), roots and tubers: (Yam, Cassava and Sweet potatoes), beverages (Tea, Coffee, Cocoa, and Ginger), legumes (Sesame, Groundnut), tree crops (Mango, Orange, Oil Palm, Guava, Cashew) ([Nyameh and Jauro, 2014](#))

There are three types of vegetation in Taraba state namely, The Guinea Savannah which comprises mainly forest and tall grasses, it is found in the Southern part (Wukari, Takum, Donga) of the state. The sub- Saharan is characterized by short grasses interspersed with short trees; it is found in Jalingo, Lau, Ardo-kola while the semi-temperate zone is characterized by luxuriant pasture and short trees; it is found in Mambilla Plateau. These vegetation zones are generally favorable for almost all animal production (Nyameh and Jauro, 2014).

Livestock farming plays an important role to the people of Taraba with the below estimation.

Table 3. 1 Estimated livestock population in Taraba state

Livestock	Population
Poultry	8,009,986
Sheep	3,061,666
Goats	3,686,973
Pigs	3,212,979
Cattle	5,577,980
Total	23,549,584

Source: ([Kwaghe et al. 2020](#))



Figure 3. 1 Map of Taraba State, and Local Government Areas

Source: <https://intervention.ng/5975/>

Jalingo Local Government Area is the state capital of Taraba State, it lies between latitude $6^{\circ}30'$ and $10^{\circ}36'N$ of the equator and longitude $9^{\circ}10'$ and $11^{\circ}50' E$ of the Greenwich meridian (Taraba state Government Dairy (TRSG), 2016). It covers an area of 191km^2 . It is bounded to the North by Lau and Yorro Local government areas and to the South by Ardo Kola Local government area. Jalingo is marked by two seasons, the Rainy and Dry season. The wet season starts in April and ends in October and the dry season starts in November and ends in March. The mean annual rainfall is 800mm, the mean minimum and maximum daily temperature are 14.8°C and 34.4°C respectively (TADP, 2004). The vegetation type in Jalingo is Guinea Savannah. Most of the inhabitants depend on subsistence farming to which poultry production belongs.

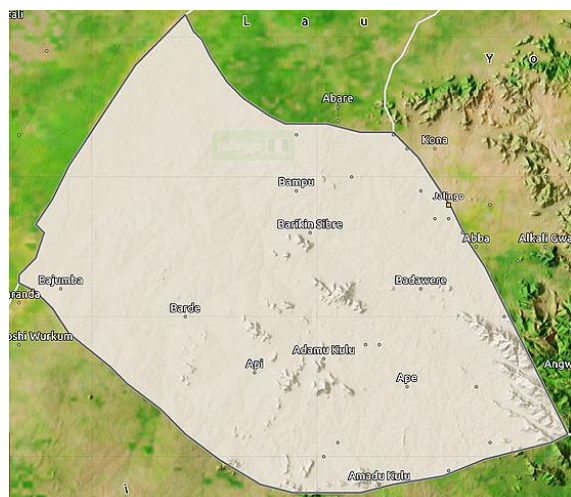


Figure 3.2 Map of Jalingo Local Government Area

Source: <http://www.maphill.com/nigeria/taraba/jalingo/maps/shaded-relief-map/satellite-outside/>

3.2 Research Strategy

The study was researched expected to assess Synergy Mimshack Int'l Feeds feed mill profitability performance to formulate new management strategies that will elevate the profitability and increase the production. To find answers to the research main questions, this research, therefore, applies the qualitative approach and quantitative approach, and data collected were triangulated with the related literature. The strategies used were desk study, case study, while survey questionnaires and interviews were the tools used for data collection.

Table 3. 2 Research questions and method of data collection and analytical tool.

	Research question	Type of data	Data source	Analytical tool	Expected outcome
1	What is the market of SMIF?				
1.1	Who are SMIF customers?	Quantitative data	Survey questionnaire to poultry farmers	SPSS, descriptive	Graphs, descriptive statistics
1.2	Who are the distributors in Jalingo district?	Qualitative data	Semi-structured interview with poultry feed distributors	Descriptive	
1.3	What is the market demand for broiler feed in Jalingo District?	Qualitative data	Semi-structured interview with poultry feeds distributors	Tables of the different distributors with the volume of feed sold.	The volume of feed sold in Jalingo
1.4	What is SMIF's market share?	Qualitative data	Interview with SMIF representative (manager and book keeper)	MS Excel computation	Market share
2	What is the current organizational situation of SMIF?				
2.1	What are the strength and weaknesses of SMIF?	Qualitative data	Interview with SMIF representative	SWOT	A table and a narrative of the SWOT
2.2	What is the business model of SMIF?	Qualitative data	Interview with SMIF representative	Business Model Canvas	A tool and Business Canvas Model narrative
2.3	What is the organizational structure of SMIF?	Qualitative data	Interview with SMIF representative	IOM	Organizational analysis.
3	What is the financial performance of SMIF?				
3.1	What is the revenue of SMIF?	Qualitative data	Desk study (record book)	MS Excel computation.	Income statements
3.2	What is the cost of SMIF?	Qualitative data	Desk study (record book)	MS Excel computation	Income statements
3.3	What is the profit margin of SMIF?	Qualitative data	Desk study (record book)	MS Excel computation	Income statements

3.2.1. Research strategy Justification

The qualitative approach was used to get in-depth information and knowledge about the organizational performance in order to identify the strength, weaknesses, opportunities and threats, financial performance, and also to get concrete information on the volume of feed sold in Jalingo from the five major poultry feed distributors in order to find out SMIF's profitability and current market share. These data were obtained through a semi-structured interview and desk study.

The quantitative approach was used to get in-depth information from the customers on the organizational performance in terms of quality, price, availability which will help in the assessment of the organization. These data were obtained through the administration of a survey questionnaire

3.2.2. Desk study

A desk study was used to give the research a key concept. It was planned and conducted before the fieldwork and continued till the end of the study. Related literature on the research problem, background, and key concept was reviewed. The secondary data on the financial performance of the feed mill was gotten from SMIF record book. Market segments, marketing mix, organization, etc. were collected through sources such as google scholar, Greeni, Science direct.

3.2.3. case study

A case study was used to collect primary data from key informants of SMIF (manager and book keeper) through online semi-structured interviews to know the current situation of the organization and also to collect primary data from poultry feeds distributors through an online semi-structured interview to know the volume of feed sold per month, and also to know the distributor's willingness to buy from SMIF when it restarts. The interviews were done using a checklist with an open-ended question. Online interviews were recorded and later transcribed.

3.2.4 Survey

The survey questionnaire was used to collect primary data from poultry farmers to get a wider scope of information about the organizational performance towards them. 52 farmers were purposively selected. 11 digital survey questionnaires were sent to farmers that have access to the internet through WhatsApp because some were out of town at that moment and others said that WhatsApp would be easier for them because they are always online. All 11 respondents responded. The same questionnaire was sent by e-mail to the research assistant, 41 hard copies of the survey questionnaires were printed to be administered to farmers that do not have access to the internet, and all 41 responded. The questionnaire contained possible replies to tick. This tool was used because it will help the researcher gather relevant data in a standardized format to help find answers to the research questions. The research assistant was selected because he is an animal scientist and has been working with the poultry farmers for over eight years, and the data were purposively collected. The research assistant was briefed by the researcher on the scope of the research.

3.2.5 Semi-structured Interview

A one-on-one online semi-structured interview with the key informants of SMIF (manager and book keeper) and poultry feeds distributors was carried out. Series of questions were also addressed through phone calls, WhatsApp calls, and chats. The responses of the key informants were recorded though some did not agree to be recorded. The purpose of the interview was to acquire in-depth information about SMIF performance, the feed business, market demand, poultry feeds distributor experiences and to know in detail about the feed phenomena in Jalingo. The interview questions were sent to the respondent before the interview for them to get familiar with the questions and the answers that are needed and necessary for this research.

3.3 Research framework

Figure 3.2 explained the processes involved in the research from the start to the end for successful completion. It consists of a Desk study, Case study, Survey.

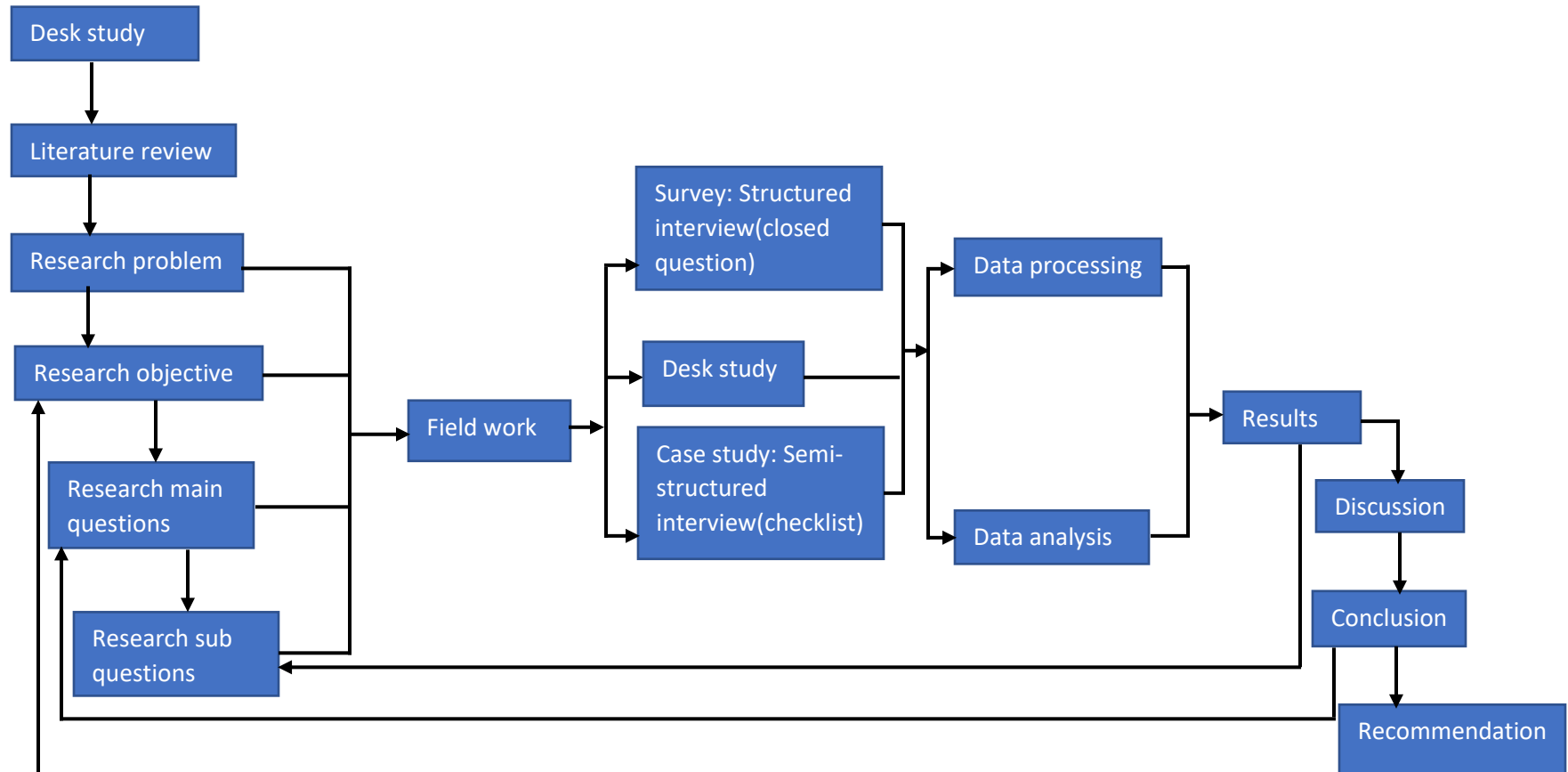


Figure 3. 2 Research Framework

Source: Author's Design.

3.4 Sampling Strategy

The sampling method used for this research was a purposive selection for SMIF feed mill companies, poultry farmers, and poultry feed distributors. Two respondents from SMIF were select because they are the manager and the accountant of the company and can give data on the information required. Fifty-two poultry farmers were selected because they keep broilers, they are SMIF customers, they can easily be accessed. Fifty-two farmers were selected because the number can be statistically represented. Five poultry feed distributors were selected because they are the major feed distributors in Jalingo and each of them sells a different brand of feed such as Animal care feed, Chikun feed, Livestock feed, Top feed, and Vital feed.

Table 3. 3 Sampling Strategy

Respondents	Size	Method	Sampling method
SMIF	2	Semi-structured interview	Purposive
Poultry farmers	52	Survey questionnaire	Purposive
Poultry feed distributors	5	Semi- structured interview	Purposive
Total	59		

3.5 Data collection

Semi-structured interviews were used to obtain primary data from SMIF and distributors. In addition, questionnaires were used to collect primary data from poultry farmers. Secondary data were collected from scientific publications on the key concept, dimensions, aspects, and SMIF record book. Purposive sampling was used to obtain data from 2 SMIF representatives, 52 poultry farmers, and 5 poultry feeds distributors making a total of 59 respondents. The questionnaire can be found in Annex 1. The interview questions for SMIF representatives and poultry feed distributors can be found in Annex 2 and 3. Data were collected in 3 Weeks. The validity of the findings was obtained by the combination of literature reviews and data collection and was triangulated.

Table 3. 4 Overview of secondary and primary data collection.

Research strategy	Purpose	Data collection	Respondents/sources
Secondary data collection			
Desk research	To carry out literature reviews on the key concept and dimensions, to review SMIF business performance	Google Scholar, Greeni Search engine	Internet
		SMIF record book	SMIF representative
Primary data collection			
Survey	To have an overview of SMIF performance from poultry farmers.	Structured questionnaires	Poultry farmers purposively selected
Interview	To have in-depth information on SMIF business and in-depth information about feed business	Semi-structured interview	SMIF representative, Distributors purposively selected.

3.6 Data processing and Analysis

Qualitative data from the interview with SMIF representatives were analyzed using SWOT, Business Canvas Model, IOM, MS Excel computation. Interviews with the poultry feed distributors were analyzed using [Law et al \(2013\)](#) core process and the data from the questionnaire will be analyzed using SPSS descriptive software version 26.

3.7 Analytical Tools Justification

To assess SMIF profitability, six analytical tools were used to describe and analyze SMIF'S Organization:

- SWOT is an analytical tool used to analyze organizational strengths, weaknesses, opportunities, and threats which helps an organization to build on what they do well, address what they are lacking, reduce risks and take possible advantages to success.
- Business Model Canvas is an analytical tool and developmental tool used to figure out elements like SMIF business concept, the problem we are solving, for whom, how we value our customer, how our products get to the consumers, how we can stay competitive, and the revenue and cost.
- Integrated Organizational Model (IOM) was used because it describes and analyzes the internal component such as structure, management style, strategy, staff, culture, system, and external components such as factors, actors, input, output, and mission of the organization.
- MS Word Excel was used to compute an organizational financial record because of its ability to automatically calculate and support complex formulas.
- Law et al (2013) core process is used to analyze the interviews and it consists of four main steps such as:

Step 1: categorizing the answer and number the interviewees.

Step 2: the categories and the code of the interviewee were put in a table with their responses filled horizontally per category.

Step 3: the categories were vertically analyzed.

Step 4: analyzed to which extend the categories answered the research question.

- SPSS was used to process critical data from the survey in simple steps and analyze, transform and produce a characteristic pattern between different variables. In addition, the results can be obtained in a graphical form for easy understanding by users.

3.8 Limitations of the study

During the fieldwork, some limitations were encountered by the researcher and the research assistant.

- Three of the distributors have no social media account, therefore, normal calls were put across to them for the interview which cost the researcher much because it was an international call and they did not agree the interview to be recorded.

Chapter four

RESULTS

This chapter presents results obtained from key informant interviews, poultry farmers survey and document reviews. The results are presented based on the sequence of the sub-questions.

4.1 What is the market of SMIF?

4.1.1 *Who are SMIF Customers?*

Based on the result from the questionnaire distributed during the fieldwork, SMIF customers are broiler farmers. 52 questionnaires were distributed all respondents responded to the survey questions.

Gender

Figure 4.1 presents SMIF customer's gender.

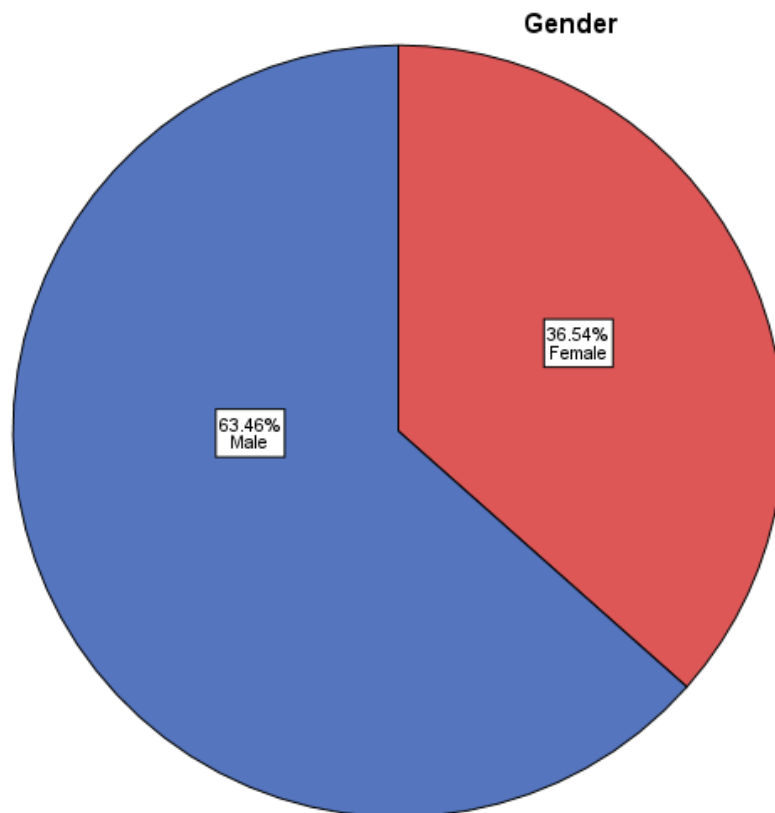


Figure 4. 1 Gender of SMIF poultry farmers

Based on the responded questionnaire, 36.54% of the respondents are female while 63.46% are male poultry farmers as shown in figure 4.1.

Age

Figure below 4.2 shows the age ranges of SMIF customers

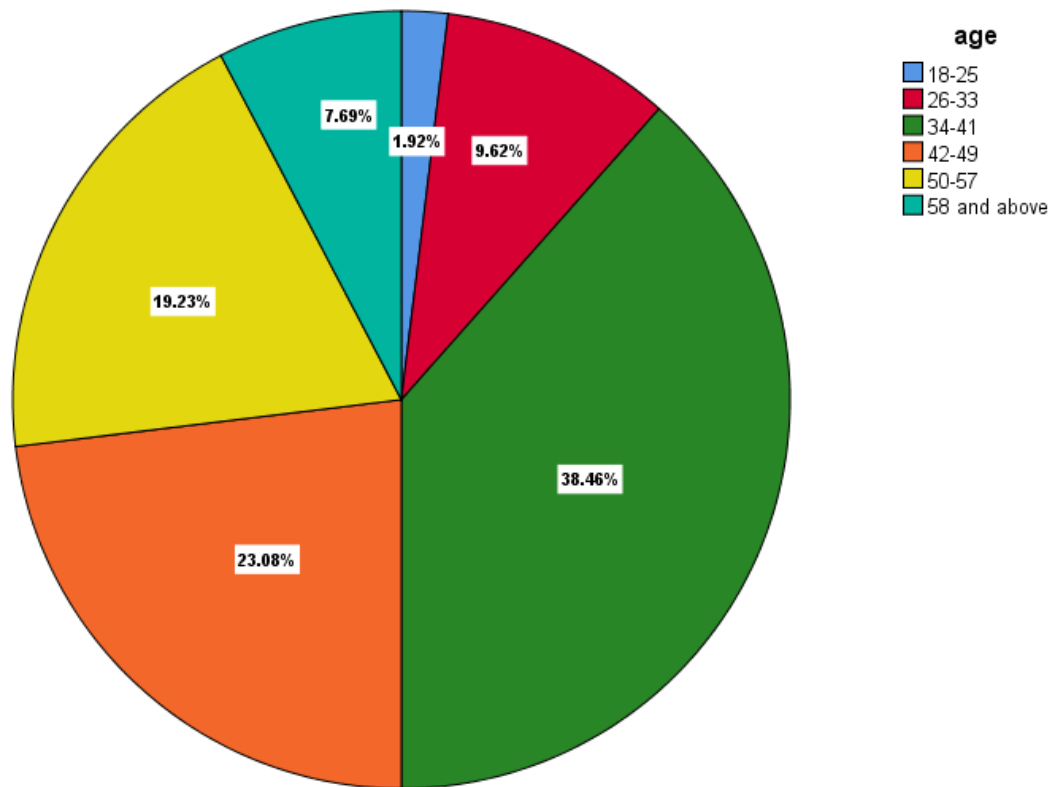


Figure 4. 2 Poultry farmers' age.

As shown in figure 4.2, a majority of the respondents (SMIF customers) were aged between 34- 49. However, 1.92% are within the age bracket of 18-25. In addition, 7.69% are poultry farmer above age 58.

Farm size

Figure 4.3 shows the flock size of SMIF poultry farmers.

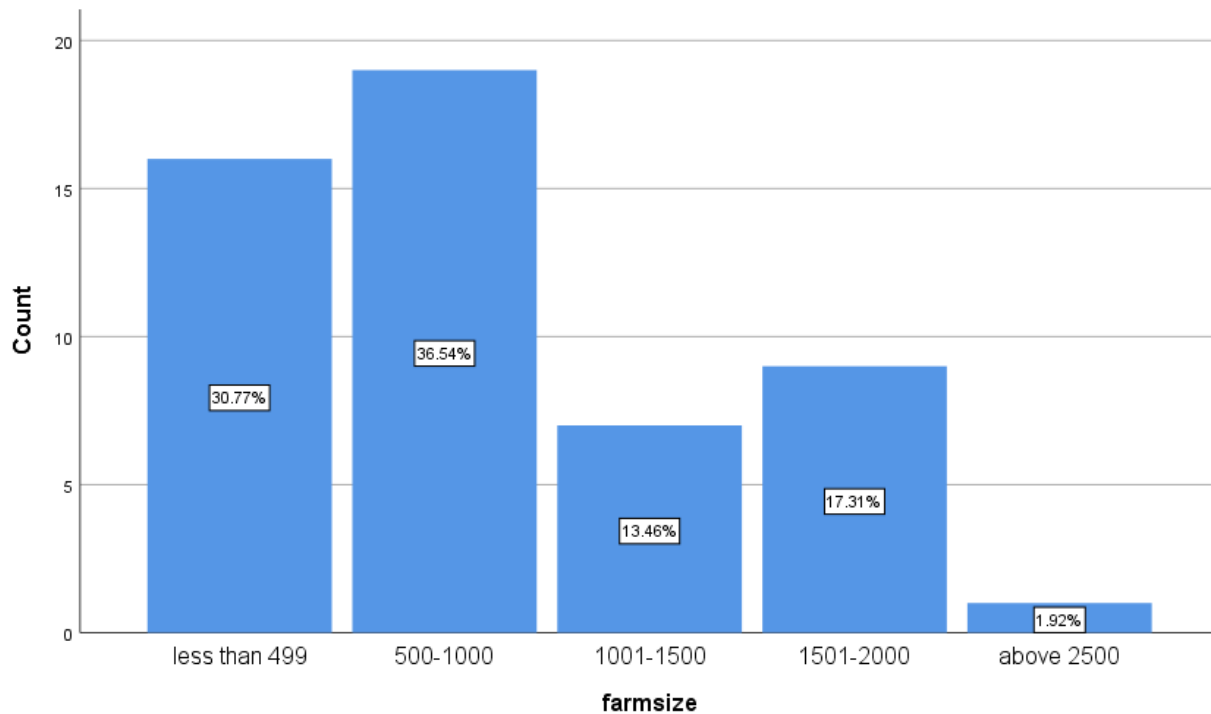


Figure 4. 3 SMIF customers farm size

The responses from the questionnaire shows that 36.54% farmers' rear birds within the range of 500-1000, 30.77% reared 499 and below. However, 1.92% rear 2500 birds and above.

The figure above can be summarized into segments based on the farm size.

Table 4. 1 Summary of farm size

Segments	Farm size
Large	Above 2000
Medium	1001 – 2000
Small	Less than 499 – 1000

The segment with above 2000 farm sizes are considered to be the large-scale farmers, while, the poultry farmers with less than 1000 birds are considered as small-scale farmers.

Satisfaction based on quality

Figure 4.4 below shows the farmers satisfaction based on feed quality.

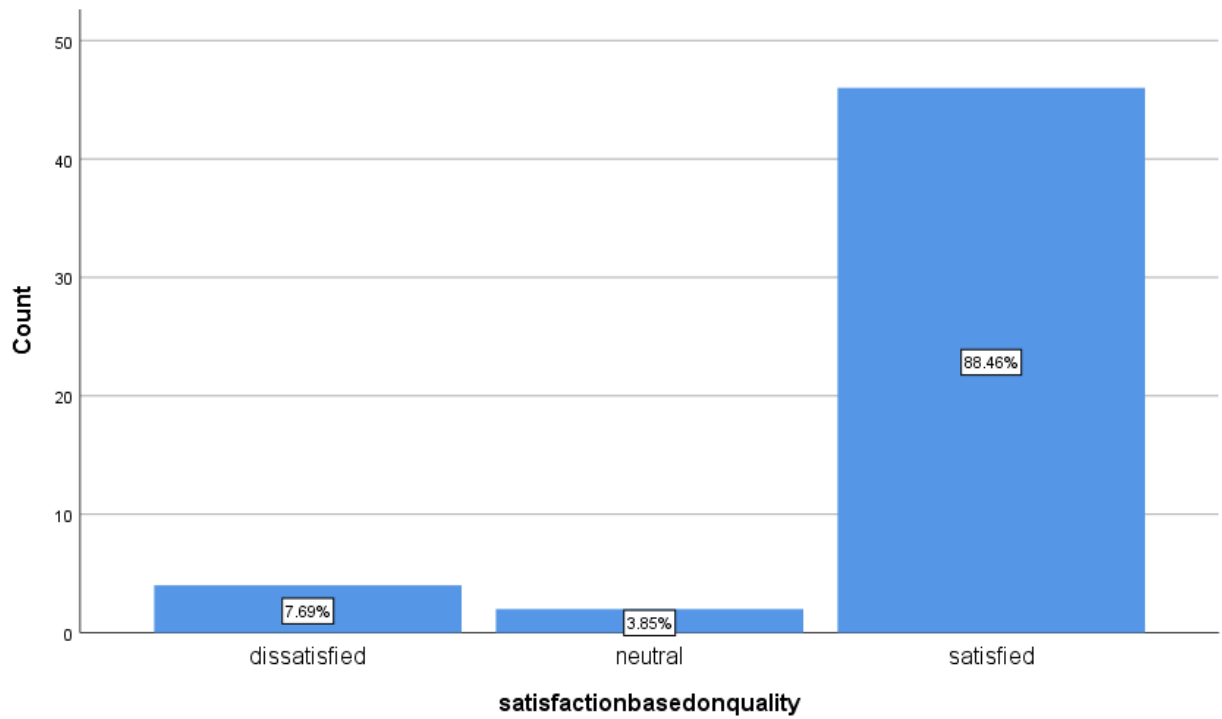


Figure 4. 4 Satisfaction based on quality

From the figure above, 88.46% of SMIF customers are satisfied with the quality, 7.69% are dissatisfied while 3.85% are neutral about the feed quality of SMIF.

Where do you buy feed currently?

Figure 4.5 shows where SMIF customers buy feed currently

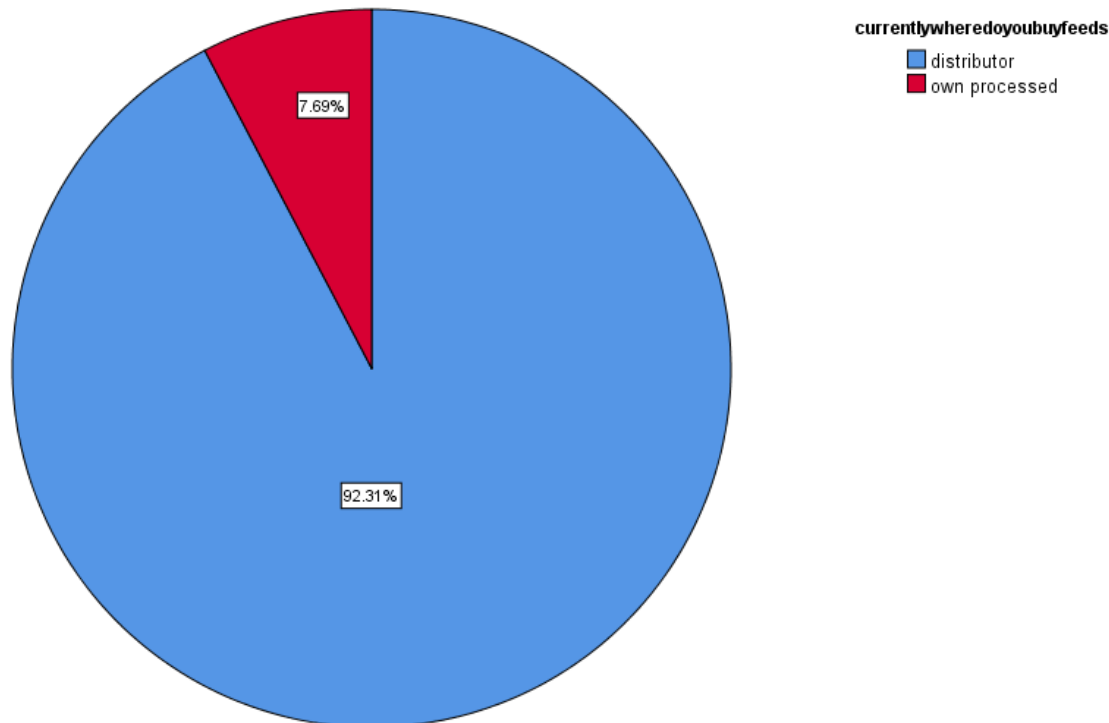


Figure 4. 5 Where SMIF customers buys feed

From figure 4.5, 92.31% of SMIF customers buy feed from the poultry feed distributors currently, however, 7.69% manufacture their own feed.

4.1.2 Who are the feed distributors in Jalingo district?

Five distributors were interviewed, two were female and three were male. According to the distributors, their experiences with the farmers on daily basis have been an avenue for learning new things every day. They all purchase feed in trucks that carries 1200 bags of feed at a time and according to the distributors, the business is profitable.

Store location

The respondent's shops are located in different strategic area in Jalingo, distributor 1 is at number 43 Danbaba Suntai way, catholic church, Jalingo, distributor 2 is beside access(diamond) bank, bank road, distributor 3 is at Mayogwai market, however distributor 4 and 5 are at Sabon Pegi and Hamaruwa way respectively. Distributor 2 and 3 mentioned that they have branches in other areas in the city, however distributor 1,4,5 have no other branches elsewhere but are planning to open soon, distributor 1 quotes "I have many customers coming from different places and it has not been easy for them to access the feed, I want to make it accessible for them by opening another shop in their location". Distributor 2 and 5 stated that they have customers that buys in large quantity for retailing.

Years in business

From the results obtained from the interview with the distributor, distributor 5 have been in business for three years, distributor 1 and 4 have been in the business for four years, however distributor 3 and 2 has been in business for 6 and 17 year respectively.

All the distributors sell various brands of feed purchased from different location within Nigeria, with different time frame for the arrival of the trucks. They all sell different forms of feed. The table below show more information:

Table 4. 2 Gender, different brand of feed, feed form, purchased location and the time frame truck takes to arrive Jalingo

	Gender	Brand of feed sold	Feed form	Purchased location	Trucks time duration
Distributor 1	F	Chikun feed (Olam feed)	Mash & pellet	Kaduna State, North-Western part of Nigeria	1-2 weeks
Distributor 2	F	Vital feed	Pellet	Plateau State, Central region of Nigeria.	2- 3 days
Distributor 3	M	Animal care feed	Mash	Ogun state, Southwestern part of Nigeria.	3 weeks or more
Distributor 4	M	Livestock feed	Mash	Lagos State, Southwestern part of Nigeria.	3 weeks or more
Distributor 5	M	Top feed	Mash	Oyo state, Southwestern part of Nigeria.	3 weeks or more

From table 4.2 most of the feed sold in Jalingo are transported from the southwestern region of Nigeria, hence it takes 3 or more weeks to arrive Jalingo. Distributor 2 quotes “when the truck breaks down, it takes one or more weeks before it arrives”.

Price per bag

From the interview, all the distributors sell different brand of feed, shipped from different location within the country, therefore, they have different prices due to other logistics. However, according to all the distributors, the price of broiler starter and broiler finishing are the same price because the differences in the prices are not much.

According to all the distributors, sales of feed is not stable all year round, they indicated that there are periods when they sell more such as festive period and there are periods when they sell less like after the festive period. Distributor 2 quotes that “for example, during the dry season the birds eat less while during the raining season, the birds eat more. So, during the rainy season, the market moves well. like in the month of January, February, March, the market is low but around April, which is also a festive period, the market moves well”.

Table 4. 3 Different prices for different brands of feed and the average number of bags sold in a month.

	Price (for both broiler starter and finisher) per bag (25kg)		Average number of bags sold per month.
	₦	€	
Distributor 1 (mash & pellet)	6700	11.65	1000

Distributor 2 (pellet)	6300	10.95	3600
Distributor 3 (mash)	6600	11.48	2400
Distributor 4 (mash)	6650	11.57	1800
Distributor 5 (mash)	6700	11.65	1800

The table shows that distributor 1 and 5 sells at the same price (N6700(€11.65)), however the other distributors prices vary. Distributor 4 and 5 sell the same average number of bags in a month (1800), however, others vary. The table also shows that distributor 2 sells at a lower price (N6300 (€10.95)) than all the four distributors and sells more bag in a month (3600).

Credit

According to all the distributors, they do not purchase feed from their manufacturers on credit, they added that manufacturers will not ship your order not until the money is fully paid, therefore they all mention that they do not sell on credit to poultry farmers. they all mentioned that sometimes they consider their relationship with customer, however, the customer has to pay for more than half the price of what he or she is buying. Distributor 4 quotes: “I can owe customers a maximum of 10 thousand naira (€17.39) only”.

Purchase from different manufacturer

Based on the interview, distributor 1,3,4, and 5 said they will be willing to sell another manufacturer’s feed as long as the quality of the feed is good and grow birds fast. However, distributor 2 cannot sell from any other manufacture because of the contract signed with vital feed. Distributor 2 quote: “I am the key distributor of vital feed in Taraba state, all other sub-distributors and retailers in Taraba state buy from me”.

4.1.3 What is the poultry feed market demand for broilers in Jalingo district?

Table 4. 4 Shows the volume of feed sold by the distributor in a month

	Distributor 1		Distributor 2		Distributor 3		Distributor 4		Distributor 5		Total
Volume (kg)	25,000		90,000		60,000		45,000		45,000		265,000
	N	€	N	€	N	€	N	€	N	€	
Purchase price 25kg	6400	11.13	6200	10.78	6350	11.04	6400	11.13	6450	11.22	
Selling price in 25kg	6700	11.65	6300	10.95	6600	11.48	6650	11.57	6700	11.65	
Gross margin %(revenue- COGS /revenue)	4.5		1.6		3.8		3.8		3.7		

Table 4.4 shows the volume of feed each distributor sells in a month. From table 4.1 above, the distributors sell their feed at different prices, distributor 1 sells at N6,700 (€11.65), however distributor 2 sells at N6,300 (€10.95). According to the five distributors, broiler started feed and finisher feed are sold at the same price because the difference between the prices is not much. They also added that feed is expensive especially broiler starter, hence, selling it at the same price. According to the distributor

sales of feed depends on seasonality, they mention that they sell more during festive periods. However, on average, 265,000kg of feed is been sold in Jalingo per month.

4.1.4 What is SMIF market share?

Table 4. 5 Market share of SMIF in Jalingo (as of 2020)

	Average No of bags sold per month	Volume in Kg	Market demand (kg)	SMIF market share (%)
Starter	70	1,750	-	-
Finisher	100	2,500	-	-
Total	170	4,250	265,000	1.6%

To derive the market share of SMIF, the previous average monthly sales records were used in relation to the current volume of market demand of broiler feeds in a month. The reference used was the sales of the current distributors operating in Jalingo Districts.

The market share of SMIF was 1.6%, as reflected by the average volume of feeds that were sold to the poultry farmers on table 4.2. Currently, these farmers are buying their feeds from the distributors.

4.2 What is the current organizational situation of SMIF?

4.2.1 what are the strength and weaknesses of SMIF?

SWOT was used to analyze organizational strengths, weaknesses, opportunities, and threats which helps an organization to build on what they do well, address what they are lacking, reduce risks and take possible advantages to success.

Table 4. 6 Illustrates the strengths, weaknesses, opportunities and threats if SMIF

Strengths	Weaknesses
<ul style="list-style-type: none"> ➤ Raw materials are readily available in the region ➤ Machinery and infrastructure to increase production to full capacity is in place ➤ Good quality feed ➤ Meet customers expectation ➤ Have good customer relation ➤ Registered with CAC and Trade Mark 	<ul style="list-style-type: none"> ➤ No sufficient records keeping ➤ Producing below capacity ➤ Insufficient qualified staff ➤ Selling on credit to poultry farmers
Opportunities	Threats
<ul style="list-style-type: none"> ➤ High feed demand ➤ Selling directly to distributors ➤ Cash security when selling to distributors ➤ Production capacity could increase when selling to distributors. ➤ Soft loans from friends and families. 	<ul style="list-style-type: none"> ➤ Continuous shipping of different brands of feeds ➤ Delay in soybean meal supply

The above table shows the strengths, weaknesses, opportunities, and threats of SMIF according to the interview conducted with the SMIF feed mill manager. The manager stated that raw materials are available in the region and machinery and infrastructure like transportation system, electric systems etc. are in good condition to increase production. He further mentioned that SMIF produces good quality

feed and customers liked it because it grows their broiler to maturity within 5 to 6 weeks of age with an average weight of 2.5kg and they have a good relationship with their customers. According to the manager, the challenges they face that are threatening the business are the continues shipping of different feed brand. Sometimes, the record book shows they have money but there is no money in the account. He further quoted that *“we hope to find a way in which we will stop selling directly to farmers”*. He mentioned that the supply of soy bean has been a threat to the company due to distance (690.3km), he added that, sometimes it take more than 2 weeks to get the supply. However, he said he has found a milling company in Adamawa State (Afcott) about 144km to Jalingo where soy beans meal can be purchased. In addition, the manager says, they have a big market opportunity in Jalingo because more poultry farmers are coming into the business and different customers keep calling requesting for feed supply, and he quotes *“we can go beyond what we produce for now”*.

4.2.2 What is the Business Model Canvas of SMIF?

Business Model Canvas was used to analyze and figure out elements like business concept, the problem we are solving, for whom, how we value our customer, how our products get to the consumers, how we can stay competitive, and the revenue and cost of SMIF.

Table 4. 7 Illustrates the business model canvas of SMIF

Key partners	Key activities	Value proposition	Customer relationship	Customer segment
a. Key suppliers <ul style="list-style-type: none"> • Hi nutrient • Fortune oil mill • Maize farmer • Vinny enterprise b. activities of key suppliers <ul style="list-style-type: none"> • Supply of macro ingredient • Supply of micro ingredient • Supply of equipment 	<ul style="list-style-type: none"> • Purchasing of raw materials • weighing the raw materials • laboratory analysis to ascertain the raw material quality • weighing of macro and micro-ingredients for production • crushing of the macro ingredient in the hammer mill • conveying the crushed ingredient to the mixer • mixing the macro and the micro ingredient in the mixer • bagging and sealing of the bag. • supply 	<ul style="list-style-type: none"> • Broiler starts mash • Broiler finisher mash 	<ul style="list-style-type: none"> • Trust and transparency • Customer segmentation based on buying capacity • Product delivery when more than 20 bags of feed is ordered 	<ul style="list-style-type: none"> • Poultry farmers
	Resources		Channels	

	<ul style="list-style-type: none"> • Land for expansion • Casual labor • Transport • Branded bags • Equipment's machinery 		<ul style="list-style-type: none"> • poultry farmers 	
Cost structure		Revenue stream		
<ul style="list-style-type: none"> • labor cost • cost of input • running cost 		<ul style="list-style-type: none"> • Sales of feeds 		
Social and environmental cost <ul style="list-style-type: none"> • The use of generator pollute the air in the community • Burning of sacks that cannot be sold for re-use 		Social and environmental benefit <ul style="list-style-type: none"> • Job creation • Knowledge transfer to poultry farmers • Effective disposal of wastes (used sacks and boxes for raw materials) 		

Customer Segments

According to the SMIF manager, SMIF sells its feeds directly only to poultry farmers. He added that the criteria used for customer's segmentation was farm size, such as the small (less than 500 birds), medium (500- 1000 birds) and large (above 1000 birds), and they approach them differently. The small farmers buy at the factory gate while the medium and large segment who buy more than 20 bags of feed at a time, the feed is being delivered to them at their farm gate. According to the manager, customers within the smaller segments are mostly female while those within the medium and larger segment are male.

Value Proposition

SMIF manufacture broiler starter and broiler finisher in a mash form for poultry farmers. They manufacture mash feed because they don't have the capacity to install a pellet machine yet. The is packaged in a 25kg bag.

Channels

SMIF sells to farmers at the factory gate, whereas, for customers that buy more than 20 bags of feed, the company uses its van to deliver at the customer's poultry farm.

Customer Relationship

The relationship SMIF has with its customers is cordial. According to the manager, sometimes staff are assigned to go round the poultry farmers' farms to check how the business has been so far and how effective the feed is to their birds. SMIF also offer professional advice and seminar to poultry farmer as a competitive advantage they have over their competitors to encourage the farmers especially the small segments who have potentials to grow. He quotes "that's the reason why they come to us". The manager also stated that the major challenge experienced with the farmer is that the farmers take time to pay for the feed collected on credit and sometimes some do not pay because of some reasons beyond their control.

Revenue Stream

The revenue stream for SMIF depends on the feed sold to the poultry farmers. A bag of broiler starter cost ₦ 4,300 (€7.5) And a bag of broiler finisher cost ₦4,000 (€7) The method of payment is usually cash payment or bank transfer, depending on what is convenient for the customers.

Key Resources

According to the manager, SMIF has a large land of 100m x 50m to expand and presently, the company produces 1 tons of feed in a week whereas the machine has a large capacity of 2 tons (40bags) of feed per hour to increase production. In addition, it has about six thousand branded bags, a 50kVA generator for production and other machinery and equipment, and a van for delivery feed to farmers and purchase of raw materials used for production, and it is used for other things patterning to the business. The manager said they have casual laborers that they pay based on the number of bags produced.

Key Activities

The manager started that they key activities of SMIF is buying of raw materials from the maize farmers and buying macro and micro ingredient from other companies. When the ingredient arrived at the factory, it is weight to be sure that what was order was what was supplied. During production, raw materials are blended, weighed according to the kind of feed and the age of the birds the feed is to be manufacture. The weighed macro ingredient passes through the crusher. In the crusher, it breaks the ingredient into smaller sizes according to the age of the bird. It moves through a conveyor to the mixer where the micro ingredients are added and thoroughly mixed together. The feed is bagged, weighed into 25kg, sealed, and then distributed to poultry farmers. The flow key activity is represented in the flow chart below.

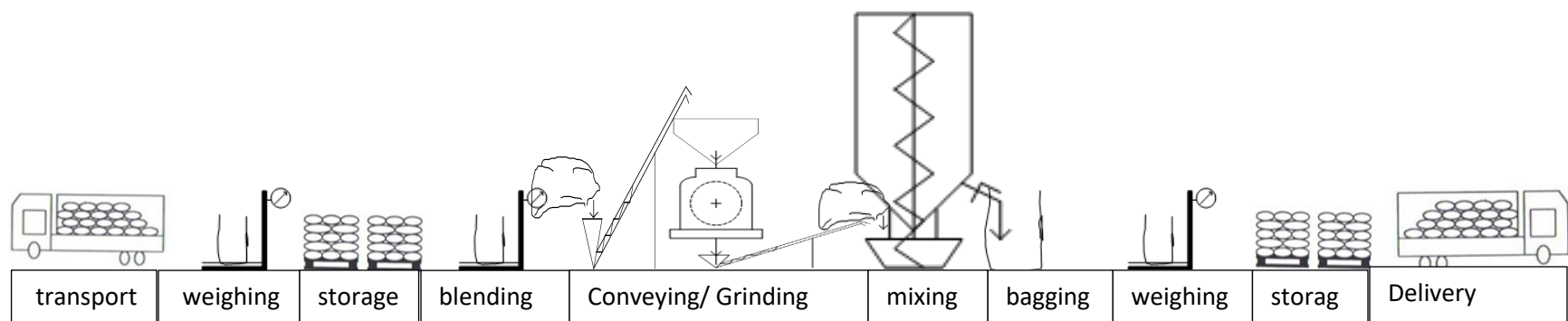


Figure 4. 6 SMIF activity flow chart.

source. [Mulder, \(2017\)](#)

Key Partners

The manager indicated that SMIF key partners are maize farmers, Hi Nutrient Ltd which supply micro ingredient, fortune oil company which provides soybean mill. The manager further added that Vinny Enterprise supplies equipment and other machinery.

Cost Structure

Based on available account records, In the year 2020, SMIF total fix cost is ₦444,000 (€772.17), while the average variable cost is ₦845,850 (€1,471.04). The annual cost of raw material used for broiler starter is ₦3,084,480 (€5,364.31) and for broiler finisher is ₦4,161,600 (€7,237.57). and total operating expenses is ₦8,535,930 (€21,339.83) in the year 2020. However the total fix cost and average variable cost will be use for the breakeven analysis.

4.2.3 What is the organizational structure of SMIF?

Integrated organizational model (IOM)

Integrated Organizational Model (IOM) was used to describes and analyzes the internal component such as structure, management style, strategy, staff, culture, system, and external components such as factors, actors, input, output, and mission of the organization of SMIF.

Mission

“To be a highly professional and responsible organization, with a reputation; for meeting employees and customer’s needs”.

SMIF has a formulated mission that is relevant to the situation of the poultry farmers, it is supported by the staff and management, understood, and accepted by stakeholders. The mission is also well translated into long-term objectives.

Output

The outputs of SMIF are broiler starter and broiler finisher in Mash form.

SMIF offers a relevant product to farmers hence addresses the farmer’s needs. The feeds address the different roles and positions of farmers; there is a demand for the feeds but it finds it difficult to meet customers' demand because it produces below capacity. According to the manager, the organization can meet customers' demands when it utilizes the machine full capacity.

Inputs

The organization makes use of several inputs and services to allow it to meet up to its established mission statement and product delivery. Such inputs are:

- Buildings and installations:

The site located adjacent to New Era Primary School Nukkai, Jalingo, houses the feed milling plant and administrative block. The factory and office premises are in good order.

- Equipment and tools:

The organization makes use of machinery, equipment, tools, and materials. The major machinery is Hammermill, screw conveyor, mixer, industrial generator, van. The equipment’s are scale (one-ton capacity, 150kg), trolley, bag closer. The tools are spinners, screwdrivers, etc. the materials are the branded bags, micro ingredient, and macro ingredient, etc. The office equipment, factory equipment is adequate.

- Production Materials:

SMIF suppliers of raw materials are reliable in terms of quality and some provide the analytical results of their raw materials, though some delay in supply of raw materials.

Table 4. 8 Presents the list of raw material SMIF used and other materials used in the production process.

Feed mill	Macro ingredients: maize, soybean meal, wheat offal, bone meal, etc. Micro ingredients: premix, salt, methionine, lysine limestone, etc. Other materials: packaging materials, maintenance items like lubricants, engine oil, etc.
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- Finance:

The organization has inadequate financial means and has not had enough access to financial support because the organization couldn't meet the bank requirement of monthly minimum deposit of 3,000,000 (5,217). The organization has no short-term debts and has a financial risk.

- Utility services:

Electrical supply is a big challenge in the area, as a result of that, the organization uses a generator for its production.

Actors

- *Input suppliers:* The organization depends on several input suppliers within the state and outside the state. Some of the input suppliers within the state are local farmers who supply maize, maize mill factories that supply maize bran. The input suppliers outside the state are Hi Nutrient (supplier of micronutrients like premix, methionine, lysine, etc.), Fortune oil (supplier of soybean meal, soy oil), Vinny enterprise (which supplier of bone mill, limestone, etc.).
- *Financiers:* Synergy Mimshack Int'l Feeds got her capital from the competition won by the CEO, and other funding was received from friends and family. The organization has a good relationship with the financiers but is not satisfied with the financiers' policy to grant soft loans. Several times SMIF attempt to obtain a loan to increase production but to no avail because SMIF did not meet the bank's requirements. However, SMIF has the possibility of obtaining soft loan from friends and families to increase production based on the level of trust established.
- *Competitors:* SMIF competitors are Vital feed, Animal care feed, Chikun feed, livestock feed, and Top feed.
- *Partners:* Our partners are family and friends, input suppliers, and our customers.
- *Target groups:* Our target groups are the broiler farmers. According to the feedback received from a farmer during our farm visits, they are satisfied with our quality but are not satisfied with the volume available
- *Regulatory Agencies:* Regulatory Agencies such as the National Food and Drug Administrative Control (NAFDAC) under the Federal Ministry of Health are responsible for regulating and controlling the manufacturing, sale, use of food, etc. Standard Organization of Nigeria (SON) is responsible for setting and maintaining standards for products imported or manufactured in Nigeria. SMIF is in good relationship with the Regulatory Agencies.

Factors

- *Political:* The democratic government system of Nigeria has been stable as the government turned its attention on the Agricultural sector, encouraging local production and foreign investment, and banning food importation. However, the government interest in agriculture has not yet tackled the difficulty in accessing financial credit to assist livestock farmers to increase production.
- *Economic:* Nigeria's economy is characterized by strong economic growth (The World Bank 2014b). However, two-thirds of her population exist on less than the US \$1 per day. The inflation rate is relatively high (African Economic Outlook 2012). Roads are still bad which affects products access to the market. Inadequate funding limits farmers from getting necessary resources and technologies to assist them to produce efficiently and remain in production (Esiobi et al. 2014). Feed cost is one of the highest variable costs in the poultry production process (Esiobu et al. 2014; Nmadu et al. 2014; Ohajianaya et al. 2013; Tijjani et al. 2012). Moreover, recently, there has been a rapid increase in feed price which makes it difficult for the farmer to buy the quantity of feed they need for production. The fluctuation of prices in the market of feed raw materials is an important economic factor that affects the organization.
- *Socio-cultural:* in my region, poultry farming is one of the major occupations of the people and is mostly practiced by men. Youths are graduating from colleges without jobs, as a result, they are going into poultry farming.

Strategy

The manager said the organization has an explicit policy concerning its staff, it has a preference for men at the manufacturing unit because it requires masculinity but considers women in the administrative positions. The strategy is in line with the mission, and it is clear and realistic, but the annual plan is not regularly monitored.

Structure

The figure 4.7 shows SMIF organogram.

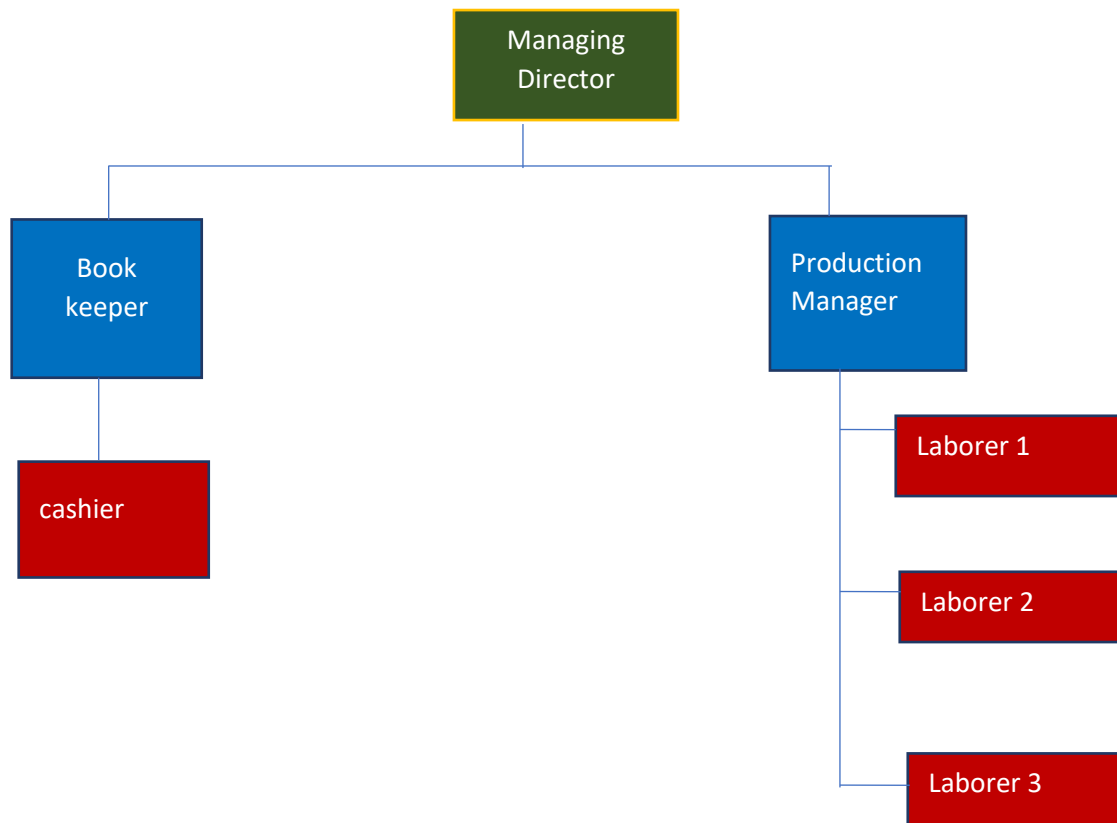


Figure 4. 7 SMIF Organogram

CEO: The CEO oversees the organization, manage the overall operations and resources of the organization, make the major cooperate decision, delegate responsibility to staff.

Accountant: He gives advice, provides information about records.

Production manager: He oversees the production process and regulates schedules where necessary, monitors quality standards, etc.

Cashier: She is responsible for answering customers questions, welcoming them, accepting payments, making sure that the price of feed supply is accurate, and providing a receipt to customers

Laborers: They are responsible for feed production at the feed mill, weighing of the ingredient, bagging the feed.

According to the manager, though SMIF has limited staff, responsibilities are shared, and everyone understood his or her responsibility. He added that there is sufficient coordination between the units

Systems and processes

According to the manager, the financial/ administration procedure is not adequate, the organization doesn't adhere to some procedures, the work method, and procedure at the production unit are adequate and staff working at the production unit adhere to working procedure. Monitoring indicators are not realistically developed. Information about the report system is not adequate and no audit report has been made.

Staff

Table 4. 9 Number of staff in SMIF

Department(dept)	Permanent staff	Casual staff	Male	Female	Total number of staff	Salaries/month	
						₦	€
Management staff	3	-	2	1	3	48,000	83.50
Feed mill unit	-	3	3	-	3	8,500	14.80
Sales unit	1	-	-	1	1	6,000	10.40
Cleaners	-	1	-	1	1	3,000	5.20

The performance of staff is not adequate because they are not reviewed from time to time, though their salaries are always adequate and are paid on time. The staff is not utilized adequately because there are no development activities organized. The staff are multitasking and engage in jobs they are not qualified for.

Management Style

Decisions are not taken in time, not all staff are involved in the decision making but all staff is informed on decisions taken to make the organization better. The organization is mostly concern with quality and makes sure that good quality raw materials are purchased. There is a good relationship between staff.

Culture

In our organization, transparency is put into account, everyone knows his or her responsibility but carrying out the task accordingly has been challenging.

4.3 What is the Financial performance of SMIF?

Based on the available financial data of SMIF, below are the financial statements. The currency conversion rate used, was the rate at the time the research started (1 euro to 575 naira).

Balance sheet

Table 4. 10 Shows SMIF balance sheet as of December 31,2020

SYNERGY MIMSHACK INTERNATIONAL FEED				
BALANCE SHEET				
as of December 31, 2020				
			in Naira	in Euro
ASSETS				

Current Assets				
	Cash		800,000.00	2,000.00
	Accounts Receivables		-	
	Inventory: Feeds		-	
	Inventory: Raw Materials		-	
	Inventory			
	Prepaid Expenses		-	
Total Current Asset			800,000.00	2,000.00
Fixed Assets				
	Land		700,000.00	1,750.00
	Building	600,000.00	570,000.00	1,425.00
	Less: Depreciation	30,000.00		
	Equipment and Other Machineries	2,910,000.00	2,716,000.00	6,790.00
	Less: Depreciation	194,000.00		
	Vehicle	500,000.00	475,000.00	1,187.50
	Less: Depreciation	25,000.00		
	Furniture and Fixture	500,000.00	450,000.00	1,125.00
	Less: Depreciation	50,000.00		
Total Fixed Assets			4,911,000.00	12,277.50
TOTAL ASSETS			5,711,000.00	14,277.50
LIABILITIES				
Current Liabilities				
	Accounts Payable		-	
	Interest Payable		-	
Total Current Liabilities				

Long-term Liabilities		-	
Mortgage		-	
Total Long-term Liabilities			
TOTAL LIABILITIES			
OWNER'S EQUITY		5,711,000.00	14,277.50
TOTAL LIABILITIES AND OWNER'S EQUITY		5,711,000.00	14,277.50

The above table shows that SMIF has a total current asset of 800,000 naira (€2,000) and a total fixed asset of ₦4,911,000 (€12,277.50) however, the total assets is ₦5,711,00 (€14,277.50) with no liability at the moment.

Income statement

Table 4. 11 Income statement of SMIF as of December 31, 2020

SYNERGY MIMSHACK INTERNATIONAL FEEDS			
INCOME STATEMENT			
December 31, 2020			
		in naira	in euro
REVENUE		8,412,000.00	21,030.00
Gross Sales			
	Less: Sales Returns	0	
Net Sales		8,412,000.00	21,030.00
COST OF SALES			
	Beginning Inventory	0	
	Plus: Good Purchased/Manufactured	7,246,080.00	18,115.20
Total Goods Available			
	Less: Ending Inventory	0	
Total Cost of Goods Sold		7,246,080.00	18,115.20
Gross Profit (Loss)		1,165,920.00	2,914.80
OPERATING EXPENSES			

	Production		
	Raw Materials	7,246,080.00	18,115.20
	Packaging	102,000.00	255.00
	Salaries and Wages	786,000.00	1,965.00
	Rental (if applicable)	0	0
	Maintenance Expense	101850	254.625
	Fuel	240000	600
	Other Utilities	60000	150
	TOTAL OPERATING EXPENSE	8,535,930.00	21,339.83
	Net Income (Loss) after operating expense	(123,930.00)	(309.83)

Based on the income statement of SMIF shown on table 4.8, SMIF has a net sales of ₦8,412,000 (€21,030), total cost of goods sold of ₦7,246,080 (€18,115.20) with a gross profit of ₦1,165,920 (€2,914.80), However, SMIF total operating expenses is ₦8,535,930 (€21,339.83) and the net income (loss) is ₦123,930 (€309.83).

4.3.1 Profit Margin

As of the year, ending 2020, the feed mill operates at a loss. A net loss of ₦123,930 (€309.83) was recorded after the preparation of the income statement. There was no profit realized that year despite the continuous production and operation.

4.3.1 Breakeven point

In order to break even the feed mill needs to produce more than the current production.

Breakeven = fixed cost / contribution margin

4 337,69

3 281,66

the feed mill needs to sell 1.08
units to break even for finisher

1,08 feed

0,86

break even price

$=(\text{total fixed cost}/\text{production volume})+\text{variable cost per unit}$

~~₦~~4,322,52 (€8)

for finisher feeds, the feed mill needs to sell at
this price to break even

~~₦~~4,824,61 (€8.4)

for starter feeds, the feed mill needs to sell at
this price to breakeven

Breakeven point (volume)

$$\begin{aligned} & \frac{\text{Fixed Cost}}{\text{Price per unit} - \text{VC per unit}} \\ &= \frac{1,085,850}{4,150 - 3,652} \\ &= 1,085,850 / 498 \\ &= 2,180.42 \text{ units} \end{aligned}$$

Actual volume 2,040 (combined finisher and starter). Using average, the breakeven volume is at 2,180 units. This shows that the company needs to produce an additional 140 units to break even. It is still possible considering the fixed cost on the operations.

Chapter Five

Discussion

5.1 What is the market of SMIF?

5.1.1 who are SMIF customers?

Gender:

The study results show that customers of SMIF were broiler poultry farmers. A majority of the study respondents were male (63.46% male and 36.54% female). This implies that men dominate the broiler chicken production. This finding is consistent with [Okoh et al. \(2010\)](#), who stated that men are involved more in poultry management activities like vaccination, drugs delivery, debeaking, and chick supplies while women participate more in the everyday routines such as providing feed and water, cleaning of pen etc. However, this research also disagrees with [Al- Rimawi, \(2002\)](#) who stated that women play a major role in livestock production activities and decision making related to farm management. ([Maigida, 2000](#)) indicated that many women all over Nigeria are engaged in different aspects of animal production.

Age

Study findings show most customers are within the age bracket of 34- 41 years (refer to figure 4.2). A similar observation was made by [Farayola et al. \(2013\)](#), who stated that poultry farming is dominated mainly by youth who are regarded to be equal to the task necessary for poultry production. Furthermore, Osuji. M.O. (2019) observed that the mean age of poultry farmers was 45 years implying that most of the poultry farmers are at the peak of life and therefore have the energy for strenuous activities involve in poultry production.

Farm size

According to the results, most respondents (36.54%) keep about 500- 1000 birds, while 30.77% keep 499 birds and below. However, 1.92% of respondents keep above 2500 birds. This implies that most SMIF customers rear birds for commercial purposes. This finding agrees with the division of the four poultry sectors in terms of the scale of production shown by Adene & Oguntade 2006; Abimiku, (2008), which shows that small scale commercial ranges from 500- 2500 birds while medium-scale commercial ranges from 2500- 10,000 birds. Based on the market segmentation.

5.1.2 who are the feed distributors in Jalingo district?

Distributors

The study findings show that there are five distributors of poultry feed in Jalingo, selling different brands of feed in either mash or pellet form. Their stores are located in strategic places within Jalingo. It was discovered that some distributors have branches in other areas within Jalingo while others have retailers who retail their feed. However, other distributors are planning to open their branches soon. According to SMIF representative, they have many customers that they cannot even meet their demand. This implies that the poultry sector in Taraba state is rapidly growing. Hence, more feed would be consumed by the poultry birds. This finding agrees with [Oyeyinka et al. \(2011\)](#), who stated that in recent years, the

poultry industry has been expanding rapidly and is one of the most commercialized agricultural sectors with thousands of birds.

Study shows that all distributors except one would be willing to buy feed from other manufacturers as long as the feed is of good quality. 88.46% (figure 4.4) of SMIF customers mentioned that they were satisfied with SMIF feed quality, and currently 92.31% (figure 4.5) buy from the distributors. This implies that the distributor and poultry farmers are quality driven and would buy from SMIF when it restarts.

5.1.3 What is the market demand for broiler feed in Jalingo district?

This study shows that the five distributors interviewed purchased feed from five different companies at different prices, and therefore, they sell the feeds at different prices. It was also shown that the volume of feed the distributors sell depends on the season of the year. The study agrees with [Jacob, J. & Prescatore, T.\(2012\)](#), who stated that chickens consume less feed during the hot season, especially when the temperature is above 86°F.

5.1.4 What is SMIF market share?

The research reveals that SMIF market share is 1.6% of the total market share. This suggests that SMIF is a minor player in the market, which could lead to failure or loss in the business. However, the market share can be increased by increasing production capacity, considering the machine capacity (2 tons per hour), which could lead to profitability. The research agrees with Pearce and Robinson (2003). They stated that an increase in market share could be related to success, while a decrease in the market share is related to failure, which could result from inappropriate actions by the firm.

5.2 What is the organizational situation of SMIF?

5.2.1 What are the strength and weaknesses of SMIF?

Results of the SMIF key informant interviews indicate that the strength of SMIF lies in its infrastructure and machinery, ability to meet customer expectations, good customer relations, a registered trademark and the availability of raw materials. However, the results also indicate that the company has weaknesses in record keeping, staff qualifications, production capacity and management of credit selling to farmers (see table 4.6), which put SMIF at a disadvantage relative to others. The results show that the opportunity of SMIF lies in it the high demand of its product by selling directly to the distributor, who agrees to four distributors responses that say they are willing to buy from another manufacturer and buy cash from the manufacturers. This implies cash security when SMIF sells to distributors directly. Some of the threats that harm SMIF are continuous shipping of different brands of feed, delay in the supply of soybean meal, etc.

5.2.2 What is the Business Model of SMIF?

Table 5. 1 Proposed business model canvas for SMIF

Key partners	Key activities	Value proposition	Customer relationship	Customer segment
a. Key suppliers <ul style="list-style-type: none"> • Hi nutrient • Fortune oil mill • Maize farmer • Vinny enterprise b. activities of key suppliers <ul style="list-style-type: none"> • Supply of macro ingredient • Supply of micro ingredient • Supply of equipment • Afcott Adamawa 	<ul style="list-style-type: none"> • Purchasing of raw materials • weighing the raw materials • laboratory analysis to ascertain the raw material quality • weighing of macro and micro-ingredients for production • crushing of the macro ingredient in the hammer mill • conveying the crushed ingredient to the mixer • mixing the macro and the micro ingredient in the mixer • bagging and sealing of the bag. • supply 	<ul style="list-style-type: none"> • Broiler starts mash • Broiler finisher mash • Table size broilers • Seminar for distributors poultry farmers. 	<ul style="list-style-type: none"> • Trust and transparency • Customer segmentation based on buying capacity • Product delivery when more than 20 bags of feed is ordered • Customers satisfaction based on availability 	<ul style="list-style-type: none"> • Poultry farmers • Distributors
	Resources		Channels	
	<ul style="list-style-type: none"> • Land for expansion • Casual labor 		<ul style="list-style-type: none"> • Farm gate/ delivery van • Distributors 	

	<ul style="list-style-type: none"> • Transport • Branded bags • Equipment's and machinery • Families and friends 			
Cost structure		Revenue stream		
<ul style="list-style-type: none"> • labor cost • cost of input • running cost • connect with 		<ul style="list-style-type: none"> • Sales of feeds • SMIF poultry farm 		
Social and environmental cost		Social and environmental benefit		
<ul style="list-style-type: none"> • The use of generator pollute the air in the community • Burning of sacks that cannot be sold for re-use 		<ul style="list-style-type: none"> • Job creation • Knowledge transfer • Effective disposal of wastes (used sacks and boxes for raw materials) • Be open to train student in related field 		

Source: Researchers design, (2021).

The table 5.1 shows the current business model canvas and the possible improvement that could improve organizational performance. The writings in purple are a potential improvement. The results from the interview show that delay in soybean supply is a threat to the organization. However, during the interview with the SMIF representative, he mentioned that soybean meal factory in Adamawa (Afcott ngurore, numan) about 144km to Jalingo was discovered. This show that soybean meal could be easily assessed. The findings show that selling to distributors is a better target group for SMIF because they purchase feed in cash from their suppliers. This agrees with the responses of the distributors, which states that they buy feed in cash from the manufacturers. SMIF could add to their revenue streams by establishing a demonstration farm to fully convince the distributors about their feed's quality and sell the birds to market men. However, SMIF can organize a seminar for the distributors' poultry farmers to have an edge over its competitors. The research findings show that SMIF market segment was based on farm size, that is, the small farmers (less than 500 birds), medium farmers (500-1000 birds), and large farmers (above 1000 birds). However, they have different ways they approach these segments. The results show that more petite poultry farmers buy at the factory gate while the feed is delivered to medium and large farmers who buy more than 20 bags.

5.2.3 What is the organizational structure of SMIF?

External element

The research findings show that SMIF has a formulated mission relevant to the customers and has a product that addresses the farmer's needs. The organization has a clear and realistic mission. However, the plan is not regularly monitored. The input suppliers, according to the results, are reliable in terms of quality. However, some of the suppliers, like the soybean meal suppliers, delay in supply of SBM. The result shows that the organization could not access loans from financiers due to the inability to meet the bank monthly minimum deposit of ₦3,000,000 (€5,217).

Internal element

From the findings, SMIF is in short of qualified staff like the accountant, and the staff available are multitasking. This implies that the staff are engaged in jobs that they are not suitable for (record keeping) to get the job done. The results indicated that the financial and administrative procedures are inadequate; therefore, the organization does not adhere to guidelines like proper record keeping. This implies that monitoring indicators are not realistically developed, and no audit report has been made. In contrast, the procedure at the production unit is adequately observed. This agrees with MDF (2018), who stated that to realize organizational goals and objectives, individual work must be organized and managed.

The results found from the external and internal elements of SMIF show that the elements are unclear and imbalanced. This implies that the organization is not functioning optimally, which agrees with MDF (2018), which stated that the IOM emphasizes the interrelationship of the different aspects of an organization. Though they can be treated separately to some extent, they are still connected to one another and -ideally- in balance. When the different elements are not balanced or no clear balance, the organization will not optimally function and need for change will be or become evident.

5.3 What is the financial performance of SMIF?

5.3.1 Balance sheet.

The study result for SMIF balance sheet as of December 31, 2020, shows that SMIF cash at hand is ₦800,000 (€2,000), no inventory (on feed, raw materials etc.) was recorded because the feed mill has not been in operation; therefore all the raw materials used up and feed sold. However, the total current assets are ₦1,050,00 (€2,625), which comprises the cash at hand and the inventory on bags. SMIF total fixed assets are ₦4,911,000 (€12,277.50) and have enough land space to establish a poultry farm for more revenue. The results show a total asset of ₦596100 (€14,902.50) which comprises total current assets and total fixed assets. However, the balance sheet indicated no liabilities because SMIF has not met the financier requirement of a monthly deposit of ₦3,000,000 (€5,217). See table 4.10

5.3.2 Income statement

According to the study findings on SMIF financial records, the income statement shows that the feed mill's revenue and net sales amount to ₦8,412,000 (€21,030) and the goods manufactured/ purchased amount to ₦7,246,080 (€2,914.80). The results also show that the gross profit (loss) is ₦1,165,920 (€2,914.80) see table 4.11. however, the total operating expense is ₦8,535,930 (€21,339.83). This suggested that SMIF operates at a loss with a net loss of ₦123,930 (€309.83) as of 2020 under review due to high rate of inflation, which increased the cost of raw material by about 20%, which agrees with FAO (2021) who stated that prices of cereals locally produced increased continually in March and were above their year-earlier levels. The inflation rate increased, reaching 22.95% in March 2017. This implies that it was difficult for SMIF to compete with companies that had a large stock of raw materials before the inflation. Therefore selling price did not increase significantly to cover the cost of production. The fixed cost did not increase significantly; only the variables did, especially the cost of the major raw material (Maize). [Fazal \(2011\)](#) asserted that "profit is the value remaining after deducting expense from revenue, which makes the receipts of revenue possible, and gains are what business earns on selling such assets which is not an inventory of the business".

5.3.3 Breakeven point

The study result shows that the operating expenses for raw materials were ₦7,246,080 (€12,602), packaging ₦102,000 (€177). The record indicates that part of the salaries and wages are fixed costs while other parts are variable; this is because the laborer's wages are based on the feed produced. The total operating expenses were ₦8,535,930 (€14,845).

To arrive at a break-even point, the contribution margin (price of product – variable cost) was computed (see Annex 5). Study reveals that before closing up, SMIF sells starter feed at ₦4300 (€7.5) and finisher at ₦4000 (€7). 13% contribution margin would represent the fixed cost for starter and 10% for finisher. This shows that for the finisher, SMIF needs 0.08 units to break even. However, SMIF is currently making a gain on the starter feed. To break even for finisher, it could be sold at ₦4,322.52 (€8); this agrees with [Jit \(2018\)](#), who stated that break-even point is when an organization makes a profit that is equal to the cost of the production in the accounting period. Meaning the income and expenses is zero. Break-even analysis helps to find out the minimum sales volume for the business not to suffer losses but yet not made a profit. Break-even analysis can give information on whether revenue from a product can offset the cost of the product. The information can be used by management in making various business

decisions on selling prices, competitive bids, etc., and helps find the right amount of output needed to avoid incurring a loss.

Breakeven point (volume)

The study shows that the actual volume SMIF produced is 2,040 units in a year (combined finisher and starter). Using average, the break-even volume is at 2,180 units. Therefore, this shows that the company needs to produce an additional 140 units to break even. It is still possible considering the fixed cost on the operations.

5.4 Reflection

This research was centered on Assessing the profitability performance of Synergy Mimshack Int'l Feeds to formulate management strategies that will promote the profitability of the business and increase production and proffer recommendations to the problem owner for immediate implementation.

Reflecting on the research topic

The research topic was not easy to be chosen. The researcher was considering researching something not directly related or beneficial to the organization where she works; however, after receiving counselling from the supervisor and course coordinator, a clear understanding of the organization's present situation unfolded, and the researcher saw the necessity to address the knowledge gap. The researcher consulted the commissioner on the focus of the research. The commissioner saw the importance and the need of the topic to the organization and gave his positive feedback. Furthermore, the recommendations from the study would direct the commissioner on which area to focus on to achieve profitability.

Reflection on data collection

The researcher employs both qualitative and quantitative approaches. The data were collected through interviews with the key informant through the use of questionnaires and desk study. A purposive sampling method was used; therefore, all the respondents were pre-informed about the research. The researcher provided adequate information to the respondents about the study and the purpose through phone calls.

The data collection was exciting but not easy because, due to COVID-19 travel restrictions and measures, the researcher could not travel for the fieldwork, so a research assistant was employed to carry out the fieldwork. At first, it looked like the fieldwork was undoable due to the responses from the respondent and network instability back home, but with constant calling, we were about to push through. During the fieldwork, getting the poultry farmer to fill the questionnaire was not very difficult; however, some responded by filling online questionnaire while others filled the questionnaire hard copy.

The challenging aspect was with the interviewee who complained of insufficient data, low battery, very busy in the store, and poor network connection. During the first call to the distributors to introduce the intention and purpose for the research, it was not easy for the respondent to accept because they thought the researcher wanted to know more about their busy to take away their customers. Still, along

the line and after so many explanations, ascertainment of the researcher's integrity, and assurance of confidentiality, the researcher and the distributors arrived at a conclusion. The distributors agreed to provide all the information needed. The checklist was used for the key informants' interviews.

The data collection process was demanding, though due to my experiences during the mini-thesis in the third block, it was not a surprise to me. The mini-thesis opened my eyes because the interviews were done online, and the online questionnaire was sent to respondents; these made me familiarize myself with the method and what to expect during my data collection. The process was tasking, but it made me feel and know what it meant to be a researcher.

Reflection on data processing

Data processing was scary at first for me, and I wondered how to go about it. But with the help of my classmates, total concentration and carefulness, I was able to push through the process. Using the SPSS for the quantitative analysis and coding using Microsoft excel sheets for the qualitative analysis was quite interesting. During the data processing, I realized that I got more information, some necessary for the research while others not necessary.

Reflection on writing my report

Report writing has been the most challenging aspect of my research that has to be written in a professional way that is clear to the reader. Every stage of the report comes with the fear of the unknown, but I scaled through each stage with a smile with hard work.

Reflection on the limitation and reliability of the research

During the research, some of the distributors preferred to speak the local language (Hausa) to express themselves, which took a lot of time for the researcher to translate from Hausa to English before transcribing. However, some information's might be misinterpreted or missed at the time of translation. Next time in the future, a professional in the Hausa will be employed to translate the responses.

During the interview, some of the respondents refused to be recorded, therefore making it more tasking for the researcher to be conducting the interview and at the same time writing the respondent responses. In the future, another research assistant will be employed to write the respondent responses. However, there was an opportunity for probing during the interviews.

The survey respondents gladly cooperated with the research assistant; however, they responded to all questions in the questionnaire.

The research assistant was advised to present himself and dressed like a poultry farmer, use everyday language, be friendly etc., to avoid all forms of biasness or influence on the data based on his appearance or outfit.

Relevance and reliability of the data

The research is relevant because SMIF has a problem that led to a temporary closure of the company that need urgent attention. The research gave an in-depth insight into the problem, provided reliable and concrete data to advise the commissioner on the management strategies that would turn the feed mill into a profitable business. The research contributes to the existing knowledge of the feed mill and

the first research to be carried out on the organization, however, providing recommendations that would be implemented immediately.

The data collected from key informants were first-hand information; therefore, the data is reliable to represent the situation of SMIF. It was done without bias, because it was mentioned during the introduction to the respondents that this research was for an improvement of the company, staff, and beneficial to the customers; therefore, realistic responses were needed.

Chapter six

Conclusion and Recommendation

6.1 Conclusion

This research aims to assess the profitability performance of Synergy Mimshack Int'l Feed and recommend management strategies that will promote profitability and increase the productivity of the business. This section presents the answer to the three main questions of this research. Below are the conclusion concluded from the research questions.

1. What is the market of SMIF?

The study shows that SMIF customers are broiler poultry farmers who men with 63.46% dominate; the customers fall within 34-41 years of age bracket. Findings reveal that 36.54% of the customers keep 500-100 birds, and 1.92% keep above 2500 birds. It was revealed that 88.46% of the customers were satisfied with the quality of the feed; however, since SMIF temporarily closed up, 92.31% buy feed directly from distributors. Findings reveal five distributors located in strategic areas in Jalingo who sell a different feed brand with three, four, seventeen years of experience. The study unfolded that all distributors purchase feed in cash from their various manufacturers and sell in cash to the poultry farmers except in exceptional cases, which is rear. The study found that four distributors sell mash feed and are willing to sell feed from a different manufacturer. However, the study shows that 265,000kg of feed is sold on average in a month in Jalingo. However, it was revealed that SMIF is a small player (with a 1.6% market share) considering the average volume of feed sold in a month.

2. What is the current organizational situation of SMIF?

Findings reveal that SMIF has the capacity for expansion, increased production, has a good quality feed, and have a good relationship with the customers. However, it was discovered that there had not been proper record keeping like the financial records due to unqualified staff. The study reveals that SMIF sells on credit to poultry farmers; therefore, they hardly pay back on time. However, SMIF has an opportunity to sell directly to distributors, which will secure its cash from being withheld for such a long time because the distributors purchase feed in cash. Furthermore, SMIF has the opportunity for obtaining a loan from families and friends when restarting. The findings discovered that SMIF had discovered a new soybean supplier about 144km from Jalingo , hence addressing the delay from the old soybean supplier.

From the segmentation analysis, it can be concluded that SMIF has three customers segments with different farm sizes, which are approached differently based on the number of bags purchase.

3. What is the financial performance of SMIF?

The study discovered from the balance sheet that SMIF has no inventory because it has temporarily closed up and has no liabilities at the moment. Furthermore, the income statement shows that SMIF is operating on a loss due to low production volume. However, the breakeven analysis gives the actual volume of the feed needed to be produced to breakeven (140 units), or the price of finisher feed could be increased to ₦4322.52 (€8) to breakeven. From the production point of view (machine capacity 2 tons per hour), it is achievable.

6.2 Recommendation

Based on the findings, discussion, and conclusion, it was discovered that SMIF has some challenges that led to the temporary closure of business that, when addressed, could make the business profitable.

Below is the following possible recommendation for SMIF to increase productivity and be profitability:

- Market
 - To sell directly to feed distributors to secure the cash from being held by poultry farmers.
 - To establish a demonstration farm to showcase and convince the distributors of the feed quality.
 - To organize seminars for the distributors' customers and other poultry farmers to transfer knowledge on poultry farm management.
- organization
 - To replace unqualified staff to build a team that can assist in achieving the business goal and objectives.
 - To train the staff in other improve their knowledge, skill and build their confidence to make them work efficiently and effectively.
 - To purchase soybean from Acott to reduce the cost of transportation.
 - To quarterly monitor and evaluate the staff performance.
- Financial
 - To have good record-keeping in other to monitor the business process and show if the business is progressing.
 - To apply for a soft loan from friends and families to increase production.

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ANNEXES

Annex 1: Survey questionnaire for poultry farmers

Topic: Assessing feed mill profitability: A case study of Synergy Mimshack Int'l feeds (SMIF) in Jalingo metropolis.

Dear respondent,

My name is Victoria Kwah Polycarp, a master's student of Agricultural Production Chain Management. I am researching assessing feed mill profitability; hence this questionnaire is to collect information that will be used to assess the Profitability performance of SMIF to formulate new management strategies that will promote the profitability of the business and increase production. The information collected through this questionnaire will be treated with high confidentiality and your name will remain anonymous. This questionnaire will take 3 to 5 minutes of your time.

What is your age?

What is your gender?

- ☐ Female
- ☐ Male

What is your farm size? (how many broilers do you have?) ...

In a month, on average, how many bags of feeds do you purchase? (1 bag= 25kg)

- ☐ (in bags)

What is your main consideration for using SMIF feeds?

- ☐ Availability
- ☐ Cost
- ☐ Feed Quality

Rate your satisfaction with SMIF feeds based on the following:

Feed Availability

- ☐ Dissatisfied
- ☐ Neutral (neither satisfied nor dissatisfied)
- ☐ Satisfied

Cost

- ☐ Dissatisfied
- ☐ Neutral (neither satisfied nor dissatisfied)
- ☐ Satisfied

Feed Quality

- ☐ Dissatisfied

- ☐ Neutral (neither satisfied nor dissatisfied)
- ☐ Satisfied

Will you buy feeds from SMIF when it restarts?

- ☐ Yes
- ☐ No

What form of feeds do you prefer?

- ☐ Mash
- ☐ Pellet
- ☐ Both (Mash and Pellet)

Where do you buy feed currently?

- ☐ Distributor
- ☐ Own processed feed

Annex 2: Interview guide for SMIF representative

Thesis theme: Assessing feed mill profitability: A case study of Synergy Mimshack Int'l Feeds in Jalingo Metropolis.

Introduction

Date of interview.....

Interview method.....

- What are SMIF customer segments?
- What customer problems does SMIF solve?
- What are the channels through which SMIF reaches its customers?
- How is SMIF relationship with its customers?
- How does SMIF generate its income?
- What are the assets available that could help generate and offer solutions to customers' problems?
- What are SMIF key activities?
- Who are the partners of SMIF?
- Describe SMIF organization.
- Describe the internal component of SMIF.
- What are the strengths of SMIF?
- What are the weaknesses of SMIF?
- What are the opportunities of SMIF?
- What are the threats of SMIF?
- How many bags of feed do you sell in a year on average?
- What are the prices of broiler starter and finisher feeds?
- How much do you spend to produce feed in a year?
- How much profit do you make in a year?
- At what point do you break-even?

Annex 3 interview guide with distributors

Dear respondent,

You have been selected purposively to be part of an academic research titled “Assessing feed mill profitability: A case study of Synergy Mimshack Int’l Feeds in Jalingo Metropolis”. Your preparation for the interview is important and highly appreciated, you are kindly requested to answer the questions below.

Date of interview.....

Name of respondent.....

Brand of feed.....

- Where is your store located?
- Do you have stores in other cities? If yes,
- How long have you been in operation?
- What brand of feed do you sell?
- How many bags do you sell per month on average?
- Between mash and pellets feeds, which sells more?
- Who are your customers and where are they located?
- Do your customers have any preference for a specific brand?
- At what price do you buy your feeds from manufacturers?
- At what price do you sell your feeds?
- Will you be willing to sell a different feed from a new manufacturer?

Annex 4. Key Informants

SMIF representatives

1. Managing director
2. Accounts officer

Poultry feeds distributors

1. Chikun feed
2. Vital feed
3. Animal care feed
4. Livestock feed
5. Top feed

Annex 5 contribution margin computation

=Price of Product-Variable cost	4.000,00	3.617,65
382,35		
10%		
482,35	4.300,00	3.817,65
13%		