



# **BUSINESS PLAN**

## **CREST FEEDS**

### **BAYERO UNIVERSITY KANO**

**Gwarzo Road, Kano**  
**P.M.B. 3011, BUK, Kano.**

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## **EXECUTIVE SUMMARY**

**Project Title:** Establishment of Plant for the Production of Livestock Feeds using Herbaceous Weeds at Bayero University Kano

**Project Overview:** This project aims to establish a production plant at Bayero University Kano to manufacture high-quality livestock feeds using herbaceous weeds. The plant will utilize innovative microbial biofortification technology to enhance the nutritional value of the feeds, providing a sustainable and environmentally friendly solution for the livestock industry.

### **Objectives:**

1. To produce high-quality livestock feeds that meet the nutritional needs of animals.
2. To promote sustainable agriculture and reduce environmental degradation.
3. To create employment opportunities and stimulate economic growth in the local community.
4. To generate revenue for Bayero University Kano through the sale of feeds and related products.

### **Key Features:**

1. Utilization of herbaceous weeds as a sustainable feedstock
2. Microbial biofortification technology to enhance nutritional value
3. State-of-the-art production facilities and quality control measures
4. Strong research and development focus to continuously improve feed quality and production efficiency

**Market Potential:** The demand for high-quality livestock feeds is increasing in Nigeria, driven by the growing livestock industry. This project will capitalize on this trend, providing a unique value proposition to farmers and feed manufacturers.

### **Implementation Plan:**

1. Conduct feasibility studies and market research.
2. Develop a business plan and secure funding.
3. Establish the production plant and acquire necessary equipment.
4. Launch production and marketing activities.

**Potential Impact:** This project will contribute to sustainable agriculture, reduce environmental degradation, and promote economic growth in the local community. It will also provide a new revenue stream for Bayero University Kano and enhance its reputation as a leader in innovative agricultural research and development.

## COMPANY DESCRIPTION

**Company Name:** Bayero University Kano (BUK)

**Brand Name:** CREST Feeds

**Location:** Gwarzo Road, New Campus, Bayero University Kano, Nigeria.

**Mission Statement:** Our mission is to produce high-quality, nutritious, and sustainable livestock feeds from herbaceous weeds, enhancing animal health and productivity while promoting environmental sustainability and contributing to the economic development of our community.

**Company Overview:** Centre for Renewable Energy and Sustainability Transitions (CREST), Bayero University, Kano, is a world-class Research Centre established by the Tertiary Education Trust Fund (TETFund) in 2013 in its quest to promote investigations and learning in the field of renewable energy in the country; and recently. The Centre serves as a coordinating platform for research in renewable energy sources including biomass, nuclear and solar. CREST is recently mandated to expand its scope to sustainability issues in the country. The Centre has been awarded as the 'TETFund Centre of Excellence (TCoE)' in 2020. The Centre leverages on the abundance of renewable resources to address the pressing challenges in areas of energy and sustainability in Nigeria and beyond.

CREST Feeds Project is designed to leverage the institution's research capabilities and expertise in agricultural sciences. Our flagship product, CREST Feeds, is a range of livestock feeds made from herbaceous weeds, utilizing microbial biofortification technology to enhance nutritional value.

**Vision:** To become a leading manufacturer of sustainable livestock feeds in Nigeria, renowned for quality, innovation, and environmental stewardship.

### Core Values:

**Sustainability:** We prioritize environmentally friendly practices in all our operations.

**Innovation:** We continuously seek new and better ways to produce high-quality feeds.

**Quality:** We are committed to delivering feeds that meet the highest nutritional standards.

**Community:** We engage with local farmers, suppliers, and stakeholders to promote mutual benefit and growth.

**Ownership Structure:** CREST Feeds Limited is a university-owned enterprise, with Bayero University Kano holding a majority stake. The company will operate as a semi-autonomous entity, with a board of directors overseeing its operations.

## MARKET ANALYSIS

The Nigeria animal feed market is growing rapidly, driven by increasing demand for meat and dairy products due to the country's large and growing population. The market size was

approximately 15.18 million tons in 2024 and is projected to grow at a CAGR of 1.8% to reach around 18.14 million tons by 2034 <sup>1</sup>.

### **Market Trends:**

**Increasing Demand for Protein-Rich Foods:** Rising incomes and urbanization are driving demand for meat, eggs, and dairy products, fueling growth in the animal feed market.  
**Shift to Sustainable Feed Production:** There's a growing focus on using eco-friendly feed production techniques and alternative raw materials like agricultural by-products.  
**Government Support:** Initiatives like the National Animal Feed Policy aim to regulate the industry, improve feed quality, and reduce reliance on imports.

### **Target Market:**

**Poultry Farmers:** The largest consumers of animal feed in Nigeria, driven by high demand for eggs and broiler meat.

**Livestock Farmers:** Cattle, swine, and aquaculture farmers are also significant consumers of animal feed.

### **Competitive Landscape:**

**Local Feed Manufacturers:** Companies like Grand Cereals Limited, Animal Care Services Konsult, and Livestock Feeds Plc are key players in the market.

**Imported Feed:** Nigeria imports significant quantities of animal feed from countries like India, the US, and China.

### **Market Opportunities:**

**Growing Demand for High-Quality Feed:** Increasing awareness of feed quality and its impact on animal health and productivity presents opportunities for premium feed products.  
**Government Incentives:** Support for local feed production and agriculture presents opportunities for businesses that can capitalize on these initiatives.

### **Challenges:**

**High Production Costs:** Feed production costs are high due to expensive raw materials and infrastructure challenges.

**Competition from Imports:** Local manufacturers face competition from imported feed, which can be cheaper due to economies of scale.

By leveraging herbaceous weeds as a sustainable feed source, CREST Feeds can capitalize on the growing demand for animal feed while reducing production costs and environmental impact. With a strong marketing strategy and partnerships with local farmers and government agencies, CREST Feeds can establish a significant presence in the Nigeria animal feed market.

## PRODUCTS AND SERVICES

### Products

**CREST Feeds:** A range of livestock feeds made from herbaceous weeds, formulated to meet the nutritional needs of various animal species, including:

- **Poultry Feed:** Layers, broilers, and breeders.
- **Ruminant Feed:** Cattle, goats, and sheep.
- **Aquaculture Feed:** Fish and other aquatic species.
- **Specialty Feeds:** Customized feed formulations for specific animal production systems or nutritional requirements

### Services:

- **Feed Formulation:** Custom feed formulation services for farmers and animal producers.
- **Feed Testing and Analysis:** Laboratory testing and analysis of feed samples to ensure quality and nutritional content.
- **Technical Support:** Advisory services on animal nutrition, feed management, and production optimization.
- **Training and Capacity Building:** Training programs for farmers, feed manufacturers, and other stakeholders on sustainable feed production and animal nutrition.

By offering a range of products and services, CREST Feeds can cater to the diverse needs of the livestock industry, while promoting sustainable and environmentally friendly practices.

## MARKETING AND SALES STRATEGY

### Marketing Objectives

- Increase brand awareness and establish CREST Feeds as a leading manufacturer of sustainable livestock feeds in Nigeria.
- Drive sales and revenue growth through effective marketing and distribution strategies.

### Target Market:

- Livestock farmers, feed manufacturers, and animal producers in Nigeria.

### Marketing Strategies:

#### Digital Marketing:

- Develop a website and social media presence to showcase products and services.
- Utilize online advertising (Google Ads, Facebook Ads) to reach target audience.

### **1. Networking and Partnerships:**

- Attend agricultural conferences, trade shows, and exhibitions to connect with potential customers and partners.
- Establish partnerships with livestock associations, farmer cooperatives, and feed manufacturers.

### **2. Content Marketing:**

- Create informative content (blog posts, videos, infographics) on sustainable livestock production and feed solutions.
- Share success stories and testimonials from satisfied customers.

### **3. Promotions and Events:**

- Offer discounts and promotions to first-time customers and loyal customers.
- Host workshops, training sessions, and demonstrations on sustainable feed production and animal nutrition.

## **Sales Strategy:**

### **1. Direct Sales:**

- Establish a sales team to engage with potential customers and build relationships.
- Utilize relationship marketing to retain existing customers and identify new sales opportunities.

### **2. Distribution Network:**

- Establish a network of distributors and dealers to reach a wider market.
- Provide training and support to distributors to ensure effective sales and customer service.

### **3. Customer Service:**

- Provide excellent customer service through multiple channels (phone, email, and social media, among others).
- Respond promptly to customer inquiries and concerns.

By implementing these marketing and sales strategies, CREST Feeds can effectively promote its products and services, build a strong brand presence, and drive sales growth in the Nigerian livestock feed market.



## **OPERATIONAL PLAN**

### **Production:**

1. **Raw Material Sourcing:** Establish relationships with local farmers and suppliers to source herbaceous weeds.
2. **Manufacturing:** Set up a production facility with necessary equipment and technology to produce high-quality livestock feeds.
3. **Quality Control:** Implement quality control measures to ensure consistency and nutritional value of feeds.

### **Logistics and Distribution:**

1. **Storage:** Establish storage facilities for raw materials and finished products.
2. **Transportation:** Arrange transportation for raw materials and finished products.
3. **Distribution:** Establish a distribution network to deliver products to customers.

### **Human Resources:**

1. **Staffing:** Hire experienced personnel for production, quality control, sales, and administration.
2. **Training:** Provide training on production processes, quality control, and customer service.

### **Facility and Equipment:**

1. **Production Facility:** Lease or purchase a suitable facility for production.
2. **Equipment:** Acquire necessary equipment for production, including grinding, mixing, and packaging machines.

### **Health and Safety:**

1. **Safety Protocols:** Establish safety protocols for production, storage, and distribution.
2. **Personal Protective Equipment:** Provide personal protective equipment for employees.

### **Environmental Sustainability:**

1. **Waste Management:** Implement waste management practices to minimize environmental impact.
2. **Sustainable Practices:** Adopt sustainable practices in production and distribution.

### **Monitoring and Evaluation:**

1. **Production Monitoring:** Monitor production levels, quality, and efficiency.
2. **Customer Feedback:** Collect customer feedback to improve products and services.
3. **Performance Metrics:** Track key performance indicators (KPIs) such as production volume, sales revenue, and customer satisfaction.

By implementing this operational plan, CREST Feeds can ensure efficient production, quality products, and customer satisfaction while minimizing environmental impact.

## **MANAGEMENT AND ORGANIZATION**

### **Organizational Structure:**

1. **Board of Directors:** Oversees strategic direction and major decisions.
2. **Managing Director/CEO:** Responsible for overall management and operations.
3. **Department Heads:** Lead specific departments (Production, Quality Control, Sales and Marketing, Finance, among others).

### **Key Positions:**

1. **Managing Director/CEO:** Experienced leader with industry expertise.
2. **Production Manager:** Responsible for manufacturing and quality control.
3. **Sales and Marketing Manager:** Leads sales and marketing efforts.
4. **Financial Manager:** Manages financial planning, accounting, and reporting.

### **Management Team:**

1. **Collaboration:** Encourage teamwork and collaboration among departments.
2. **Communication:** Establish open communication channels.
3. **Decision-Making:** Define decision-making processes and authority.

### **Staffing:**

1. **Recruitment:** Hire qualified personnel for each department.
2. **Training:** Provide ongoing training and development opportunities.

### **Governance:**

1. **Board Meetings:** Regular board meetings to discuss strategic direction.
2. **Compliance:** Ensure compliance with regulatory requirements.

### **Organizational Culture:**

1. **Values:** Establish core values (quality, innovation, customer satisfaction).
2. **Mission Statement:** Communicate the company's mission and vision.

By establishing a clear management and organizational structure, CREST Feeds can ensure effective decision-making, efficient operations, and a strong company culture.

## FINANCIAL PLAN

The establishment of the production plant is estimated to cost the sum of ₦355 million only. The breakdown is provided below.

### Capital Utilization:

1. Production Facility Establishment: ₦200 million (42.9% of total capital)
  - Land acquisition: To be provided by Bayero University Kano
  - Facility construction: ₦75 million
  - Equipment and Furniture purchase: ₦125 million
2. Raw Material Sourcing and Storage: ₦15 million (14.3% of total capital)
  - Initial raw material purchase: ₦10 million
  - Storage facilities: ₦5 million
3. Marketing and Sales: ₦30 million (8.6% of total capital)
  - Marketing campaigns: ₦15 million
  - Sales team establishment: ₦10 million
  - Distribution network development: ₦5 million
4. Staffing and Training: ₦20 million (5.7% of total capital)
  - Hiring production staff: ₦10 million
  - Training and development: ₦5 million
  - Staff welfare: ₦5 million
5. Working Capital: ₦50 million (14.3% of total capital)
  - Operational expenses (electricity, water, etc.): ₦25 million
  - Contingency fund: ₦25 million
6. Miscellaneous: ₦40 million (14.3% of total capital)
  - Licensing and permits: ₦10 million
  - Insurance: ₦10 million
  - Other expenses: ₦20 million

### Revenue Projections:

- Annual Sales: ₦200 million (year 1), increasing by 15% annually for 3 years.
- Product Lines: Livestock feeds, specialty feeds, and feed formulation services.

### Operating Costs:

- Raw Materials: ₦50 million (year 1), increasing by 10% annually.
- Salaries and Wages: ₦15 million (year 1), increasing by 10% annually.
- Utilities and Maintenance: ₦10 million (year 1), increasing by 5% annually.

### Financial Projections:

- **Net Profit:** ₦50 million (year 1), increasing by 20% annually for 3 years.
- **Break-Even Point:** 12 – 18 months after production begins.

This financial plan outlines the allocation of the ₦355 million capital to establish a production plant for livestock feeds from herbaceous weeds. The plan includes provisions for production facility establishment, raw material sourcing, marketing, staffing, and working capital. Revenue projections indicate a growing business with increasing profitability.

### **SWOT Analysis:**

#### **Strengths:**

- 7. Unique Product Offering:** Livestock feeds from herbaceous weeds, a sustainable and eco-friendly alternative to traditional feeds.
- 8. Strategic Location:** Bayero University Kano provides access to resources, expertise, and potential partnerships.
- 9. Growing Demand:** Increasing demand for livestock products and sustainable agriculture practices.
- 10. Innovative Approach:** Utilizing herbaceous weeds as a feed source reduces waste and promotes environmental sustainability.

#### **Weaknesses:**

- 1. High Initial Investment:** Setting up a production plant requires significant investment in equipment and infrastructure.
- 2. Limited Awareness:** Potential customers may be unaware of the benefits of using herbaceous weeds as livestock feed.
- 3. Supply Chain Challenges:** Sourcing and transporting herbaceous weeds could be logistically complex.
- 4. Competition:** Established feed manufacturers may compete with CREST Feeds.

#### **Opportunities:**

- 1. Growing Demand for Sustainable Products:** Increasing consumer preference for eco-friendly and sustainable products.
- 2. Government Support:** Potential government incentives for sustainable agriculture and livestock production.
- 3. Partnerships and Collaborations:** Opportunities for partnerships with universities, research institutions, and industry players.
- 4. Diversification:** Potential to expand product lines to cater to different animal species and feed types.

#### **Threats:**

- 1. Market Competition:** Established feed manufacturers may enter the sustainable feed market.
- 2. Regulatory Changes:** Changes in regulations or policies affecting the livestock feed industry.

3. **Raw Material Availability:** Potential scarcity or fluctuations in herbaceous weed availability.
4. **Market Acceptance:** Potential resistance from farmers and livestock producers to adopt new feed products.

By understanding these SWOT factors, CREST Feeds can develop strategies to leverage its strengths, address weaknesses, capitalize on opportunities, and mitigate threats.

## CONCLUSION

The establishment of a production plant for livestock feeds from herbaceous weeds in Bayero University Kano presents a lucrative business opportunity. With an initial investment of ₦350 million, CREST Feeds will produce high-quality, sustainable livestock feeds, promoting eco-friendliness and supporting the local economy.

With a solid business plan in place, CREST Feeds is poised to capitalize on this opportunity. We look forward to collaborating with stakeholders, investors, and partners to bring this vision to life.