



# Farm Management

## Handout 3

### Production Plan Example

## Example of production plan

### Land buildings and facilities expansion

1.	Location:	Abbotsford		
2.	Description:	Broiler Chicken Farm		
3.	Size:	10 acres		
4.	Current operations:	Birds per cycle	20 000 birds	
		Housing requirement	0.75 sq. Feet per bird	
		One double storey barn	40 ft x 210 ft (includes space for storage)	
5.	Expansion plan:	1995	1996	1998
	Birds per cycle	5,000	5,000	10,000
	New double storey barn (40 ft. x 100 ft.)	R60,000		
	Double storey addition (40 ft. x 100 ft.)			R60,000
	50% equipment installation	35,000		
	50% equipment installation			35,000
	Generator upgrade (75 KVA)	10,000		
	Quota acquisitions	100,000	100,000	100,000
	Total Costs	R205,000	R100,000	R195,000
6.	Land:	R 350 000.00		

### Cost of facilities, 1994

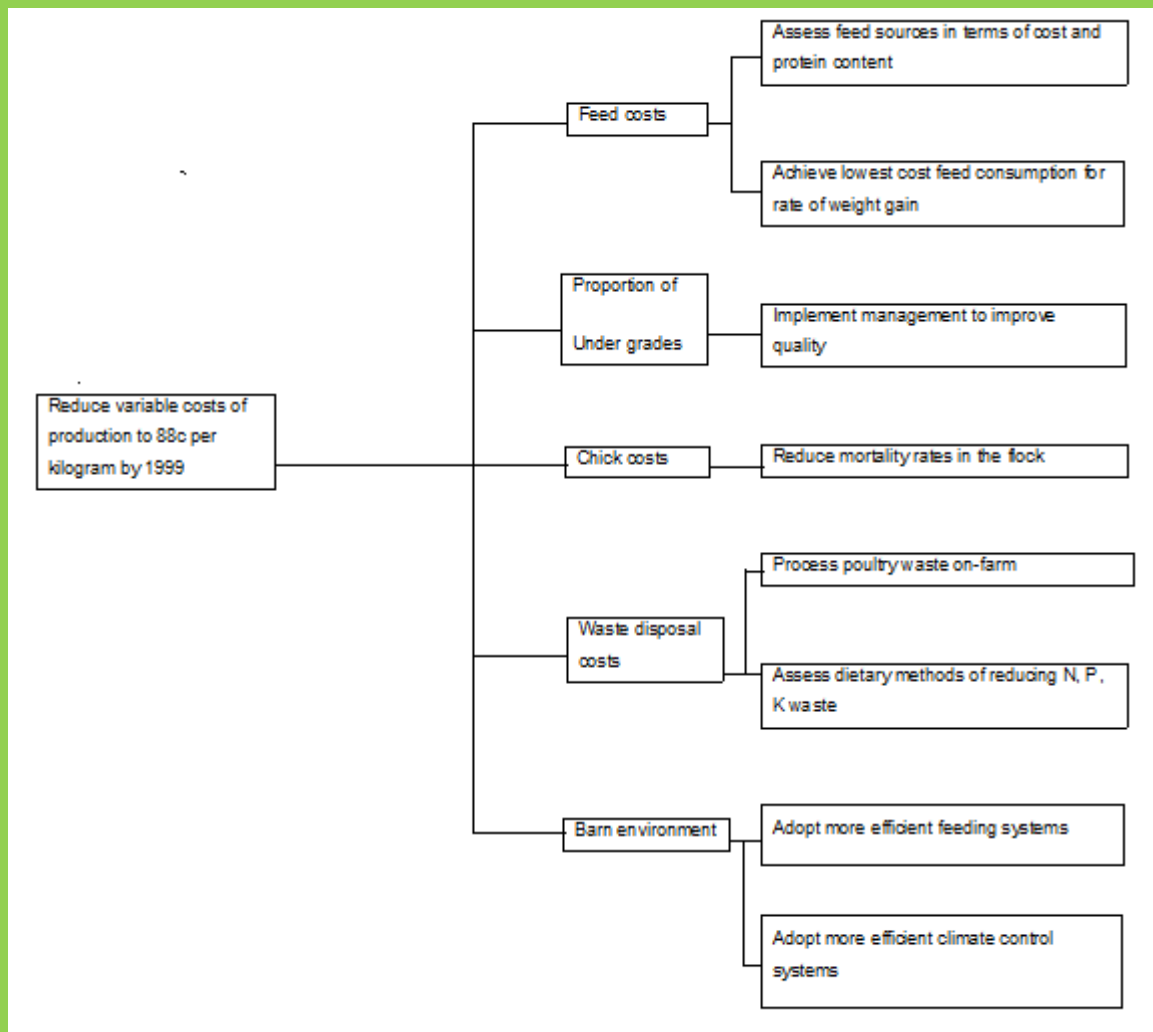
EQUIPMENT	NEW COST	REMAINING UNDEPRECIATED VALUE	UNDEPRECIATED VALUE PER LIVE KILOGRAM	ANNUAL DEPRECIATION PER LIVE KILOGRAM
Poultry barn	R 100 000	R 85 006	R 0.327	R 0.013
Barn equipment	R 60 000	R 25 190	R 0.097	R 0.019
Backup generator	R 15 000	R 4 915	R 0.019	R 0.004
Incinerator	R 2 000	R 655	R 0.003	R 0.0005
Manure shed	R 18 000	R 16 589	R 0.064	R 0.0025
Clean-out tractor	R 12 000	R 2 017	R 0.008	R 0.0023
Quota	R 75 000	R 57 274	R 0.220	R 0.0116
<b>TOTALS</b>	<b>R 282 000</b>	<b>R 191 646</b>	<b>R 0.737</b>	<b>R 0.0532</b>

### Materials, supplies and services, 1994

## Example of production plan

DESCRIPTION	1994 REQUIREMENT PER CYCLE	TOTAL COST	SUPPLIER	ORDER LEAD TIME
Chicks	20000	R10 192	Local hatchery	4 weeks
Feed	74 tonners over 42 days	R 20 160	Local feed company	1 week
Medication/ vaccinations	Coordinate with chick placement	R 900	Local veterinarian	As required
Chicken catching	Date required	R 740	Contract catcher	1 week
Waste removal	Date required	R 360	Contract handler	1 week
Processor	Delivery date		Local processor	2 weeks

### Example: Production strategies



### Construction schedule

## Example of production plan

WEEK	1	2	3	4	5	6	7	8	9	10	11	12
Select design	x											
Select site	x											
Blueprints		x										
Order components			x									
Land clearing				x	x	x						
Prepare base						x	x	x				
Pour foundation								x				
Building assembly									x	x	x	
Install equipment/utilities											x	x
Site clean up												x

## Example of production plan

Quota acquisition and production expansion schedule

YEAR	Birds per cycle				PROJECTED NUMBER OF PRODUCTION CYCLES PER YEAR
	QUOTA PURCHASE SCHEDULE	GIFT QUOTA	CUMULATIVE QUOTA	CUMULATIVE BARN CAPACITY	
Prior years					
	5 000	10 000	15 000		
1994		5 000	20 000	20 000	6.5
1995	5 000		25 000	25 000	6.5
1996	5 000		30 000	30 000	6.5
1997			30 000		6.5
1998	5 000	5 000	40 000	40 000	7.4
1999			40 000	40 000	7.4