



Farm Business Management

Handout 5

Production Plan Example

Example of Production Plan

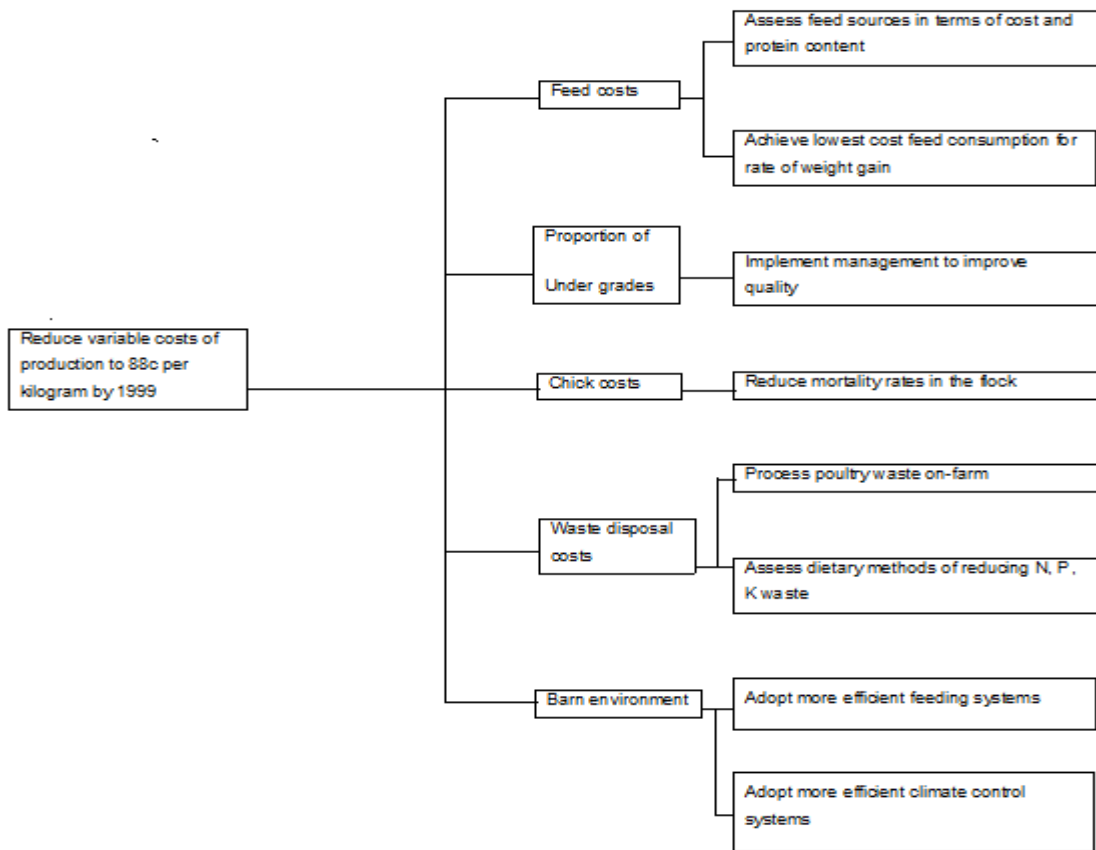
Land buildings and facilities expansion				
1.	Location:	Abbotsford		
2.	Description:	Broiler Chicken Farm		
3.	Size:	10 acres		
4.	Current operations:	Birds per cycle	20 000 birds	
		Housing requirement	0.75 sq. Feet per bird	
		One double storey barn	40 ft x 210 ft (includes space for storage)	
5.	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 KG
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
TOTALS	R 282 000	R 191 646	R 0. 737	R 0. 0532

Materials, supplies and services, 1994

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

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

