Business Plan
Poultry Farm - Eggs

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Target Market - Canada/US

Business Name: Sunrise Layers Ltd.
Location:
Business Type: Commercial egg-laying poultry farm
Scale: 20,000 laying hens (expandable to 50,000+)
Production Goal: ~18,000 eggs/day (~6.5 million/year)
Target Market: Supermarkets, food processors, restaurants, local wholesalers

Vision and Mission

Vision: To be a leading provider of fresh, safe, and high-quality eggs in a sustainable and humane production system.

Mission: To deliver consistent and safe eggs while adhering to high animal welfare standards, traceability, and environmental stewardship.

Market Analysis

Industry Overview

- **Canada**: Regulated under the **Egg Farmers of Canada (EFC)** supply management system. Quotas required.
- **USA**: Open market; regulated for food safety under **USDA** and **FDA (Egg Safety Rule)**.
- Both countries are under a growing demand for **free-range, organic, and cage-free** eggs driven by health, ethics, and environmental concerns.

Target Customers

- Retail grocery chains (e.g., Loblaws, Whole Foods, Walmart)
- Food service and restaurants
- Institutional buyers (schools, hospitals)
- Local farmers markets or direct sales

Market Trends

- Shift to welfare friendly production systems such as cage-free systems due to consumer pressure and retailer pledges
- Demand for organic, omega-3, or vegetarian-fed eggs
- Premiums for locally produced and traceable eggs

Objectives

- Reach full capacity of 20,000 layers within 12 months
- Achieve production of 6.5–7 million eggs annually
- Sell at least 90% of production through pre-arranged contracts
- Maintain mortality rate below 5% annually
- Achieve break-even by year 2

Regulatory & Licensing Requirements

Canada

- **Quota system**: Purchase layer quota from provincial egg boards (~$300–$350/hen)
- Food safety: Must comply with **Start Clean–Stay Clean™** program and **Canadian Food Inspection Agency (CFIA)** standards

USA

- No quota, but must comply with:
  - **FDA Egg Safety Rule** for farms with >3,000 hens
  - **USDA grading** (optional but preferred)
  - **Biosecurity and traceability programs**

Certifications (optional but beneficial)

- Certified Humane / GAP
- Organic (USDA or CFIA Organic Standard)
- Non-GMO Project Verified

Production System Design

System Type

- **Option 1**: Enriched colony cages (higher density, EFC compliant)
- **Option 2**: Cage-free (barn or aviary system)
- **Option 3**: Free-range or organic (premium market)

Housing Requirements (for 20,000 birds)

- Space: 12,000–20,000 sq. ft (depends on housing type)
- Nest boxes, perches, dust baths (for cage-free)

- Automatic feeding, watering, egg collection, ventilation, lighting
- Manure handling: belt or deep pit system

Hen Management

Parameter	Value
Breed	Hy-Line Brown / ISA Brown
Productive life	72–80 weeks
Peak lay rate	94–96%
Eggs per hen/year	~320
Mortality target	<5%
Culling & replacement	After ~18 months

Feed and Nutrition

- Commercial layer feed (~16–18% CP)
- Supplemental calcium (limestone/oyster shell)
- Optional: Omega-3 supplements, marigold pigment (for yolk color)

Feed Usage Estimate

- ~110–120g/bird/day → ~800 tons/year for 20,000 hens
- Feed cost: CAD $500–600/ton or USD $400–500/ton

- Total annual feed cost: CAD $400,000–$500,000

Egg Handling & Sales

Egg Processing

- Collection: Conveyor to central collection room
- Washing & grading (if not sold in bulk)
- Packaging: Trays, cartons, labels

Sales Channels

- Bulk wholesale (ungraded)
- Direct sales to retailers (requires grading license)
- Farmer's markets
- Subscription egg delivery service (value-added)

Egg Pricing (2024–2025 average)

- Wholesale Grade A Large: CAD $2.25–$2.50/dozen or USD $1.50–$2.00/dozen
- Organic: CAD $4.00+ /dozen
- Free-range: CAD $3.00–$3.50/dozen

Staffing

Farm Manager: Oversee operations, compliance

Livestock workers: Daily care, feeding, egg collection

Egg grader/packer: Sorting, washing, packaging

Admin/Accounting: Sales, payroll, documentation

Veterinarian: Health plan, vaccination, diagnostics

Environmental and Biosecurity Measures

- **Biosecurity**: Entry protocols, rodent control, restricted zones
- **Waste management**: Composting or sale of manure
- **Energy**: Potential use of solar panels for lighting/ventilation
- **Water**: Filtered, clean drinking water system
- **Ventilation**: Proper airflow and ammonia control essential

Financial Plan (for 20,000 Layer Farm)

Capital Investment (CAD/USD)

Item	Cost (USD / CAD)
Land (10–20 acres)	$200,000–$400,000
Poultry house & equipment	$800,000–$1,200,000
Feed silos, egg handling systems	$150,000
Grading/packing station	$80,000
Hens (pullets @ ~$10–15 each)	$200,000–$300,000
Utilities setup	$50,000
Vehicles & farm equipment	$50,000
TOTAL	$1.5M–$2.2M

Operating Costs (Annual)

Item	Cost
Feed	$450,000
Labor	$180,000
Vaccination / Veterinarian	$20,000
Utilities (electricity, water)	$40,000
Packaging & distribution	$30,000
Repairs & maintenance	$25,000
Marketing, admin, misc.	$15,000
Total Operating Cost	$760,000

Revenue Projections

- Annual production = 6.4M eggs = ~533,000 dozen
- Average price = CAD $2.50/dozen or USD $2.00/dozen

- **Total Revenue** ≈ **CAD $1.3M (USD $1.07M)**

Net Profit Estimate

- Gross profit = $1.3M – $760k = **$540,000**
- Net profit (after depreciation, taxes, finance) ≈ **$250,000–$400,000/year**

- **ROI on CAPEX: ~5–7 years**

Risk Management

Risk	Mitigation Strategy
Disease outbreak	Strict biosecurity, vaccination, supplier vetting
Egg price drop	Contracts, diversification, value-added products
Feed price spike	Bulk buying, forward contracts, on-farm grain source
Labor shortage	Staff housing, competitive pay, automation
Regulatory changes	Association membership, ongoing compliance

Expansion Strategy

- Increase flock to 50,000+ hens
- Introduce value-added products (boiled eggs, liquid egg)
- Retail brand for organic/pasture-raised eggs
- Vertical integration: grain growing, feed mill
- Install solar or wind energy for sustainability certification