

# Financial Management Template for Chicken Business



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german  
cooperation  
DEUTSCHE ZUSAMMENARBEIT

Implemented by

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### **Be Aware:**

Some enterprises need you to invest money in the first and even second year before you start making a profit.

**This is the case for keeping chickens when you have to build a house from scratch. This will mean you spend more money than you make in the beginning.**



### **Tip:**

When building a chicken house, use the locally available materials to bring down the cost.



## Introduction

Any successful business needs a good overview of its finances.

### **This tool will help you to:**

Track all money going OUT of your pocket. That's what we call your "expenses".

Track all money coming IN to your pocket. That's what we call your "income".

Know if you are making a profit, or if you are making a loss.

### *Type of chicken (select):*

- Broilers (6-8 weeks)
- Layers (18 months)
- Local Improved Kienyeji Chicken (7 months)

### *Number of birds: \_\_\_\_\_*

Farming scenario (select how you keep your chickens):

- Intensive (you keep chicken in a house always and feed them full time)
- Semi-Intensive (you keep chicken in a house, feed and then let them go to look for more food)
- Free-range (you leave chickens to feed on their own and you provide shelter at night only)

# Tracking Money Out

The below table lists all the activities needed for setting up and running a chicken farm. For this case, the template is set for the improved Kienyeji Chicken.

**Activity:** Fill in the money you spend on each activity and add up to get the total cost for every activity. At the end, you can add up the totals for each activity to know the total money you will spend on the chicken business.

<b>Example 1: Week 0: Construction of Chicken House</b>					
<b>NO.</b>	<b>DATE</b>	<b>ACTIVITY</b>	<b>UNIT COST</b>	<b>NO. OF UNITS</b>	<b>TOTAL COST (KES)</b>
Example 1	25/4/2023	Iron sheets (mabati) - 2 m	KES 800	10	KES 8,000
	25/4/2023	Nails	KES 150	5	KES 750
	25/4/2023	Poles	KES 200	12	KES 2,400
	25/4/2023	Wire mesh	KES 5,000	1	KES 5,000
	25/4/2023	Chicken mesh	KES 5,000	1	KES 5,000
	25/4/2023	Timber/off-cuts	KES 120	50	KES 6,000
	25/4/2023	Ballast	KES 500	7	KES 3,500
	25/4/2023	Sand	KES 1,000	7	KES 7,000
	25/4/2023	Cement	KES 750	7	KES 5,250
	30/4/2023	Labour	KES 2,000	3	KES 6,000
<b>TOTAL EXPENSES</b>					<b>KES 48,900</b>

**Week 0: Construction of Chicken House**

<b>NO.</b>	<b>DATE</b>	<b>ACTIVITY</b>	<b>UNIT COST</b>	<b>NO. OF UNITS</b>	<b>TOTAL COST (KES)</b>
		<i>Iron sheets (mabati) - 2 m</i>			
		<i>Nails</i>			
		<i>Poles</i>			
		<i>Wire mesh</i>			
		<i>Chicken mesh</i>			
		<i>Timber/off-cuts</i>			
		<i>Ballast</i>			
		<i>Sand</i>			
		<i>Cement</i>			
		<i>Labour</i>			
<b>TOTAL EXPENSES</b>					



**Week 1 – 8 (1 – 2 Months): Management of Chicken**

NO.	DATE	ACTIVITY	UNIT COST	NO. OF UNITS	TOTAL COST (KES)
		<i>Buying of chicks</i>			
		<i>Transportation of chicks</i>			
		<i>Feeding (e.g., Chick mash/starter crumbs)</i>			
		<i>Velvet Chick Starter</i>			
		<i>Vaccines - Gumboro</i>			
		<i>Disinfectant</i>			
		<i>Vaccines - Newcastle and IB</i>			
		<i>Vaccines - Fowl Pox</i>			
		<i>Vet consultations</i>			
<b>TOTAL EXPENSES</b>					

**Week 9 – 28 (3 – 7 Months): Management of Chicken**

NO.	DATE	ACTIVITY	UNIT COST	NO. OF UNITS	TOTAL COST (KES)
		<i>Feeding (e.g., Finisher pellets/growers' mash)</i>			
		<i>Chicken deworming</i>			
		<i>Vaccines - Newcastle and IB</i>			
<b>TOTAL EXPENSES</b>					



**Week 1 - 28 (1 - 7 Months): Other Management Costs**

NO.	DATE	ACTIVITY	UNIT COST	NO. OF UNITS	TOTAL COST (KES)
		<i>Electricity</i>			
		<i>Water</i>			
		<i>Labour for feeding &amp; cleaning</i>			
		<i>Communication</i>			
<b>TOTAL EXPENSES</b>					

**Summary of Total Expenses (Money Out)**

NO.	DATE	ACTIVITY	TOTAL COST (KES)
1	<i>Week 0</i>	<i>Construction of chicken house</i>	
2	<i>Week 1</i>	<i>Purchase of chicken equipment</i>	
3	<i>Week 1 - 8</i>	<i>Management of chicken</i>	
4	<i>Week 9 - 28</i>	<i>Management of chicken</i>	
5	<i>Week 1 - 28</i>	<i>Other management costs</i>	
<b>TOTAL EXPENSES (MONEY OUT)</b>			

# Tracking Money IN (Income)

In this part you need to write down all of the money you made from your chicken business.

The table below shows an example.

## Activity:

1. Fill in the number of birds you sold and the selling/unit price.
2. Multiply the number of birds by the unit price per bird.
3. Write down any other money you get from other activities
4. Add up the totals to know all of your income (Money IN) from the chicken business.

### Example 1: Tracking Money IN (INCOME)

NO.	DATE	ACTIVITY	UNIT PRICE	NO. OF UNITS	TOTAL (KES)
1	26/11/2023	Sale of the mature local improved Kienyeji Chicken	KES 600	100	KES 60,000
2	22/12/2023	Sale of chicken manure	KES 150	50	KES 7,500
<b>TOTAL INCOME (MONEY IN)</b>					<b>KES 67,500</b>

### Tracking Money IN (Income)

NO.	DATE	ACTIVITY	UNIT PRICE	NO. OF UNITS	TOTAL (KES)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
<b>TOTAL INCOME (MONEY IN) - YEAR 1</b>					

## Work Out Profits

Once you know how much money you need to run the chicken business and your expected income, work out your profits.

**Activity:** List your total income (Money IN) then list your total expenses (Money OUT). Subtract the expenses from the income.

If the total Money IN (income) is less than the total Money OUT (expenses), you have made a **LOSS**.

If the total Money IN (income) is more than the total Money OUT (expenses), you have made a **PROFIT**.

EXAMPLE	
285,000 KES	(MONEY IN)
268,000 KES	(MONEY OUT)
<b>17,000 KES</b>	<b>PROFIT</b>



Go to Budget Mkononi to get a rolling budget for your chicken farming



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In this example, the expected profit is 17,000 KES. This is a small profit, as in this first cycle, you spend money on building the chicken house. This is a one-time cost. In the second cycle, your profits should be higher.

## Farming Cycles

A complete cycle starts when you bring in the chicks up to when you sell mature chicken. You may get a loss or only a small profit in the first cycle of your chicken business as there are many fixed costs that you have to spend money on. In the next cycles, the profits should go up.

CYCLE 1	
	(MONEY IN)
	(MONEY OUT)

CYCLE 2	
	(MONEY IN)
	(MONEY OUT)

CYCLE 3	
	(MONEY IN)
	(MONEY OUT)

Watch



Saturdays 1:30 pm (English)

Sundays 1:30 pm (Kiswahili)



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