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Executive Summary

Opportunity

Problem

The need to provide a cheaper source of protein and at the same time uplifting the lives of the community is at large. We strive to eradicate poverty through engaging small scale fishermen who make up part of our community in Mwanza. All this is made possible due to the fact that we have seen an opportunity and huge appetite for Nile Perch fish across the country.

Solution

We want to establish a modern Nile Perch fish processing farm with the latest technology which makes it more cost efficient and profitable. We have already tried and tested at a small scale for efficiency and profitability.

Market

We are aiming at satisfying two main markets, which we can categorise into Primary and Secondary markets. Our primary market will be individual households, retailer butchers and service providers (hotels and restaurants) in Tanzania. Our research shows that these are the main consumers of our product, which is Nile Perch fish (whole).

Competition

We offer a higher quality and cheaper solution to address our customers' needs. Our fish will be available in frozen and fresh form all year round, whereas other fish options like local tilapia or 'sato' is quite expensive and not readily available.

Why Us?

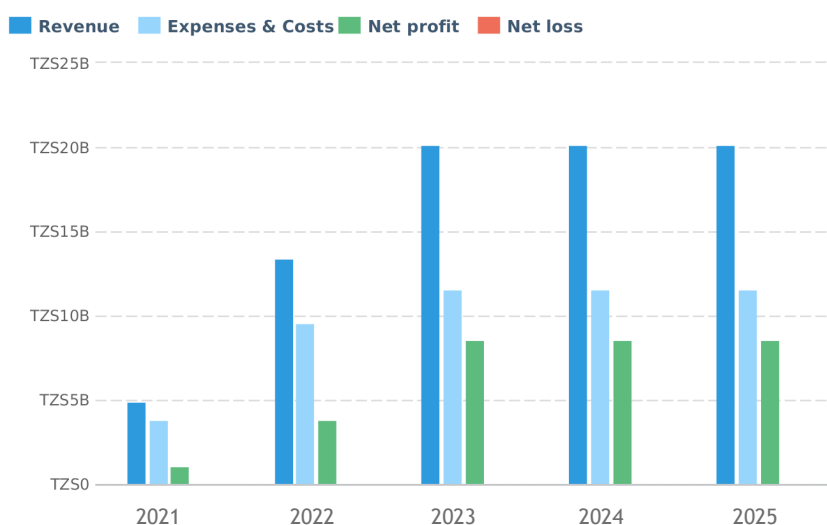
We have a wealth of knowledge and experience within our management team. Our managing director, Mr. Hussein Alloo, has a Bachelor's of Arts in Land Economy from the University of Cambridge, and a Master's of Science in African Development from the London School of Economics. With such drive, we are confident we can achieve our targets using the funds provided. We have also a team of experienced professionals as part of our management team running the business on a day to day basis.

Expectations

Forecast

We are projecting our sales to be in the range of over 4 billion in the first year 2021 after embarking on the expansion drive, however in the subsequent years we expect it to rise as we integrate a greater number of smallholder fishermen. We expect to achieve a net profit margin of 5-10% or greater. Our projected gross profit margin would be within the range of 20% or more due to large economies of scale. However, from our turnover we would like to continue reinvesting and building other fish factories closer to the landing sites, hence making it easier for us and our smallholder fishermen to supply the raw material.

Financial Highlights by Year



Financing Needed

We are seeking to invest a total of 900 Million Tanzanian Shillings only for us to expand our production capacity plus our processing capacity. This respective amount would be used as follows:

- | | |
|---------------------------|-------------------|
| a) Fish Factory | TZS 500,000,000/- |
| b) Ice Plant + Jetty | TZS 250,000,000/- |
| c) EPS Plant + Additional | TZS 150,000,000/- |

Opportunity

Problem & Solution

Problem Worth Solving

We have identified a huge demand for Nile Perch fish in Tanzania, with a wide range from households to businesses such as retail butchers, hotels, restaurants and corporate organisations. The current market shows that demand outweighs supply, hence we have decided that we should take this opportunity and make the most of it in an affordable and profitable way. We have also realised that they are a lot of smallholder fishermen who have a lot of potential but are lacking the means to either access the market or the resources in order to be more successful.

As an active member in the Nile Perch fish market over the past year, the potential for the marketability of our product is vast. Customer satisfaction has been achieved, simply evident by the fact that demand has outweighed supply heavily. Due to our current limited quantities, we have focused on selling our products mainly in Mwanza and Dar es Salaam. Although there has been heavy concentration in these two regions, we have yet to satisfy the demand, without even looking elsewhere. Once these two regions have been supplied the sufficient quantities, we will venture into other markets such as the the coastal region, Dodoma, Mbeya etc.

As there is a significant lack of fish in the market, most customers are willing to deal on a cash basis, rather than credit, as they are left with no alternative, sometimes to the detriment of the quality they are prepared to accept. Therefore, we must solve this issue by establishing sufficient quantities in the market, and the required quality as well.

Our solution

We have come up with what we believe is the most cost efficient way of production. Traditionally, to achieve the required quantities of fish, you must engage with fish agents who collect the fish from various landing sites or beaches, and transport the raw material in a refrigerated truck to the factory. By having a jetty at the factory, it will allow the boats to come directly to the factory rather than the landing sites.

Furthermore, due to the ice plant, all boats who will offload their fish, will be given enough flake ice to allow them to go back into the Lake and start collecting the raw material again, efficiently and effectively. The flake ice is used to store the fish for up to 10 days, so that the fisherman can bring sufficient quantity of fish to the factory, rather than having to bring the fish daily which is inefficient.

In our fish factory, we expect to install the following freezing and cold storage equipment:

1. Two blast freezers @ capacity of 5ton/8hrs each
2. One plate freezer @ capacity of 1ton/3hrs

3. Two cold rooms @ capacity of 50 tons each.
4. Four ice plants @ capacity of 25 tons each.

The production of our own ice will ensure optimum results for not only our raw material chain, but also during the production, allowing to maintain a low temperature before the product goes for final freezing. Good temperature allows the the fish to maintain its quality throughout the entire production process. As a result, the final product that goes into the market will be of a high quality.

Our fish factory will be a state-of-the-art facility, conforming to HACCP standards, sufficient for a production capacity of 20,000kg fish per 12-hour shift. With the proposed business plan, we expect to reach a target of at least 600,000kg per month (depending on availability of the raw material).

Target Market

Our primary target market is retail butchers and service providers such as hotels and restaurants in Tanzania as whole, as this where we have identified a huge appetite for our product. We are also in the process of establishing a secondary market which is the export market which would be regional and international. We have recognised that there is a huge demand for fish fillet (fresh and frozen), hence our production for export will be mainly focused in making sure we meet this demand. There are certain segments of the market which would prefer value-added parts of fish fillet and not the whole fish necessarily, which are mostly hotels and restaurants. Fortunately, our margins are higher with value-addition.

Competition

Current alternatives

In our geographic location, we only have one other major player in the fish production industry, which is tilapia. However, we are highly confident that we can hold our own when it comes to producing and serving the market fully and compete on the same level. Our major advantage is that we produce the required product in the shortest time possible, cost-minimising is our motto, and our entire process - right from the fishing to the production - is located in one area.

Though there are other alternatives such as tilapia, this is more on the expensive side in terms of production and eventually this is passed onto the customer e.g. one kg of tilapia would cost anywhere between TZS 8,000 to TZS 12,000 depending on quality; whereas our whole Nile Perch fish 1kg would average a price of TZS5,000. Despite the market we are targeting to venture into (Dar Es Salaam, Dodoma and beyond) have other big players, we are confident about what we are going to offer and also that we can do so at a very competitive price and a better quality, which will help us penetrate this market.

Execution

Marketing & Sales

Marketing Plan

Our market research has shown that indeed there is a huge demand for Nile Perch fish within Tanzania and beyond. However, our initial focus is to satisfy the local market which is Dar es Salaam, due to its huge population. Our target market is individual households, retail butchers and service providers (hotels and restaurants) and to better capture these diverse market, we will be employing various pricing strategies.

We have noted that individual households are a little bit price sensitive and are more value for money oriented. Hence they will more receptive to our whole Nile Perch product which ranges from 2kg up to 5kg whole Nile Perch fish. However, for the retailers and services providers it will be quite different, as these look for quality and are less likely to be price sensitive than the others.

We believe in face to face interaction with our existing and potential customers as this gives a more personal touch and gives immediate feedback. However, we have started our own brand for our products and also have a WhatsApp account available 24/7 which is used to reach our existing and potential customers.

Our future plan is to put up billboards, TV adverts, and radio adverts, however for the time being, we are going to launch newsletters and social media outreach to get to potential customers.

Sales Plan

Our primary method for sales will be as wholesale, which would cater for retail butchers and service providers and the secondary selling point will be the individual consumers/customers. We expect to have mainly two distribution points for our products, which will be directly from the factory and a wholesale unit in Dar es Salaam to cater for the various needs of our clientele.

The majority of our sales would be on a cash basis. This is mainly targeted at our retail customers who would be the largest consumers of our products. These would have options of making direct transfer payment into our bank accounts, issuing cheques or cash deposits whichever comes easier to them.

For the individual customers we would make available all options of making payments, namely cash, credit cards and M-Pesa, hence making it easier for our customers to transact.

Operations

Locations & Facilities

Our main business premises is expected to be located in Mwanza South Industrial Area, Igogo, Nyamagana district. Our fish factory expects to have the state of the art equipment, semi-automated freezing lines which makes it very efficient in terms of the production process.

Currently we have one fish factory located in Isangijo, Kisesa which caters for a portion of the market, however this is not enough. The location of our Igogo factory is very well situated in a place where we get both vehicle and boat traffic.

Technology

In the future, as our clientele base expands we intend to implement customer relationship management (CRM) solution to better manage our existing and potential customers. We would also use this to manage our business interactions with our smallholder fishermen, as it would help us monitor performance batch wise and be able to put in place intervention programs to curb any instance which might threaten the business.

We are also looking into acquiring a semi-automated freezing line for our processing unit, which will take our capacity to even greater numbers hence creating room for more small holder farmers to be taken on board.

For accounting purposes, we are currently using Tally ERP software for our bookkeeping purposes, though we are looking into other technologies which help us to seamlessly integrate our CRM solution with our accounting package.

As we also seek to expand into the international market, we seek to have a solution which will enable our customers to make orders and also pay for their shipment online in the same instance and we believe such technologies exist and would work very well for us.

Equipment & Tools

We are looking into distributing handling equipment (carrying crates) for our fish whilst being transported from the Lake to the processing plant. We also expect to acquire fish cutting equipment such as bandsaws for use in making value added products, which include fish fillet and fish portions to mention a few.

Milestones & Metrics

Our focus will be on the following key metrics;

- Raw Material costs
- Processing costs
- Labour cost (production & processing)
- Logistics

Of all the above, what we will have to keep a closer eye to the raw material costs which of recent has been moving in an upward trend due to shortages and it's quite a challenge right now to try and bring it down. Hopefully, with increased quantities of Nile Perch fish, we would be able to bargain for a much better price than what we are currently getting.

Currently, we would say we have achieved quite a relatively lower cost of production, in general averaging between TZS 4,500 to TZS 4,700 per kg. Our target is to bring this cost of production even lower through the achievement of economies of scale as our production increases.