MAINLAND AGRO GROUP PROCESS TANZANIA LIMITED

A BUSINESS PLAN FOR SUNFLOWER OIL EXTRACTION PROJECT

FOR DODOMA INDUSTRIAL ESTATE

BLOCK NO.

MAINLAND AGRO GROUP PROCESS TANZANIA LIMITED

P.O BO 14826

DAR ES SALAAM

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1. EXECUTIVE SUMMARY

MAINLAND GROUP AGRO PROCESS TANZANIA LIMITED is a company registered in the country under companies act and bears a **certificate of incorporation No. 156337803** dated on **06TH JUNE 2022**, the company is intending to open up a new sunflower oil extraction plant in central Tanzania. The promoters of the project are well established business with wide knowledge about Tanzania economic sector due to their engagement in the business for period of over five years. Being in the agricultural sector dealing with agricultural implements and consultancy has exposed them to the agriculture sector opportunities in central and southern Tanzania. The directors are well organized to execute a project of sunflower oil extraction by built a large plant in Dodoma region.

2. INTRODUCTION

Sunflower oil is fast being realized as one of the healthiest options for cooking oil and for use in foods. Sunflower oil is high in vitamin E and necessary healthy polyunsaturated fats. It is also commonly used in cosmetics to produce a strong barrier on the skin to help keep moisture in. it is also sometimes used on premature or low birth weight infants to provide protection of the undeveloped skin against infection. Due to its importance the company has intention to invest in the area of sunflower oil extraction as it seems to the both economic and social beneficial to the company and the society.

This document has been prepared to serve as a business plan for **Mainland Group Agro Process Tanzania Limited** for sunflower oil extraction, the implementation of this project will cover the following activities;

- To purchase the land to be used as industrial premises
- Conduct environmental impact assessment and environment auditing
- The construction of industrial building
- The purchase of machines and other equipment's
- Recruitments of labour force for the new industry.

The proposed project is estimated to cost about US$ 3,598,373; the project will be financed by loans/grants and equity.

2.0; VISION

Our vision is to be the leading manufacturing company in east and central Africa

2.2; MISSION

To provide customized service to our clients

2.3; COMPANY MOTTO

Quality products for stable market and healthy life

2.4; THE PROJECT PROMOTERS

The shareholders of this project are JAD ELTAOUIL and MAINLAND GROUP (HONGKONG) COMPANY LIMITED with diverse professional and business background, the company is owned by two namely

- MAINLAND GROUP (HONGKONG) COMPANY LIMITED
- JAD EL-TAOUIL

2.5; LOCATION

The project office will be located in the Dodoma City in the Msalato Industrial area in block no. … in Dodoma city.

3. TARGETRD MARKET

The company plan is to exploit the available market in Africa, Europe and Asia countries, the wide market that have been targeted will trigger the development of the agricultural sector as sunflower oil extraction play a vital role in increasing the value of the agricultural product as it pay much to sell finished goods rather than raw products, the project is promoting the agricultural policy of adding value to agricultural products

However, adding value of agricultural products in Tanzania is low as 7% compared to south Africa, Nigeria and Malawi where they have reach at least 45% in adding value of agriculture products. Hence our company tends to focus in increasing the figure above in adding value of agricultural products in Tanzania.

4. DEMAND AND SUPPLY OF THE PRODUCT

The plant will demand a large quantity of the planted sunflower oil seed, our target is to consume quarter of the produced sunflower oil seeds produced in the southern part of Tanzania, the is aware of the existing companies engage in the activity in the region from

economic point of view the market of the sunflower oil seeds is expected to rise due to the increase demand of the sunflower oil seeds due to the increase of its demands
The project is aware of changing trend of the sunflower oil seeds productions.

5. PRODUCTION PROCESS

The oil extracted from the seeds of sunflowers is known as sunflower oil, used extensively as both cooking oil and an important of many cosmetics preparations, sunflower oil is non-volatile and is also effective emollient oil is nutrition's due to its composition the main component of sunflower oil is linoleic acid

Different varieties of sunflower oils have different proportions in which these ingredients are present in the oil.

The amount of unsaturated fatty acids contained in sunflower oil varies according to the climate that the sunflower has been grown in and the genetics of the parent plant. There are some other components of sunflower oils too. These are lecithin, carotenoid's, tocopherols and different types of waxes since the oils is extracted from oil seeds. There is also a high quantity of vitamin e which makes it excellent for being used in the beauty and cosmetics products.

Sunflower oil is light to taste and is therefore prepared for cooking in many regions throughout the world, sunflower oil is preferred over many others oils like canola oil, sunflower oil, corn oil, and olive oil, because of its light taste and flavor. Sunflower oil benefits extend to the skin as well since it has smoothening properties and long shelf life, it is also perfect for cosmetic formulations.

The high content of vitamin E and low content of saturated fats makes it healthy cooking oil, sunflower oil nutritional benefits include the high content of essential fatty acids that the oil contains.

6. EXPERMENTAL PROCEDURE

Importance of sunflower has steadily increase in the recent decades because of its high proportion of valuable linoleic acid, the kernel makes up about 70% of the seed, with oil content of about 55 percent.

6.1; Degumming

Sunflower is the first subjected to the process of degumming to remove the unwanted gums which interferes with the stability of the oil product at the late stage. This is achieved by hydrated the phosphatides in the oil with water. A separator is used for separating the hydrated gums through water degumming process the linoleic acid content is heavily depending on the climate conditions.

6.1.2; Refining

cold refining using a separator is a tried and tested method of obtaining sunflower oil, this production process combines neutralization and de-waxing to guarantee a high-quality end product.

a) **Neutralization** degumming is followed by neutralization to neutralize the free fatty acids, this is done by adding small amount of the acids to the crude oil and feeding the mixture to hydration tank after a small required amount of caustic amount is added into the mixture the neutralized oil is then passed through the first centrifugal separator to remove soap.
b) **De-wax crystallization** the neutral oil with small quantity of soap is then chilled in the crystallizer for few hours, the wax crystallizes and the oil is then passed through a separator, this mixture is now fed to second centrifugal separator where waxes are removed along with soap the de-waxed neutral is third centrifugal separator the oil is then is dried sent to bleaching section.

Bleaching process

The neutralized oil is mixed with adequate quantity of bleaching earth and transferred to a bleacher where oil under vacuum is agitated with steam. This also imparts the wet bleaching effect.

7.0 INVESTMENT COST/STRUTURE

I. Source of financing

The project will be financed by shareholders contribution and load in as shown below

1.0 INVESTMENT COST

The total investment cost is **3,598,373 US$**

S/N	ITEMS	US$
1	Land and building	317,198
2	Machinery and equipment	1,500,000
3	Motor vehicle	199,675
4	Furniture and fixtures	81,500
5	Operational expenses	1,000,000
6	Initial working capital	500,000
	GRAND TOTAL	3,598,373

FINANCIAL PATTERN

The total initial investment of **3,598,373 US$** shall be financed as followed;

SOURCE	US$
FIXED ASSETS	
Equity (40%)	639,349
Long term loan (60%)	1,459,023
Sub total	2,098,373
Working capital	
Bank overdraft (75%)	625,000
Equity (25%)	875,000
Sub total	1,500,000
GRAND TOTAL	**3,598,373**

i.

ii. Plant and machinery

Some of the basic machines and equipment required for this project are as follows;

Cleaning and extraction machines of sunflower

- Gravity machines
- Separator machines
- Polishing machine
- Blower fans
- Sorter machine
- Moisture devices
- Heat controller
- Blower fans

iii. Raw materials and inputs

The source of raw material will be mainly from locally grown sunflower from various regions producing grains in Tanzania.

iv. Price determination

Production per year will be **120,000 MT** and the factory price will be **6000** Per litre.

v. Utilities and service

Utilities and service to be provided to the unit will include power, telecommunication, such as telephone / fax facilities and internet, fuel oil first aid services and the fire equipment's.

vi. Electricity

The project has a standby generator to solve all cutting problem of electricity.

vii. Accessibility of the site

The envisaged project site will be accessible; it can easily be reached and will have full provision of all basic utilities, electricity and water.

viii. Design concept

the ultimate factory building will be built of concrete blocks and properly designed with ample space to cover all functional spaces such as processing hall, offices, raw materials, storage, product storage, and other social amenities space requirement.it is envisaged that on final completion the factory will have a total built up of 2500 square meter.

8.0 AUXILIARY SERVICES REQUIREMENT POWER SUPPLY SYSTERM

Main power supply

It will power supply from the national grid prevailing in the city, this power at times is highly unreliable because of the frequent cuts and fluctuating voltages.

Emergency power supply

A standby generator will have to be provided to supply all the essential loads in an event of TANESCO power failure, for this reason might be forced to use standby generator to some extent, such source of power will result in the increase in the production costs of the products in question.

Power distribution

Power distribution in the factory compound will be via underground cables to be installed with TANESCO requirements.

Fire protection

It is composed to provide fire protection and firefighting system, fire detection system which consist of automatic and manual detection devises, alarm, and communication system whereas firefighting system will figure portable extinguishers, hose reels, wet and dry rises and automatic sprinkler system.

ACCESS ENTRANCE

wide inlet/entrance will be provided so as to facilitate smooth passage of the workers and vehicles.

PARKING SPACE FOR THE FACTORY BUILDING

The plant area will have ample parking space adequate to accommodate several vehicles at any given time.

WATER SUPPLY

- **Source of water**

The source of the portable water for the plant will be from the city water system.

design of the supply will be based on the ministry of water and livestock design manual.

materials specification for popes and fittings will be according to the relevant British standards.

STORM WATER DRAINAGE AND SEWARAGE SYSTEM

- **Storm water drainage**

Road storm water drainage will be dealt separately during design of the parking space where by all the drainage structures will be considered,

Storm water runoff will be collected from building by a means of sports and full borras through down pipes and will be discharged int the open channel and deposited into road side drains.

Also, some method/ channel will be used to dispose storm water run-off from car park and other facilities to the road side drains.

8.0 MANPOWER REQUIREMENTS AND ORGANIZTION STRUCTURE

The company will create 80 new jobs to manage and run the project, there will be the General manger, sales and marketing manager and administration and finance manager. Training will be provided for the recruited human resource to make them able to understand the sophisticated technology that is needed to operate our new machines, training will be on job training and purpose for understanding on how to operate machine well.

9.0; FINANCIAL ANALYSIS

The project financial projection depicts the project to be viable, as it is shown by some of the indicator below;

Projected profit and loss

The project will make a net profit of **US$ 49,513** during a year one **US$ 95,752** In second year and will increase to maximum of **US$ 111,214**

9.2; Project cash flow

The project will be able to generate enough cash to meet its obligation of repayment loan and financing any capital expenditure during the project life, at the end of year five ,the project will accumulate cash balance of **US$ 165,174**

9.3 PROJECT BALANCE SHEET

The balance sheet indicate favorably state of affairs of the company throughout the projected period. The net worth will increase from **545,812** To **827,854** in the fifth year.

10; ECONOMIC BENEFIT OF THE YEAR

I. The project will provide new 80 employment that will increase earning and reduce poverty
II. The government will earn revenue from taxes
III. The project will bring foreign currency in the country
IV. The project is adding value to the agriculture product “green revolution”

11. CONCLUSION AND RECOMMENDATION

the investment and development of plant is in line with the government police which places special emphasis on initiating/ setting up various industries in the country, in addition it will have a positive impact on the development of the region as it would generate a number of benefits and reliable income for the employees of the company and providers of the services and goods demanded by the workers and their families.

This document has provided full analysis on the financial, techno-economic viability on the establishment/operations of the processing undertaking, along with the requirements/parameters have been considered and it has been established that the proposed project is technically sound, financially viable and both social and economic beneficial to the people in the region.

However, in order for this project to be implemented and the production targets to be achieved as planned several factors have to be taken into account, this will include consideration of the level of investment in this project, the roles of the foams manufacturing in the context of the overall national economy and the location of the plant.

The company is expecting close and strong support from the government in consultancy on matters related to license and important areas of energy (electricity) and infrastructure such as roads, and we promise compliance with the government policy that are closely related with our project.

FINANCIAL STATEMENT AND OTHER SCHEDULE

ANNEX 1; REVENUE PROJECTION

PRODUCTION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7
SALES REVENUE	2,800,000	2,740,000	3,727,000	3,763,350	3,851,518	3,547,895	4,564,200
TOTAL REVENUE	2,800,000	2,740,000	3,727,000	3,763,350	3,851,518	3,547,895	4,564,200

NB; figures are in US$

ANNEX 2; WORKING CAPITAL REQUIREMENTS

YEAR	1	2	3	4	5	6	7
RAW MATERIALS	290,000	325,625	336,266	352,266	369,266	422,266	449,016
ELECTRICITY	86,000	92,000	105,399	110,200	116,000	118,720	120,000
WATER	20,800	20,800	20,800	20,800	20,800	20,800	20,800
CASH IN HAND	95,600	100,380	105,399	196,466	106,567	110,302	112,566
TOTAL	492,400	538,805	567,864	589,732	614,633	692,088	702,382
NET WORKING CAPITAL	492,400	538,805	567,864	589,732	614,633	692,088	702,382

NB; figures are in US$

ANNEX 3; OPERATION COST

YEAR	1	2	3	4	5	6	7
RAW MATERIAL	290,000	325,625	336,266	352,266	369,266	442,266	449,016
SALARY	75,000	76,875	78,797	78,797	78,797	78,797	78,797
VEHICLE COSTS	10,500	10,500	10,500	10,500	10,500	10,500	10,500
ELECTRICITY	86,000	92,000					
WATER	20,800	20,800	20,800	20,800	20,800	20,800	20,800
INSURANCE	35,000	35,000	35,000	35,000	35,000	35,000	35,000
MACHINE REQUIREMENT	10,000	10,000	10,000	10,000	10,000	10,000	10,000
REPAIRES FURNITURE	13,000	13,000	13,000	13,000	13,000	13,000	13,000
MARKETING	15,000	15,000	15,000	15,000	15,000	15,000	15,000
ADMINSTRATIVE COST	108,000	148,000	189,000	229,500	270,000	298,400	302,234
TOTAL	663,300	787,800	874,262	895,063	958,363	965,483	1,047,613

NB; figures are in US$

ANNEX 4; DEPRICIATION SCHEDULE

ITEM	RATE %	1	2	3	4	5	6	7
LAND	20	-	-	-	-	-	-	-
CIVIL WORKS	20	5,000	5,000	5,000	5,000	5,000	5,000	5,000
MACHINERY& EQUIPMENTS	125	31,250	27,344	23,926	20,935	18,318	16,028	14,025
FURNITURE& FITTINGS	125	18,750	16,410	14,360	12,560	10,990	9,620	8,410
VEHICLES	250	7,500	7,500	7,500	7,500	-	-	-
PRE OPERATING COST	200	20,000	20,000	20,000	20,000	20,000	-	-
TOTAL								

NB; figures are in US$