

# TANZANIA INVESTMENT CENTRE



## PROJECT VERIFICATION VISIT REPORT – PHOENIX FARM LIMITED

*DIRECTORATE OF INVESTMENT FACILITATION  
MAY 24TH, 2022*

### EXECUTIVE SUMMARY

This is a hi-tech poultry farming project registered by the TIC on April 23rd 2019 and granted COI No. 022327. Its planned capital was USD 2.5 million and expected jobs 200. It deals with layers and broilers keeping in it two farms, and it operates three support plants for trays manufacturing, poultry feed production and the modern slaughter house. As at the PVV date the Company claimed to have invested a total capital of USD 3.46 million and employed a total of 235 people. Also, its capacity is claimed to stand at 2,500 trays of eggs per day for the layers' unit and 180 tons of meat per month for the broilers unit. So far the project has not yet enjoyed any extension and it has applied for one in order that it can keep enjoying fiscal incentives in its operations. Considering the company's need to roll out the hatchery unit as originally planned and add poultry buildings (enhancing capacity), since it has not exhausted its approved list of items and it has just finished its third year of operation our Team recommends that an extension be granted for a period of one year.

*The TIC Team, 26th May 2022*

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## Introduction

Phoenix Farms Limited was incorporated on 26<sup>th</sup> July 2018 under the laws of the United Republic of Tanzania and issued with certificate of incorporation **No. 137198096**. The Company has a project for **poultry farming**, a project which is **locally owned by 100%**. This project was registered with the TIC on 23<sup>rd</sup> April 2019 and issued with **Certificate of Incentives Number 022327**.

The project operates two poultry farms located in Mkuranga within Pwani Region. The first farm is for layers and it currently holds **220,000 fowls** while the second farm is for broilers and it holds **125,000 fowls**. The company sells all its products (live birds, chicken and eggs) locally.

The implementation period for this project was initially from **April 2019 to March 2022**. This is their first application for an extension and it is done at the end of the first 3 years of the implementation period. Its total expected investment at the start was **USD 2.5 million** and expected employment was **200 jobs**.

On May 1<sup>st</sup> 2022 Phoenix Farms Limited wrote the Executive Director a letter applying for an extension of their Certificate of Incentives. Their main reason was to enjoy fiscal incentives in implementing their project.

## Participants

The TIC Team comprised of the following: -

- |                           |          |
|---------------------------|----------|
| 1. Mr. Nestory Kissima    | IPFO/ TL |
| 2. Ms. Marcela Kimario    | IPFO     |
| 3. Ms. Mwanamkuu Matimbwi | TRA      |

The Company/ the Investor was represented by the following: -

- |                               |                                  |
|-------------------------------|----------------------------------|
| 1. Mr. Elinas Nnko            | Host and Consultant              |
| 2. Mr. Venkata Ramana Barnala | Veterinary Doctor, Layers Farm   |
| 3. Mr. Sabu George            | Veterinary Doctor, Broilers Farm |
| 4. Ms. Hotensiah Njoroje      | In-charge of the Slaughter House |

## Company Information

The following are the details for Phoenix Farms Limited: -

S/N	Information	Description	Current Project Status
1	Shareholder's Information	Current Shareholders' names, nationality, and percentage of ownership	1. Irfan S. Mitha (Tanzanian) 50% 2. Jamil S. Mitha (Tanzanian) 50%
2	Company Communication Information	E-mail address	<a href="mailto:imitha@phoenixfarms.co.tz">imitha@phoenixfarms.co.tz</a>
		Mobile Number	0759 777 772
		Landline Telephone	-
		Physical Address (Plot No., Block No. Street, District, and Region)	Plots No. 100 – 103 Block 'N' Dundani – Mkuranga, Pwani
		Coordinates	-7.071072, 39.226652
3	Contact Person	Name	Irfan Sultanshah Mitha
		Position	Director
		Communication Details (Email, Mobile, and Telephone)	<a href="mailto:imitha@phoenixfarms.co.tz">imitha@phoenixfarms.co.tz</a> 0759 777 772
4	Incorporation	Certificate of Incorporation No.	137198096
5	TIN information	TIN Certificate No.	137-198-096
6	Project Objective	Project Core Activity	Poultry Farming.

## Actual Project Performance

So far the project is said to have invested a total of **USD 3.46 million** in capital, and employed **235 people**. The employees comprise of **131 local employees** (110 men and 21 women), **4 male foreign employees** and **100 casual laborers**.

Originally the project was planned to invest a total of **USD 2.5 million** and employ a total of **200 people**. This implies that the **actual capital to date** exceeds the **planned capital** by **USD 0.96 million**. Regarding **jobs**, it implies that the **the actual jobs to date** exceeds the **planned jobs** by **35 jobs**.

S/No.	Information	Description	Current Status	Source
1	Investment Financing Amounts in USD	Financing type		
		Local Equity	1,730,000	Tanzania
		Local Loans	1,730,000	Tanzania

		Foreign Equity	0	
		Foreign Loans	0	
		<b>Total Investment</b>	<b>3,460,000</b>	Tanzania
2	Capacity	Project capacity per year	Layers Farm: 662,500 trays of eggs p. a. (2,500 per day) Broilers Farm: 2,160 MT of chicken p.a. (180 tons per month)	
3	Direct Employment	Foreign – Men	4	
		Foreign - Women	2	
		Local - Men	110	
		Local Women	21	
4	Indirect employment	Estimated total No.		
		Type/areas of Indirect Employment		

## PVV Findings

The Project is operating as shown in the project photos. It operates in two farms, one for layers and another for broilers. The two farms have office buildings and quotas beside poultry units.

In its first phase of implementation the project has not yet started the hatching undertaking. It imports chicks from Europe, mainly from the Netherlands, Belgium and Turkey. In setting orders, their demand is 60,000 chicks per a single consignment. No single company in the whole of Africa has been able to supply such a large number of chicks per order.

Marketwise the Company sells only locally and nothing is exported. This implies insatiability and under-supply of our domestic market in terms of chicken and eggs. The importance of this project, therefore, is in covering the supply gap which would have had driven forex spending on importation of chicken and eggs. Below are the details for the two farms belonging to the Project.

### The Layers Farm

This farm is located on **Plots No. 100 – 103 Block ‘N’** in Dundani Area – Mkuranga, Pwani. It measures about 18 acres in total. The farm includes **4 poultry units** 1 of which is a brooding and growing unit with the capacity of sheltering **60,000 chicks**. The other three hold grown-up and laying hens at capacities of **60,000 hens** for each of the two units and **40,000** for the third unit. The total sheltering capacity is thus **220,000 fowls** at a time.

The farm has got two plants complimenting poultry farming. These are the plant for **manufacturing of trays**, and a **feed mill**. The latter is used for manufacturing of feed for the fowls. It can produce up to **5 tons** of poultry feed per day.

Production-wise the farm has the capacity of producing **2,500 trays** of eggs per day. Compared to the planned capacity of 4,000 trays of eggs per day, the current production hits **62.5%** of the plan. With the addition of units, the project can raise production to the planned level. The team has seen ongoing construction of additional poultry units.

### **The Broilers Farm**

This second farm is located at Mwanambaya, Madodo Area in the vicinity of Mkuranga. It measures 19 acres in total. The farm includes **4 poultry units** and a **modern slaughter house**. The units have sheltering capacities of **50,000 fowls** for the first unit, and **25,000** for each of the other 3 units. This makes a total sheltering capacity of **125,000** at a time.

Capacity-wise this farm produces **180 tons** of chicken (poultry meat) per month. This implies a total of **2,160 tons** per annum. The slaughtering and packaging is done in the slaughter house within the farm.

### **Challenges**

The company cannot source day old chicks from any of the African countries. This is due to low productive capacity which cannot make a single supply of 60,000 chicks to the company. As a result, the Investor imports all the fowls kept in the farms. They import from Belgium, The Netherlands, or Turkey. Other challenges include inflation and currency depreciation, bureaucratic encumbrances in exemption approvals and challenges in codification of items.

### **Solutions**

The company adopted several solutions including getting a loan, embarked on constructing of a new parent stock farm and hatchery, and participating in a meeting with the TRA on tax issues.

### **Future Plans**

The company looks forward to add buildings for keeping of fowls in both farms, layers and broilers. For layers, it has finished construction of the building for brooding and growing of chicks and it plans to raise the capacity to **400,000 fowls**. As for broilers farm it plans to raise the capacity to **240,000 birds**. It also looks forward to establish a new parent stock farm and a hatchery plant.

To cater for the increase in the number of fowls/ farms capacities the company plans to construct an additional poultry feed mill.

## **Conclusion & Recommendations**

This project finished its 3<sup>rd</sup> year of implementation in March 2022 and has applied for an extension. The team has witnessed the operating project, and the ongoing developments on the two sites. Should they be granted a one-year extension we are of an opinion that the extension will be useful in their advancement toward a hatching facility, increased brood and hens stock, and a cut off on importation of chicks. This may help them achieve the targeted production of 4,000 trays of eggs per day.

Considering the fact that they are still developing their project, and that the implementation period can still be extended the team recommends that their application be granted for a period of one year.

## **Project photos**



*Showcasing of the cold rooms in the slaughter house*



*Poultry units in the Broilers Farm: 50,000 sheltering capacity (R), and 25,000 sheltering capacity for the 3 units on the left.*



*The brooding and growing unit in the Layers Farm*



*Construction of additional poultry units, Layers Farm*


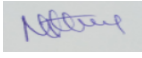



*The chicken feed plant within the Layers Farm*



*Spreading yard in front of the Tray Manufacturing Plant*

**Prepared by: -**

1. Mr. Nestory Kissima (TIC) 
2. Ms. Marcela Kimario (TIC) 
3. Ms. Mwanamkuu Matimbwi (TRA) 

**Date:** May 26<sup>th</sup>, 2022