

**BUSINESS PLAN FOR ESTABLISHMENT OF A MODERN
ABBATOIR IN TANZANIA**



BY
UNION MEAT ABBATOIR LIMITED
FOR
SUBMISSION TO THE TANZANIA INVESTMENT CENTRE



Contents

EXECUTIVE SUMMARY	2
1.1. The Applicant	4
1.2 Keys to Success	5
1.3 . Our Products and Services	5
1.4 Our Vision	6
1.5 Our Mission	6
1.6 Core Values:	6
2. CAPITAL INVESTMENT	7
3. THE RED MEAT VALUE CHAIN IN TANZANIA	8
3.1. The value chain map.....	9
3.2. Technology generation	13
3.3. Machinery and Equipment	14
3.4. Red meat process flow	14
3.5. Input supply and demand.....	15
3.6. SWOT Analysis	16
4. THE END-MARKETS	18
4.1. Our Target Market.....	18
4.2. National market	19
4.3. Export markets	21
4.4. Competition	22
5. MANAGEMENT &ADMINISTRTION	22
5.1. Job Roles and Responsibilities.....	23
6. SALES AND MARKETING STRATEGY	27
7. SALES FORECAST	28
7.1. Marketing Strategy and Sales Strategy	31
7.1.1. Publicity and Advertising Strategy.....	32
7.1.2. Our Pricing Strategy.....	33
7.1.3. Payment Options	33
8. FINANCIAL ANALYSIS OF THE PROJECT.....	34
8.1. Basic Assumptions	34
8.1.1. Revenue Projections:.....	34
8.1.2. Operating Expenses	35
8.1.3. Salaries and Wages	35
8.1.4. Taxation	35
8.1.5. Financial Highlights.....	35
8.2. Turnover and profit	36
8.3. Project Liquidity	37
8.4. Break-even Analysis.....	38
Break revenue is projected at USD 61,054,712 with a break-even production capacity utilization of 85.54% as shown in <i>Appendix 11</i>.....	38
8.5. Internal Rate of Return	38
9. IMPLEMENTATION PLAN	39

10. ECONOMIC AND SOCIAL BENEFITS.....	39
11. CONCLUSION AND RECOMMENDATIONS.....	40

Figure 1: Red Meat Value Chain in Tanzania.....	10
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Figure 2: Simple Organization Chart of the Abattoir	27
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Figure 3: Projected financial performance in USD.....	37
---	----

Table 1: Project Capital Investment in USD.....	7
---	---

Table 2: List of supply and service participants in the Red Meat Value Chain.....	11
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Table 3: Participants and functions in the Pwani Region Red Meat Value Chain	11
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Table 4: Key Requirements	16
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Table 5: Expected Income Generation in USD	29
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EXECUTIVE SUMMARY

This project document gives details on an investment proposal by Union Meat Abattoirs Limited for the construction and operation of a modern abattoir at a 39,445 square meters piece of land at Misugusugu, Kibaha District or Vigwaza Kwa Zoka Ruvu in Chalinze district in Pwani Region, Tanzania where the factory will be located. Union Meat Abattoirs Limited is in the process of acquiring the 39,445 square metres piece of land at Misugusugu Kibaha District in Pwani Region or at Vigwaza Kwa Zoka Ruvu in Chalinze district, importation of machinery and equipment for setting up a modern abattoir all worth USD 3,113,043 inclusive of start-up capital for the operations of the factory following its completion and commissioning.

Union Meat Abattoirs Limited is therefore applying for a Certificate of Incentives from the Tanzania Investment Centre (TIC) under Section 17 of the Tanzania Investment Act and Part IV of the Investment Regulations 2002 to fulfil its goals.

Union Meat Abattoirs Limited is particularly applying for a certificate of incentive which is to be used to finance the purchase of the land, machinery and equipment, vehicles, from outside the country as well as furniture.

1. COMPANY BACKGROUND

Union Meat Abattoirs Limited is a privately owned limited liability company lawfully registered in Tanzania. The company's principal place of business will be at Misugusugu Kibaha District in Pwani Region or Vigwaza Kwa Zoka in Chalinze district, Tanzania. Its Cooperate office physical address is P.O. Box 9104 Dar es Salaam Tanzania. The principal activity of the company is the processing of red meat and its related products.

1.1.The Applicant

1.1.1. Name & Nationality: **UNION MEAT ABATTOIRS LIMITED**,
Tanzanian, Kenyan

1.1.2. Address: P.O. Box 9104 Dar es Salaam Tanzania.

1.1.3. The Promoter: **UNION MEAT ABATTOIRS LIMITED**- New in
Tanzania

1.1.4. Directors of the company are:

- Mariam Feisal Nghwani - Tanzanian
- Mary Paul Ng'hwani - Tanzanian
- David Morema Obangi - Kenyan
- Andrew Muthui Guthua - Kenyan
- Doreen Gacheri Mugambi - Kenyan

1.1.5. Contact Person: - Mariam Feisal Nghwani – Telephone # +255 747 153
950

1.1.6. Type of Project: Operation of an Abattoir

1.1.7. Legal Form of Business: Private Limited Company

1.1.8. Status of the Business: New Meat Processing Plant Establishment

1.1.9. Registering Agency: Business Registration Licensing Authority
(BRELA) under the Ministry of Industries and Investment

1.1.10. Licensing Agency: Ministry of Livestock and Fisheries
Development

1.1.11. Certificate of Incorporation Number & Date: 155567482, dated 21st
March, 2022

1.1.12. Tax Identification Number: 155-567-481

1.1.13. Tax Clearance Number: 121-0123-9402 by the Ministry of Livestock and Fisheries Development and 121-0123-9391 by the Business Registration and Licencing Authority (Brela)

1.1.14. Business License Number & Date: under preparation

The authorized share capital of Union Meat Abattoirs Limited is USD 86,957 or TZS 200,000,000 divided into 200,000 ordinary shares of USD 0.44 or TZS 1,000 each. The current directors and shareholders of the company and their respective number of shares are as follows:

Name	Citizenship	Share	Percentage
Andrew Muthui Guthua	Kenyan	6,000	30%
Moissanite Holdings (Tz) Limited	Tanzanian	7,000	35%
Moissanite Company Limited	Kenyan	7,000	35%

Director and representative to the company as contact person: Mariam Feisal Nghwani

1.2Keys to Success

- Ensure good treatment of livestock before slaughter
- Avoid animal stress in its many forms, e.g. deprivation of water or food, rough handling, exhaustion due to transporting over long distances, mixing of animals reared separately resulting in fighting
- Production of quality meat products by use of modern equipment and technology
- Excellent customer care

1.3. Our Products and Services

We are in the agribusiness industry to make profits and we will ensure that we do all that is permitted by the law in the United Republic of Tanzania to achieve our business aim and objectives. Our products and services offerings are listed below;

- Slaughtering animals
- Producing cuts of beef
- Producing cuts of lamb
- Producing cuts of mutton
- Selling by-products from the slaughtering process

1.4 Our Vision

We have seen the need to enhance the quality of services provided by slaughterhouses in Tanzania and using our decades of experience and expertise, we are on course to establish one of the best abattoirs in Tanzania and beyond.

1.5 Our Mission

To process quality meat products through healthy accepted animals and the provision of services that ensures value for money to our customers.

1.6 Core Values:

The values that guide the Company's management and staff while understanding activities that enable the Company to achieve its objectives are: Quality, Safety, Ethics, Teamwork, Respect, Performance and Professionalism

2. CAPITAL INVESTMENT

The envisaged capital investment of the proposed Abattoir to be constructed at either Misugusugu in Kibaha district or Vigwaza Kwa Zoka in Chalinza district is estimated at a total cost of USD 3,113,043 as shown in the table below:

Table 1: Project Capital Investment in USD

ITEM	Quantity	Unit price	USD
Investment			
Land & Buildings	Lump sum	300,000	300,000
Common Bought out Items	1	55,112	55,112
Hygiene Equipment	1	41,910	41,910
Motorized Sheep Slaughtering Machinery	1	315,806	315,806
Chiller Lines and Primary Equipment	1	147,690	147,690
Sheep offal Processing Equipment	1	76,167	76,167
800 KLD E.T.P.	1	163,210	163,210
Total Project Cost	1	400,000	799,896
Installation Costs	1	17,640	17,640
Freight	1	50,400	50,400
Motor Vehicles			200,000
Furniture and fittings			75,000
Start Up Working capital			870,212
Total Project Cost			3,113,043

The above capital investment is to be financed through a foreign term loan facility of USD 3,113,043 over a projected horizon of 3 years for operation of a modern abattoir at Misugusugu village in Kibaha district in Pwani region in

Tanzania. It is proposed that the term loan will attract an interest rate not exceeding 7% in USD terms per annum

3. THE RED MEAT VALUE CHAIN IN TANZANIA

The value chain describes the range of activities required to move a commodity from the first point of production to the last point of consumption. This usually involves (an often complex) combination of physical change, inputs from various producer services, transfers of ownership and delivery.

The red meat value chain is confounded by many technical and institutional impediments (from supply and use of inputs, via production and processing to marketing and retailing). The chain in Tanzania is still fragmented, though currently kind of regulated and coordinated. It is dominated by large numbers of smallholder stock owners, a large number of middlemen who operate across every link, and a few small processors and hundreds of butchers who put products on the market for the consumers.

In Tanzania the ‘red meat’ value chain includes live animals, meat, processed meat products and by-products from cattle, sheep and goats that are sold both locally and in the export market. Primary processed meat and meat products are derived after animals are slaughtered and include carcasses, red offal (liver, lungs, tail, heart and kidneys), hides, skins and other by-products such as blood, bones, horns, hooves, hair, wool, glands, intestines, stomachs and gut contents.

Actors in the value chain include primary producers, traders in animals, meat and by-products, processors, butchers and consumers. Most actors are not specialized and their functions relate to various segments of the value chain. Many primary producers, for example, engage in trading of animals and some

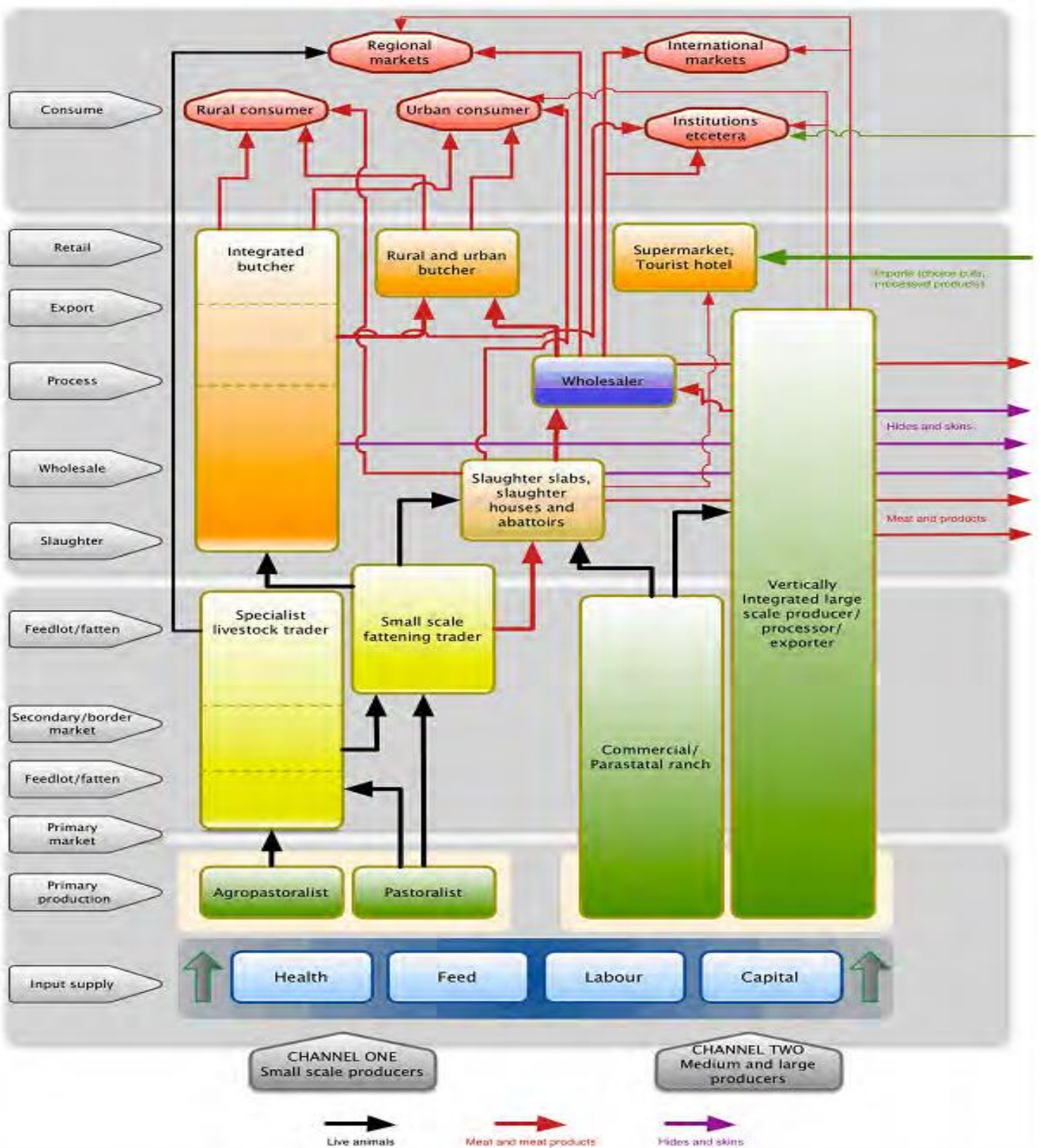
upstream actors — such as butchers — trade in animals and meat, and undertake primary processing for production of higher value cuts, mince and sausages.

3.1. The value chain map

The value chain map (Figure 3) shows that the whole is suspended from the consumer. If the link to the rest of the chain were broken the whole would be susceptible to collapse. This situation is more or less true for all other links in the chain. Each link takes the product from its immediate predecessor and ‘processes’ it to an output that is used by the next link. Nominally, the value of product increases at each stage until it reaches the consumer.

It is possible to provide a succinct list of most of the participants in the chain (Figure 3) but pivotal roles are played by the middle links of the chain through which all products must pass. Many participants in the chain occupy more than one role.

Figure 1: Red Meat Value Chain in Tanzania



Some small-scale livestock producers but especially those of slightly larger scale also act as processors and retailers. Further up the chain some processors are also wholesalers and retailers and operate in both the domestic and export markets. Primary producers may sell cattle, goats or sheep directly through a market, to a trader or to a processor or may use a combination of all three outlets.

A trader can sell to another trader, directly to a wholesale or retail butcher or to a processor or, again, may broaden his option by using a combination of these channels. Processors, especially the smaller enterprises, may buy animals directly from farmers or from traders and sell the products to wholesalers or retailers.

Table 2: List of supply and service participants in the Red Meat Value Chain

Core actors	Service suppliers
<ul style="list-style-type: none"> • Producers (Agropastoralists, Pastoralists, Dairy farmers, Commercial Ranchers) • Traders and agents • Slaughters and facilities • Wholesalers • Butchers (rural, urban, quality butcheries and supermarkets) • Meat product retailers (street vendors, shops, supermarkets) • Importers (live animals, meat and meat products) • Exporters (animals, meat and meat products, hides and skins) 	<ul style="list-style-type: none"> • Research • Training and Education Institutions • Extension service • Inputs (veterinary, feed) • Transport • Financial services • Meat inspectors and abattoir workers • Associations (producer, processor, trader, exporter) • Tanzania Meat Board

Table 3: Participants and functions in the Pwani Region Red Meat Value Chain

Participant	Functions
Research	<p>KIBAHA EDUCATION CENTRE</p> <p>This centre conducts Research and Development Research and Development is one of the three departments in the directorate of community development established in July, 2010. Its objectives are:</p> <p>To conduct researches and community needs assessments in communities surrounding Kibaha</p>

	<p>Education Centre</p> <p>To conduct researches and community needs assessments in communities surrounding Kibaha Education Centre in order to improve their livelihood.</p> <p>To coordinate extension services to farmers in Kibaha Education Centre's catchment area.</p> <p>To coordinate short courses trainings including entrepreneurship skills in Kibaha, Pwani region</p>
Feed manufacturers and suppliers	<p>Some animal Feeds entrepreneurs in Kibaha and Ruvu produce livestock feed primarily for dairy and poultry farmers and mainly for the on-demand Dar es Salaam market. Numerous small private retailers sell small quantities of feed, feed additives and supplements.</p>
Other input suppliers	<p>Kibaha Education Centre and the municipalities provide limited extension and animal health services.</p>
Producers	<p>Most stock is kept by sedentary agropastoralists. NARCO has a ranch at Ruvu, 75 km from Dar es Salaam, and there are other smaller private ranches of which one is owned by one of the Directors of Union Meat Abattoirs Limited.</p>
Traders	<p>Primary buyers, primary brokers and secondary buyer-agents operate throughout the Pwani region. Trading takes place at the point of production and at primary and secondary markets. Some long-distance trade towards the Dar es Salaam market takes place by road transport but most is more local.</p>
Slaughterers	<p>Most slaughtering of goats and sheep is 'informal' and done at the point of production. Cattle are slaughtered at rural slabs (usually small and out-of-date slaughterhouses), at many of the larger villages and towns, and at some larger municipal facilities.</p>
Processors	<p>Small primary processing of '<i>nyama kawaida</i>' cuts is carried out on a range of scales. Offal is processed by small-scale processors who deal in both red (edible) and green (inedible) varieties usually in proximity to the point of slaughter. NARCO had plans to construct a modern abattoir with a capacity to slaughter and process 400 cattle and 400 sheep or goats per one shift of 8 hours</p>
Retailers	<p>Retailers are usually small-scale street vendors (often insalubrious one-person butcheries) and rather more hygienic urban butchers.</p>

Every link in the chain relies on goods and services in order to enable it to fulfill its role(s). At the various stages, goods and services include land, labour, live animals, veterinary supplies, feed supplies, transport, energy, and finance. Also required are clearly defined and enunciated standards and a regulatory framework under — and applied by — law. Many of these requirements continue to be weak or non-existent in Tanzania and that is the reason why we intend to meet a felt need albeit a niche by construction of the modern abattoir either in Misugusugu in Kibaha district or Vigwaza Kwa Zoka Ruvu in Chalinze district.

3.2. Technology generation

Technology in livestock production includes inputs such as feed or veterinary medicine at the producer level, the machinery use in slaughtering and processing, and proper and hygienic presentation of products at the retail level. Technology has a key role in improving competitiveness and especially vis-à-vis near neighbors operating in the same environment and competing for the same market.

Red meat production in the Pwani region is based on traditional systems that use very little modern technology. Indigenous animals dominate the herds and flocks, but are considered to have limited production potential. Indigenous types include TSZ cattle, Small East African goats, and undifferentiated African long fat-tailed sheep (Red Maasai sheep are also recognized from the north of the country). Animals derive their feed almost entirely from natural rangeland and some crop residues, which are usually in low supply and for much of the year have minimal nutritional value. Most herds receive little in the way of animal health interventions (only 29 percent of cattle are vaccinated regularly), protection from ticks (and the diseases they carry) or control of internal helminthic parasites. Reproductive rates in cattle reach only about 50 percent of

their full potential (a cow first calves at 4 years of age and then produces a calf only once every 2 years), and overall growth rates are low and characterized by the gain-loss-gain annual cycle. Thus, overall output is greatly reduced; annual off take for slaughter may reach 12 percent but is more likely to be 10 percent; and if an animal survives to the slaughter stage (a minimum of four years, and often six to eight years) the resultant meat is of very poor quality. Union Meat Abattoir Limited will get well fed and taken care of Boran, Steers and TSZ cattle, sheep and goat for slaughtering in our abattoir from our 1,000 acres ranch at Ruvu and from the livestock keepers by selecting quality live animals as we eye more for the red meat export market.

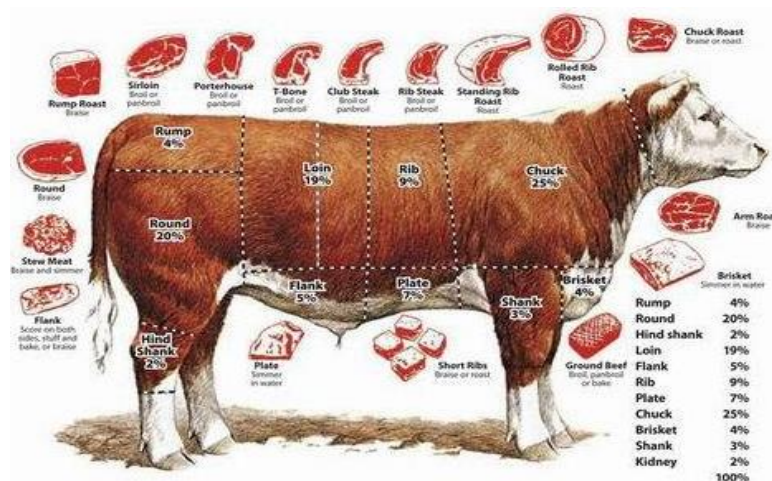
3.3. Machinery and Equipment

Union Meat Abattoirs Limited intends to procure the machinery and equipment from Dubai, the United Arab Emirates which is quite modern technology. Failure to use effective and modern technologies will inevitably result in greater loss of competitiveness, since the peers of Tanzania’s livestock producers and processors in neighboring countries, especially Kenya, are making widespread use of them. Union Meat Abattoirs Limited in this project will use modern machinery and equipment as shown in the attached proforma invoice:

3.4. Red meat process flow

The meat processing involves a number of steps

- a. The first step is slaughter of the animal to the beef meat by first examining the animal to make sure it is fit for human consumption before slaughtering



- b. The second stage is aging where beef is tagged and hung in a large cooler

where it will hang for about a week for aging to improve the flavor of the beef and makes it tenderer through allowing enzymes to break down the meat

- c. The third step in beef processing is beef cutting. The processor can cut beef according to the end beef products and the beef cuts can be then be handled in a variety of ways such as smoking, salting, ground for hamburger or sausage etc.

3.5. Input supply and demand

The most important inputs for red meat production are perceived to be:

- animal health products including drugs and vaccines;
- nutritional supplements (conserved forages, concentrates, mineral and vitamins);
- fixed and mobile equipment and tools;
- pasture seeds;
- breeding animals (mostly males) and artificial insemination; and
- credit.

Access to extension services is apparently not quite so limited as access to credit but is nevertheless not very widespread. Just over one quarter of rural livestock producers made use of extension services and received advice on production practices or disease prevention and control. Access seems to be positively related to wealth but is also related to the number of animals kept by a household. This could be because households with more livestock have greater dependence on them for their livelihoods.

Public veterinary services are supposedly widely available but provision is clearly inadequate. Only 29 percent of households, according to NPS, used any form of vaccination and use of other veterinary inputs is limited. Actions in

relation to livestock disease tend to be reactive rather than proactive. Access to animal health services and products is better in and near towns where private suppliers are common and can supply a wide range of local and international drugs and health supplements. There is little use of purchased feeds — either roughage or concentrate — in the red meat chain (in contrast to dairy and poultry) except in the few households or organizations that have feedlots. Several flour millers produce animal feeds, in part because this is a practical and financially rewarding way of using maize bran. Almost all would be willing to formulate or use standard formulations for beef and small ruminant production. Once again feeds are more widely available in populated areas than in the remoter parts of the country where most livestock are found. This imbalance in location and availability of inputs — both health and nutritional — is a fundamental problem for the chain.

Table 4: Key Requirements

Key requirements		Units
Annual slaughtering of cattle	30,000	Heads
Annual slaughtering of goats	120,000	Heads
Annual slaughtering of sheep	120,000	Heads
Annual cattle Machine Capacity	36,500	Heads
Annual sheep and goat capacity	2,550,000	Heads
Capital Structure		
Foreign Equity	3,113,043	\$

3.6.SWOT Analysis

Our intention of starting our abattoir in Kibaha district is to use our 1,000 acres ranch at located at Ruvu and to test run the business for a period of 2 to 5 years

to know if we will invest more money, expand the business and contribute to the economy of the country.

We are quite aware that there are several slaughterhouses all over the country and even in the same location where we intend locating ours, which is why we are following the due process of establishing a modern abattoir business. We know that if a proper SWOT analysis is conducted for our business, we will be able to position our business to maximize our strength, leverage on the opportunities that will be available to us, mitigate our risks and be equipped to confront our threats.

Union Meat Abattoir Limited with the help of an expert Business Analyst with bias in the meat, beef, and poultry processing industry conducted a thorough SWOT analysis and to help us create a Business model that will help us achieve our business goals and objectives.

This is the summary of the SWOT analysis that was conducted for Union Meat Abattoir Limited;

Strength:

Our location at our own ranch; the business model we will be operating on healthy environment, varieties of payment options, and our excellent customer service culture will definitely count as a strong strength for Union Meat Abattoir Limited. So, also our management team members will have what it takes to grow a business from startup to profitability with record time.

Weakness:

A major weakness that may count against us is the fact that we are a new abattoir business and we don't have the financial capacity to compete with leaders in the industry for now.

Opportunities:

The fact that we are going to be operating our abattoir business in Kibaha an area which happens to be among best placed for animals such cattle, sheep and goats and its proximity to DSM and Dodoma provides us with unlimited opportunities to sell our fresh meats to a large number of wholesale distributors and retailers.

We have been able to conduct thorough feasibility studies and market survey and we know what our potential clients will be looking for when they visit our abattoir. We are also aware that free-trade agreements across the borders of the country for export of our products will open more opportunities for us.

Threat:

Some of the threats and challenges that we are likely going to face when we start our own abattoir business are global economic downturn that can impact negatively on household spending, bad weather cum natural disasters, unfavorable government policies and the arrival of a competitor (a new abattoir or even a well-organized farm market) within same location where we shall have our abattoir.

There is hardly anything UMAL can do as regards these threats and challenges other than to be optimistic that things will continue to work for the company good.

4. THE END-MARKETS

4.1.Our Target Market

The meat, beef and poultry processing industry in has a wide range of customers; a large chunk of people on planet earth consume different types of meat or poultry products and it is difficult to find people around who don't.

In view of that, we have positioned our abattoir business to service consumers in and around Kibaha Township which 75 km from the metropolitan city of Dar

es Salaam and on the way to Dodoma, the capital city of the country; a gateway location to the neighbouring countries like Kenya through Arusha other locations we will cover. We have conducted our market research and we have ideas of what our target market would be expecting from us. We are in business to engage in the slaughtering and selling of freshly butchered meats to the following businesses;

- Households
- Restaurants
- Hotels
- Caterers
- BBQ joints
- Retailers of meat
- Grocery Stores
- Supermarkets
- Schools and colleges
- Wholesale Distributors of meats

4.2. National market

More than 95 percent of meat from cattle, sheep and goats in Tanzania comes from local types of animals reared under extensive conditions in the pastoral system, or under very slightly more intensive circumstances in agropastoral and mixed farming systems. The National Ranching Company (NARCO) dominates the so-called commercial production system but there are a small number of larger private commercial operations: these commercial activities make use of ‘superior’ cattle genetics, which are almost entirely of the Boran type. Tanzania produced about 493,000 metric tonnes of red meat (by year 2016/2017) whereby 83% is beef and the remainder comes from sheep and goats. Most of this produce (97%) comes from pastoral and agro-pastoral communities. The red meat produced is predominately for domestic consumption, with little exports. The country still has not been able to meet its domestic demand for red meat, and meeting this demand, as well as exploiting the exports potential for

red meat, is possible only if the limitations of unavailable resources, such as animal feeds, are overcome.

Total meat consumption increased from 160,000 tonnes in 2010, to 290,000 tonnes in 2015. The meat consumption levels in Tanzania remain well below world averages.

By the year 2021 domestic demand gap for red meat has risen due to rapidly growing population, increasing urbanization, and rising incomes is reduced; and live animal and meat exports are increased to generate foreign exchange earnings. The target was to reach a production of 742,000 tonnes of red meat by year 2021, through improvement of grazing land resources, animal health, and genetics; and use of appropriate feeding technology. Tanzania's demand for meat is expected to increase almost exponentially in the future, and will significantly outgrow that of other African countries.

The food service industry is also growing steadily and supplies Tanzanian institutional buyers (such as educational establishments, the military, hospitals and prisons that demand little more than 'nyama kawaida'), hotels and specialized restaurant outlets (that are developing for the burgeoning tourist business and requirement much better quality meat in general and choice cuts in particular) and a growing number of supermarkets.

Access to markets in rural areas is generally limited or difficult. The Tanzania National Panel Survey (NPS) in the past has showed that only 10 percent of rural farm households are market-oriented (i.e. sell more than 50 percent of their produce).

Just over 20 percent of total household food expenditure (or around 13 percent of total household expenditure) is channelled into livestock products (whether purchased or own produced). Although food decreases as a proportion of total expenditure with rising wealth, red meat rises as both a proportion of total household expenditure and total food expenditure with increasing wealth.

The relationship between urban per capita consumption (in Tanzanian shillings) and increasing wealth is positive for nearly all products. Analysis of the patterns of animal product consumption shows a sector with much room for expansion. The disparities in consumption between rural and urban areas and between different income groups suggest that as average incomes in Tanzania increases, the demand for livestock products will expand. This offers good opportunities for livestock producers to increase production in order to serve a growing domestic market. Female-headed households, while somewhat disadvantaged in terms of access to livestock assets, appear to be in a relatively good position to benefit from such opportunities, as their participation in livestock output markets is equal to — or greater than that — of other households. Growth is also likely to be accompanied by a shift in the composition of the demand towards more meat and dairy products. Poultry will continue to be important but, if current consumption patterns are a guide, household preferences will increasingly shift towards other livestock products as incomes increase.

4.3.Export markets

Commercial processing for the domestic as well as the export market in Tanzania has greatly lost its international touch since the fall of the Tanganyika Packers Company, the Kawe plant which used to supply the domestic market, and a little of export market. Following the dissolution of Livestock Development Authority (LIDA) in 1986 the meat business was left unregulated until Parliament enacted the Meat Industry Act No 10 of 2006, which established the Annual Meat Council and the Tanzania Meat Board (TMB).

Free movement of animals across national borders in East Africa is technically illegal which leaves room for the processed red meat to cross the borders under required government permits. Union Meat Abattoirs Limited wants to use this window of opportunity to construct the modern abattoir for this purpose.

4.4.Competition

A close study of the meat, beef and poultry processing industry reveals that the market has become much more intensely competitive over the last decade. As a matter of fact, one has to be highly creative, customer centric and proactive to survive in this industry. Union Meat Abattoir Limited is aware of the stiff competition and is prepared to compete favourably with other leading abattoirs in and around the country.

The major competitors of Union Meat Abattoir Limited are the NARCO that has an animal holding ground at Ruvu (80 km from Dar es Salaam) which is used as a fattening ranch. Some Chinese companies also have plans to set up modern abattoir whose capacity is around 400 goats per day.

There also some ranches at Kongwa, Sumbawanga, Nachingwea, West Kilimanjaro and Missenyi who might compete with UMAL in the export mainly regional and to the Gulf States. These and other small scale local butchers scattered all over the country will be the competitors of Union Meat Abattoir Limited in the local market.

5. MANAGEMENT &ADMINISTRATION

Union Meat Abattoir Limited intention of starting this business in Tanzania is to build a standard abattoir in one of the two districts in Pwani region. We will ensure that we put the right structures in place that will support the kind of growth that we have in mind while setting up the business.

We will make sure that we hire people that are qualified, honest, customer centric and are ready to work to help us build a prosperous business that will benefit all our stakeholders. In view of that, we have decided to hire qualified and competent hands to occupy the following positions that will be made available at Union Meat Abattoir Limited;

- Managing Director
- Chief Accountant
- Marketing Manager
- Human Resources Manager
- Veterinarian
- Hygiene Expert
- Quality Controller
- Marketing staff
- Warehouse / Storage Facility Manager
- Merchandize Manager
- Sales and Marketing Manager
- Abattoir Workers
- Drivers/Distributors

5.1. Job Roles and Responsibilities

Some of the above key positions job descriptions are as follows:

Managing Director:

- Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions.
- Responsible for fixing prices and signing business deals
- Responsible for providing direction for the business
- Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for signing checks and documents on behalf of the company
- Evaluates the success of the organization
- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- Defines job positions for recruitment and managing interviewing process

Warehouse cum Storage Facility Manager:

- Responsible for organizing the safe and efficient receipt, storage and dispatch of slaughtered animals and byproducts
- Responsible for liaising with customers, suppliers and transport companies
- Responsible for using space and mechanical handling equipment efficiently and making sure quality, budgetary targets and environmental objectives are met
- In charge of coordinating the use of automated and computerized systems where necessary
- Ensures that proper records of goods are kept and warehouse does not run out of products
- Ensures that the slaughterhouse facility is in tip top shape and goods are properly arranged and easy to locate
- Controls meat, beef and goat and sheep meat distribution and supply inventory
- Supervises the workforce in the abattoir floor.
- Merchandise Manager
- Manages vendor relations, farm cum market visits, and the ongoing education and development of the organizations' buying teams
- Responsible for the purchase of cows, goats, pigs, turkeys and chickens et al directly from farmers for the organizations
- Responsible for planning sales, monitoring inventory, selecting the merchandise, and writing and pricing orders to vendors
- Ensures that the organization operates within stipulated budget.
- Butchers
- Responsible for slaughtering animals, producing cuts of beef, producing cuts of lamb and mutton, producing cuts of pork, producing cuts of other red meats and selling by-products from the slaughtering process.
- Responsible for cleaning the abattoir before and after slaughtering of animals
- Handles any other duty as assigned by the manager (owner)

Sales and Marketing Manager

- Manages external research and coordinate all the internal sources of information to retain the abattoir's best customers and attract new ones
- Models demographic information and analyze the volumes of transactional data generated by customer purchases
- Identifies, prioritizes, and reaches out to new partners, and business opportunities et al
- Identifies development opportunities; follows up on development leads and contacts; participates in the structuring and financing of projects; assures the completion of development projects.
- Responsible for supervising implementation, advocate for the customer's needs, and communicate with clients
- Develops, executes and evaluates new plans for increasing sales
- Represents the company in strategic meetings
- Helps to increase sales and growth for the company

Chief Accountant:

- Responsible for preparing financial reports, budgets, and financial statements for the company
- Provides managements with financial analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.
- Responsible for financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensuring compliance with taxation legislation
- Handles all financial transactions for the organization
- Serves as internal auditor for the organization

Distribution Truck Drivers

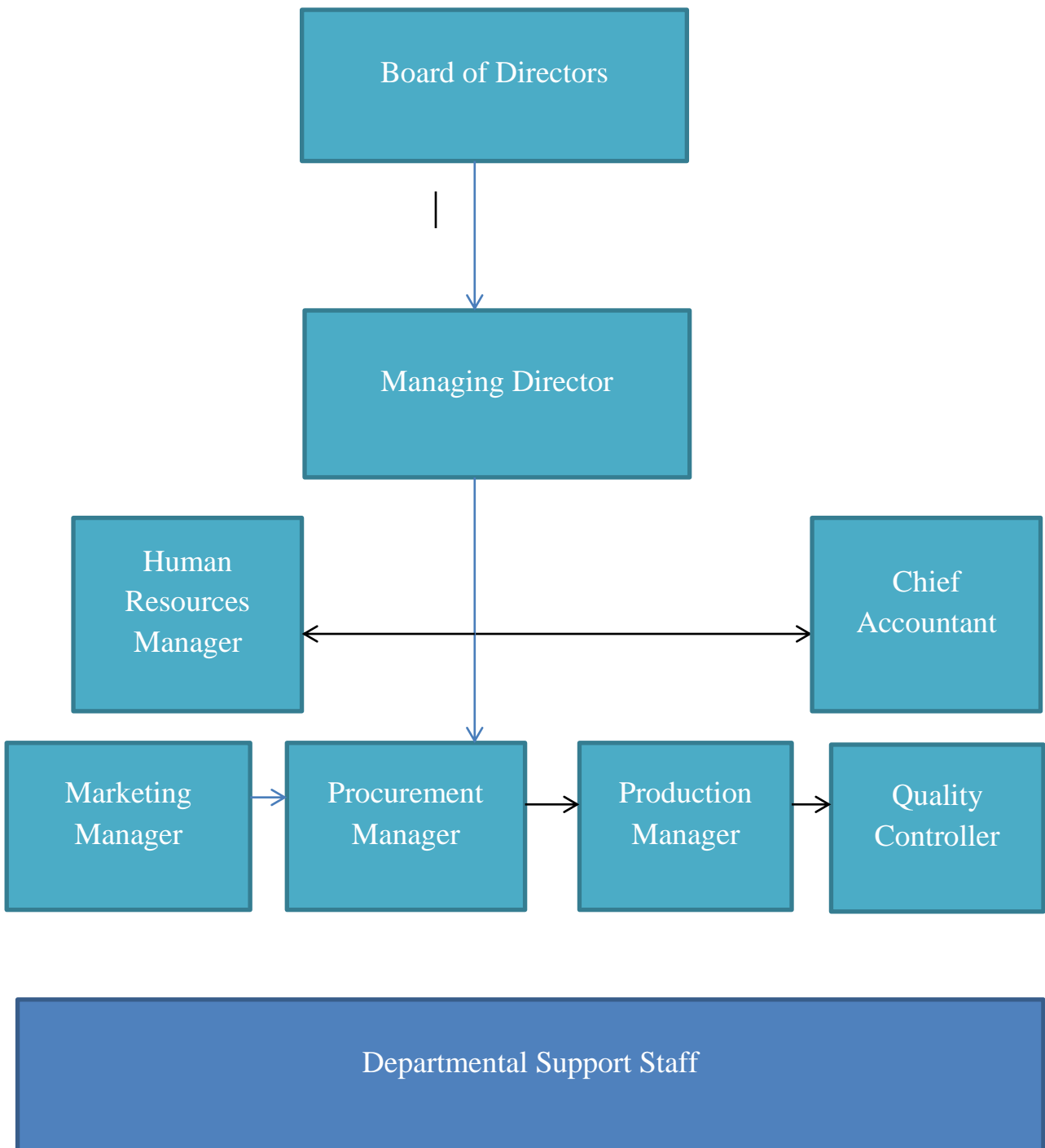
- Assists in loading and unloading live and slaughtered animals

- Maintains a logbook of their driving activities to ensure compliance with federal regulations governing the rest and work periods for operators.
- Keeps a record of vehicle inspections and make sure the truck is equipped with safety equipment
- Assists the transport and logistics manager in planning their route according to a distribution schedule.
- Local-delivery drivers may be required to sell meat, beef and goat et al to stores on their route, obtain signatures from recipients and collect cash.
- Inspect vehicles for mechanical and safety issues and perform preventative maintenance
- Complies with truck driving rules and regulations (size, weight, route designations, parking, break periods etc.) as well as with company policies and procedures
- Collects and verifies delivery instructions
- Reports defects, accidents or violations

All the above positions will be recruited and filled in as needed arises from time to time until the abattoir is fully operational. The Union Meat Abattoir Limited will work out and come up with an attractive remuneration scheme and create conducive working environment so as to not only attract adequate labour for its needs but also retain its labour force. To this end, the company will provide satisfactory welfare facilities and services. The workforce will comprise of mainly locals and 4 foreigners to make a total of 85 employment opportunities.

Below is the simple organization chart of the envisaged abattoir

Figure 2: Simple Organization Chart of the Abattoir



6. SALES AND MARKETING STRATEGY

Sources of Income

Union Meat Abattoir Limited is in business to engage in slaughtering animals and retailing fresh meats and byproducts. We are in this industry to maximize

profits and we are going to go all the way to ensure that we achieve our business goals and objectives.

Our source of income will be;

Slaughtering animals

Producing cuts of beef

Producing cuts of lamb and mutton

Selling by-products from the slaughtering process.

7. SALES FORECAST

One thing is certain when it comes to abattoir business, if your business is centrally positioned coupled with reliable supply of healthy meats and effective distribution network, you will always attract customers cum sales and that will sure translate to increase in revenue generation for the business.

We are well positioned to take on the available market in Tanzania and beyond and are quite optimistic that we will meet our set target of generating enough income from the first six months of operation and grow the business and our clientele base.

We have been able to critically examine the meat, beef and poultry processing industry, we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. The sales projections are based on information gathered on the field and some assumptions that are peculiar to startups in Tanzania.

Table 5: Expected Income Generation in USD

Production Plan		2023	2024	2025	2026	2027
Quantity of Cattle slaughtered per day (Heads)	100					
No of days in a year	300					
Production Capacity Utilization	100%	80%	80%	85%	90%	95%
Quantity of cattle slaughter per annum (heads)	30,000	24,000	24,000	25,500	27,000	28,500
Live Weight per cattle slaughtered in kg		600	600	600	600	600
Percentage of the live weight/carcass		60%	60%	60%	60%	60%
Amount of kg slaughtered per annum		8,640,000	8,640,000	9,180,000	9,720,000	10,260,000
Price per kg in USD		2	2	2	2	2
Annual Sales		18,782,609	18,782,609	19,956,522	21,130,435	22,304,348

Sheep and Goat Slaughter house

Production Plan		2023	2024	2025	2026	2027
Quantity of sheep and goat slaughter per day (heads)	4,000					
No of days in a year	300					
Production Capacity Utilization	100%	80%	90%	95%	95%	95%
Quantity of sheep and goats slaughtered per annum (heads)	1,200,000	960,000	1,080,000	1,140,000	1,140,000	1,140,000
Live Weight per sheep/goat slaughtered in kg		30	30	30	30	30
Percentage of the live weight/ carcass		60%	60%	60%	60%	60%

Amount of kg slaughtered per annum		17,280,000	19,440,000	20,520,000	20,520,000	20,520,000
Price per kg in USD		3	3	3	3	3
Annual Sales		52,591,304	59,165,217	62,452,174	62,452,174	62,452,174
Total Annual Sales of all products		71,373,913	77,947,826	82,408,696	83,582,609	84,756,522

N.B: The above projection was done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and there won't be any major competitor offering same products and services as we do within the same location. Please note that the above projection might be lower and at the same time it might be higher.

7.1. Marketing Strategy and Sales Strategy

Before choosing a location for Union Meat Abattoir Limited, we conducted a thorough market survey and feasibility studies in order for us to penetrate the available market and become the preferred choice for households, meat wholesale distributors, retailers, grocery stores and supermarkets in and around Dar es Salaam and Dodoma and for the export market outside the country.

We have detailed information and data that we were able to utilize to structure our business to attract the number of customers we want to attract per time.

In summary, Union Meat Abattoir Limited will adopt the following sales and marketing approach to win customers over;

- Open our business in a grand style with a party for all.
- Introduce our business by sending introductory letters alongside our brochure to households, restaurants, hotels, caterers, BBQ joints, wholesale distributors, retailers, grocery stores, supermarkets and other key stake holders in and around
- Ensure that we have a wide range of meat in our abattoir at all times
- Make use of attractive hand bills to create awareness of our business
- Position our signage / flexi banners at strategic places around Kibaha Township

- Create a loyalty plan that will enable us reward our regular customers
- Engage on roadshows within our neighborhood to create awareness for our abattoir cum slaughterhouse business.

7.1.1. Publicity and Advertising Strategy

Despite the fact that our abattoir business is well structured and well located, we will still go ahead to intensify publicity for the business. We are going to explore all available means to promote the business.

Union Meat Abattoir Limited has a long-term plan of opening distribution channels all around the key cities and towns throughout the country which is why we will deliberately build our brand to be well accepted in Dar es Salaam, Dodoma and other neighbouring townships before venturing out.

As a matter of fact, our publicity and advertising strategy is not solely for winning customers over but to effectively communicate our brand. Here are the platforms we intend leveraging on to promote and advertise Union Meat Abattoir Limited;

- ❖ Place adverts on community based newspapers, radio and TV stations
- ❖ Encourage the use of word of mouth publicity from our loyal customers
- ❖ Leverage on the internet and social media platforms like YouTube, Instagram, Facebook, Twitter, LinkedIn, Google+ and other platforms to promote our business.
- ❖ Ensure that our we position our banners and billboards in strategic positions all around Kibaha Township
- ❖ Distribute our fliers and handbills in target areas in and around our neighborhood

- ❖ Advertise our abattoir business in our official website and employ strategies that will help us pull traffic to the site
- ❖ Brand all our official cars and distribution vans/trucks and ensure that all our staff members and management staff wears our branded shirt or cap at regular intervals.

7.1.2. Our Pricing Strategy

Pricing is one of the key factors that gives leverage to wholesale distributors and retailers and abattoirs are not left out, it is normal for retailers to purchase products from distribution companies that they can goods at cheaper price. We will work towards ensuring that our meat is retailed at highly competitive prices compare to what is obtainable in the country.

We might consider plans to discount our meat once in a while and also to reward our loyal customers from time to time.

7.1.3. Payment Options

The payment policy to be adopted by Union Meat Abattoir Limited is all inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of the country.

Here are the payment options that Union Meat Abattoir Limited will make available to her clients;

- ✚ Payment via bank transfer
- ✚ Payment with cash
- ✚ Payment via credit cards / Point of Sale Machines (POS Machines)
- ✚ Payment via POS machines

✚ Payment via online bank transfer

✚ Payment via check

✚ Payment via bank draft

In view of the above, we have chosen banking platforms that will enable our client make payment for meat, beef and by-products purchase without any stress on their part. Our bank account numbers will be made available on our website and promotional materials.

8. FINANCIAL ANALYSIS OF THE PROJECT

8.1. Basic Assumptions

8.1.1. Revenue Projections:

Revenue projections are based on the following assumptions:

- The plant has a slaughtering capacity of 100 heads of cattle and 7,000 sheep or goat per day.
- The production plant will operate on a one shifts of 8 hours a day for 24 days and 11 months in a year
- The abattoir plant will operate on a capacity utilization of 80% during the first year of its operation, increasing to 90% during the second year and 95% from the third year onwards at 5% annual increment.
- The quantities of steel products to be sold each year are projected to increase from 80% of the total quantities produced during the first year of operations to 90% during the second year and 95% from the third year onwards.
- The products selling prices are projected at not less that USD 2 per kg of red meat. Prices are might increase at an increment over the projected

horizon of five (5) years.

8.1.2. Operating Expenses

The main operating expenses include rearing and or procurement of cattle, goats and sheep, freight charges, Insurance, import duty, clearing and forwarding charges, port charges, and utility all estimated 80% of turnover as indicated in ***Appendix 4B***;

Administrative costs for the project insurance costs projected at 1% of total turnover, products distribution expenses projected at 1% of total turnover, local government levies projected at 0.1% of total turnover, general office expenses projected at USD 3,300 per month, security expenses projected at 0.05% of total turnover, travelling expenses projected at 0.15% of total turnover, meal allowances projected at 0.25% of total turnover, medical expenses projected at 0.15% of total turnover, and marketing expenses projected at 0.5% of total turnover as indicated in ***Appendix 7***.

8.1.3. Salaries and Wages

Salaries, wages and 30% social security benefits for 85 workers are also indicated in ***Appendix 7***.

8.1.4. Taxation

Corporate income tax rate of 30% is assumed to remain unchanged over the projected period of five (5) years.

8.1.5. Financial Highlights

Financial forecasts over a five-year period for the project have been worked out. Investment Costs are presented in ***Appendix 1***, whereas the assets depreciation

schedule is presented in *Appendix 2*. Working capital repayment schedule is presented in *Appendix 3A*. *Appendix 3B* shows the guarantee facility repayment plan, *Appendix 4 A* shows income statement for red meat products. *Appendix 6* presents production costs for the three products. Administrative costs including manpower requirements are presented in *Appendix 7*. The projected income statement for the whole project is then presented in *Appendix 8*. Cashflow projections are presented in *Appendix 9* and the payback period is presented in *Appendix 10*. Break-even analysis is presented in *Appendix 11* and discounted cashflow projections in *Appendix 12*.

8.2. Turnover and profit

Revenue from *red meat sales* is projected to increase from USD 71,373,913 in the first year, to USD 77,947,826 in the second year and USD 82,408,696 from the third year onwards as indicated in *Appendix 5*.

Gross operating income is projected to increase from USD 14,274,783 in the first year, to USD 15,589,565 in the second year and USD 16,481,739 from the third year onwards.

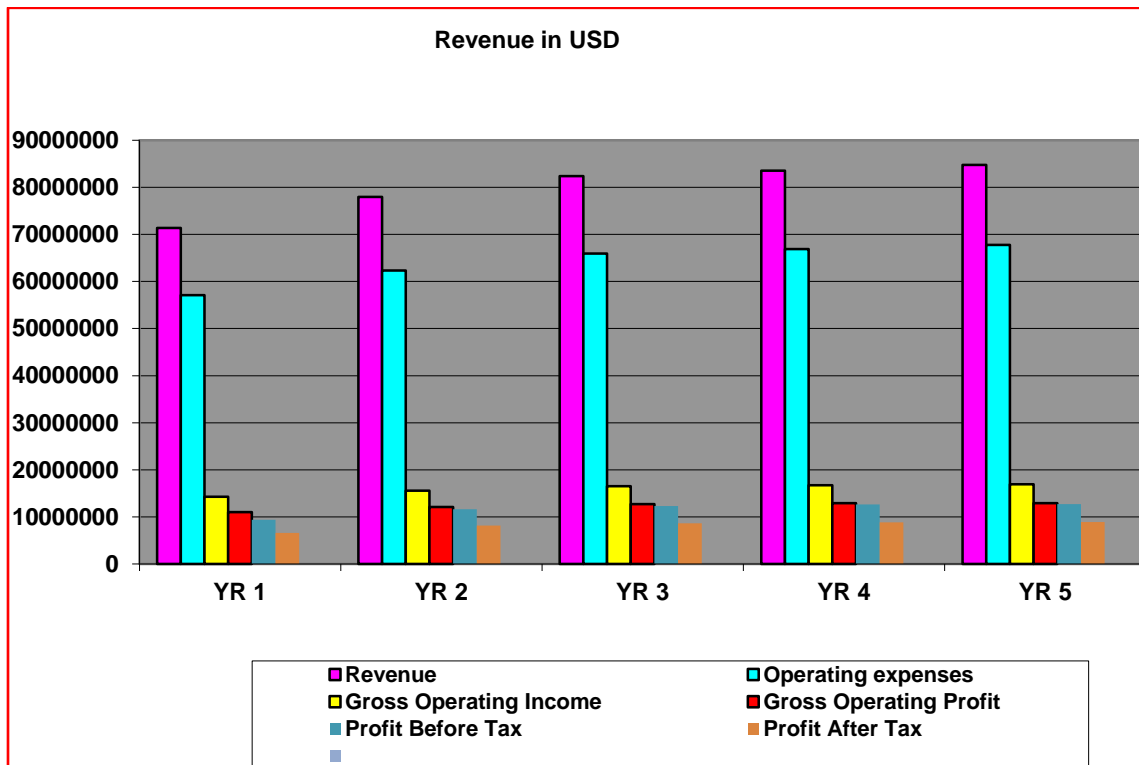
Gross operating profit is projected to increase from USD 10,990,064 in the first year, to USD 12,091,829 in the second year and USD 12,687,128 from the third year onwards.

Profits after capital and financial charges (depreciation and working capital interest expenses) are projected to start at USD 9,397,295 in the first year, increasing to USD 11,613,768 in the second year, USD 12,328,322 in the third year, onwards.

Profits after taxation are projected to start at USD 6,578,107 in the first year, increasing to USD 8,129,637 in the second year, USD 8,629,825 in the third year onwards.

Accumulated retained earnings are projected to increase from USD 6,578,107 in the first year to USD 41,064,576 in the fifth year as shown in *Appendix 8*.

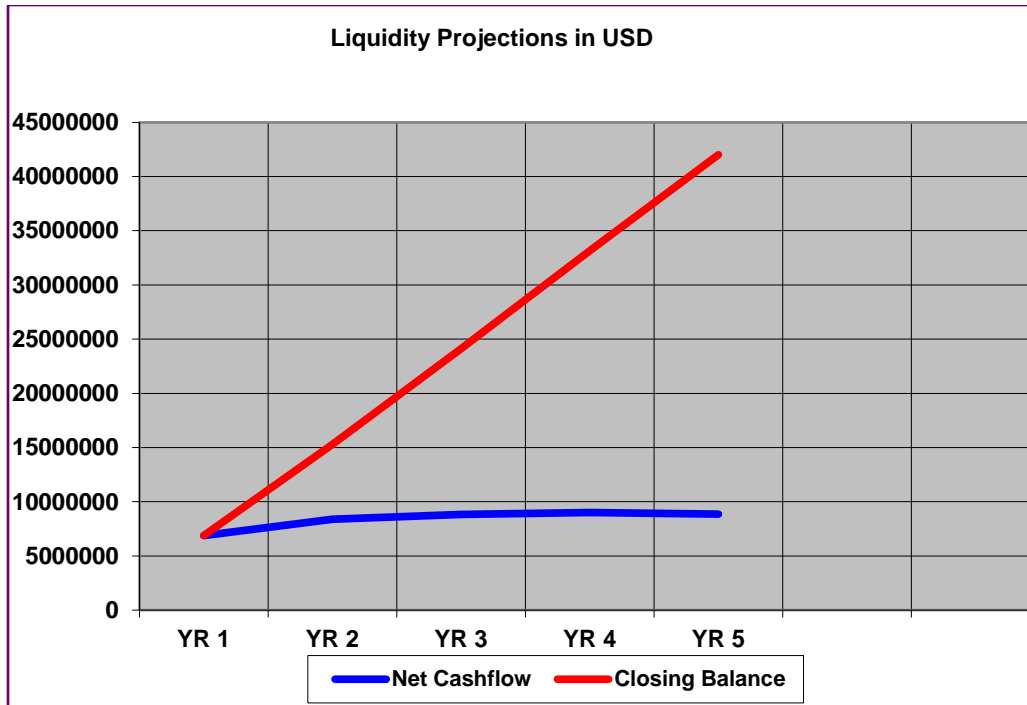
Figure 3: Projected financial performance in USD



8.3. Project Liquidity

The proposed project is very profitable. It generates positive net cashflows from the first year of operations with net cashflow of USD 6,896,245. Positive net cashflows are recorded in each subsequent year. Cashflow projections are presented in *Appendix 9*.

Figure 5: Liquidity projections in USD



The project is able to achieve an attractive payback period of 2 years and 4 months as indicated in *Appendix 10*. That is to say the whole investment (new and existing assets) cost of USD 3,113,043 will fully be recouped in that period.

8.4. Break-even Analysis

Break revenue is projected at USD 61,054,712 with a break-even production capacity utilization of 85.54% as shown in *Appendix 11*.

8.5. Internal Rate of Return

Through the Discounted Cash Flow (DCF) method (*Appendix 12*) the project realizes an attractive Internal Rate of Return (*IRR*) of more than **34.39%** which is way far above the cost of capital in the economy. This indicates that the project is very financially viable.

Since financial projections are only as good as the assumptions on which they are built, an analysis of the impact of changes in some of the major parameters can be carried out.

9. IMPLEMENTATION PLAN

No	Activity	Time	Status
1	Business Plan Preparation and Land Procurement	April – May 2022	BP Completed Land - on process
2	Civil Works	May 2022	Not yet
3	Abattoir Construction	July- Aug 2022	Not yet
5	Electricity connection and start up	September 2022	Not yet
6	Abattoir Machinery and Equipment shipment	September 2022	Not yet
7	Installation of Machines and equipment	October 2022	Not yet
8	Ordering of heads of Cattle , goat and sheep	November 2022	Not yet
9	Production commencement	December 2022	Not yet

10.ECONOMIC AND SOCIAL BENEFITS

The successful operation of an abattoir for red meat processing project to be operated by *Union Meat Abattoir Limited* will have significant economic and social benefits to the country as a whole. In summary, some of the benefits which will be realized include:

- (i) Creation of permanent employment opportunities for over 85 employees out of which 4 will be foreigners and the rest Tanzanians.
- (ii) The project will be an import substitution venture in the sense that less imported meat will be imported from outside the country.
- (iii) The neighborhood of the project will benefit domestic lighting from

the electrification of the factory.

- (iv) Provision of income to employees and other service providers (individual entrepreneurs) thus contributing to Government efforts in improving citizens' living standards.
- (v) Provision of a new market for food products and other goods required at the abattoir site, thus generating an economic multiplier effect to the project area and surrounding areas.
- (vi) Provision of revenue to the Government through corporate tax. It is projected that the project will contribute a total of USD 17,599,104 to the Treasury in the form of corporate tax over a period of five years, which implies an annual average of USD 3,519,820.81

11. CONCLUSION AND RECOMMENDATIONS

This project document has provided descriptions of a detailed investment proposal by *Union Meat Abattoir Limited* for establishment and operation of a modern abattoir at Misugusugu area on plot number 4 & 5 Block X in Kibaha district, or Vigwaza Kwa Zoka in Chalinze district, Pwani region in Tanzania.

The company is now applying for a Certificate of Incentives from the Tanzania Investment Centre (TIC) under Section 17 of the Tanzania Investment Act and Part IV of the Investment Regulations 2002 to fulfill its goals. Union Meat Abattoir Limited is particularly applying for a certificate of incentive which is to be used to finance the purchase of the land and the machinery and equipment, motor vehicles and furniture from outside the country.

Through the various parameters, which have been considered, it has been established that the proposed project is technically feasible, financially viable, and economically and socially beneficial.

In view of the above, it is hereby recommended that the project as conceived by Union Meat Abattoir Limited be supported by the Tanzania Investment Centre by providing the requested Certificate of Incentives.