

MAYAI LIMITED

BUSINESS PLAN

For

ESTABLISHMENT OF A POULTRY FARM

IN

KIMBWELA VILLAGE, KIGOMA

Presented by:

Mayai limited

P.O. Box 682

Kigoma, Tanzania

1.0 EXECUTIVE SUMMARY

1.1 Introduction

This business plan aims to evaluate the viability of establishing an integrated large-scale poultry farming in Kigoma Region by ***Mayai Limited***. Poultry production is an important and diverse component of Tanzania agriculture. Poultry products including eggs and chicken meat are a healthy part of the diets of most Tanzanians. The demand for poultry products is exacerbated by the decrease in red meat consumption due to health concerns. Consumers are now increasingly consuming chicken meat (white meat) in order to reduce animal fat intakes. Chicken products therefore play a significant role in the national economy by contributing towards food security of the country. Poultry consumption in the Tanzania has increased from the 70s, when chicken was eaten on special occasions, during festivals and Sundays to making poultry an everyday menu item today. Therefore, chick production is relatively risk free and marketing of large quantity of eggs and chicken is fairly manageable.

1.2 THE PROJECT

The project entails to develop an integrated poultry farm. ***Mayai Limited*** is a limited liability company that was incorporated in Tanzania on 6th September 2022 and is in the process of establishing integrated poultry farm project at **plot no 6&7 kimbwela, Kigoma district, Kigoma.**

The poultry project will involve construction of buildings closed sheds which will house a hatchery equipment's, Cooling unit for cold storage facilities with natural ventilation systems with drinkers and feeders that will be imported. The investment shall also include investment in office

block, feed mill plant, godowns, feed godown, slaughter house, cold rooms, deep freezer housing, residential houses, staff houses and a boundary wall. Initially, the Mayai Limited will import Day Old Chicken (DOC) broilers chickens for growing and after maturity it will be sold at the local market but at second phase the company will import and raised parent hybrid stock of imported broiler and lay chick to produce commercial Day – old chicks for the farmers who rear pullets and produce broiler meat chicken and table eggs for the market.

. 1.3 The Sponsors:

The project is sponsored **Mayai Limited** of Dar es Salaam. **Mayai Limited** is a registered company under the Tanzania Companies ACT 2002 with Certificate of Incorporation **No 157731696** dated 6th September 2022.

Shareholder	Shares %
Rupinder Singh Sandhu	20
Darshit Dinesh Chohan	20
Kunal Rohit Modessa	20
Haji Kassamali Kanji	20
Sarita Haji Kanji	20

The promoters of this project are dedicated and determined to make the venture successful and profitable entity.

1.4 Capital Investment Plan

Mayai Limited proposes to **invest US\$1.575 million** for this project as follows:

ITEM	TOTAL
Land and buildings	300,000
Plant, Machinery & Equipment	700,000
Vehicles	300,000
Furniture & Fittings	25000
Others	75000
Pre operational Expenses	100000
Initial Working Capital	75,000
Grand Total	1,575,000

1.5 Financing

The total investment cost of the project is planned to be financed by the shareholders retained earnings and contribution equity and the term loan loan from local and international banks.

USD

	Amount	Total
Owners' Equity (25%)	575,000	575,000
Long term loan	1,000,000	1,000,000
Grand Total	1,575,000	1,575,000

1.6 LOCATION

Mayai Limited has identified land of 19.5 hectares in farm no 6 and 7 kimbwela, Kigoma Region for setting up a large-scale poultry farm. This piece of land is considered as being ideal for the establishment of an integrated poultry farm in large-scale.

1.7 Financial Profitability

Based on a set of assumptions given here in the project, it demonstrates a profitable trend in its future operations. The project's Income Statement and Cash Flow indicate that **Mayai Limited** would be able to recoup the planned investment funds for its investment programme. This indicates that the project is financially and economically viable

1.8 The Implementation Plan:

Poultry farming like any investment, has to have decisions made and carefully planned with sequence of activities to realistically achieve the expected results. It is planned that the project will be implemented in phases and it will take up to five years to be fully completed. **Mayai Limited** shall appoint a team comprising of a competent contractor, engineers in order to achieve the set implementation time. The implementation programme is considered to be reasonable and achievable because most construction material are available either locally or abroad as off the shelf items.

1.9 Developmental Linkages:

Upon completion of the Implementation programme of the integrated poultry farm the project will be capable of creating the following:

- The project would aim at improving the livelihood of the communities of Kigoma Region and surrounding Districts of Kigoma who will be employed by the farm

- There will be introduction of modern poultry farming technologies and best poultry keeping practices.
- foreign exchange will be generated through exporting to the neighboring countries like DRC- Congo
- Modern infrastructure facilities for the development of poultry project in Tanzania will be introduced and there will an increase production of quality poultry products in the country that meet international standards

2.0 BACKGROUND INFORMATION

2.1 Introduction

Mayai Limited a Tanzania – based poultry company with presence in Kigoma, is planning to invest in poultry farming. The company is planning to establish integrated modern poultry farm in Kigoma Region, Tanzania. The facilities will provide day - old chicks and related products for the local and export markets. The company aims to exploit the vast resources in Tanzania with the general objective of meeting local and international demand for quality poultry products while ensuring long term positive returns to the investors.

2.2 The project

In endeavor to invest in the agriculture sector in Tanzania, **Mayai Limited** entails to develop and establish an integrated poultry farm with modern infrastructure to have in place a modern poultry farming project at plot no 6 &7 kimbwela, Kigoma district, Kigoma. The poultry project will involve construction of buildings closed sheds which will house a hatchery equipment's, Cooling unit for cold storage facilities with natural ventilation systems with drinkers and feeders that will be imported.

The investment shall also include investment in office block, feed mill plant, godowns, feed godown, slaughter house, cold rooms, deep freezer housing, residential houses, staff houses and a boundary wall . Initially, the **Mayai Limited** will import Day Old Chicken (DOC) broilers chickens for growing and after maturity it will be sold at the local market but at second phase the company will import and raised parent hybrid stock of imported broiler and lay chick to produce commercial Day – old chicks for the farmers who rear pullets and produce broiler meat chicken and table eggs for the market. **Mayai Limited** will deploy trained professionals in

animal science, genetic improvements, disease prevention nutrition and facilities management.

2.3 Product and Services

Mayai Limited is planning to establish a vertically integrated commercial poultry farm that will produce high quality poultry products. The project will produce the following products from its Poultry unit.

i) THE BREEDER UNIT-

This unit will produce eggs that will be hatched to produce high quality broilers chicks and layers chicks for sale.

ii) OTHER PRODUCTS AND SERVICES

The company, through its exist poultry farm, will offer the following:

(a) Feeds unit-

The feeds unit will process chicken feeds for consumption at the poultry farm and for sale to small –scale poultry farmers.

b) Broiler and layers unit

The broiler unit will involve rearing of broiler chicks to produce high quality chicken meat for sale in the market.

c)The layers unit will continue to produce table – eggs for sale to various local markets

2.4 Promoters Priorities

Mayai Limited aims to strategically position itself in the competitive environment in the poultry subsector in Tanzania while providing the market with most reliable and quality poultry products. The company's development priorities include the following:

I)To establish modern poultry infrastructure facilities for the development of poultry in kimbwela Kigoma

ii) To increase production of quality poultry products in the country that meet international standards.

iii) Develop local human resources capacities for operation and management of poultry farm.

iv) To create sustainable rural and urban employment through implementation of the proposed projects and the proposed capacity building initiatives.

v) Increase national outputs through exploitation of under exploited resources

2.5 The sponsors

Mayai Limited is a local registered private limited liability under the Tanzania Companies ACT 2002 with Certificate of Incorporation **No 157731696** dated 6th September 2022. The company has been established to engage in the business of, among other things, establishing managing and operating project of poultry farming. **Mayai Limited** is a Joint - Venture company owned by Tanzanians and British nationals. **Mayai Limited** is presently involved in this large –scale commercial poultry farming in Kimbwela Kigoma. The company intends to be the major supplier of day – old chicks in Tanzania especially in the lake zone and neighboring countries in the western Tanzania. The project is sponsored **Mayai Limited** of Dar es Salaam. Whose shareholders are as follows.

Shareholder	Shares %
Rupinder Singh Sandhu	20
Darshit Dinesh Chohan	20
Kunal Rohit Modessa	20
Haji Kassamali Kanji	20
Sarita Haji Kanji	20

The promoters of this project are dedicated and determined to make the venture successful and profitable entity. The shareholders are individuals of high integrity in the Tanzania society and have worth of experience in managing large scale commercial projects.

2.6 Location

Mayai Limited has identified land of **19.5 hectares** in farm **no 6 and 7 kimbwela, Kigoma Region** for setting up a large-scale poultry farm. This piece of land is considered as being ideal for the establishment of an integrated poultry farm in large-scale. Kigoma region will stand to benefit as the facility to be put will be one of its kind as it will bring about the impetus of activities in the Region. This piece of land is considered as being ideal for the establishment of poultry farming. **Mayai Limited** will work hand in hand with Kigoma region and the Government of Tanzania to make sure the site will be served with electricity, water and other communication facility . The area is large enough to accommodate the poultry farm infrastructure and also it can allow extensive future expansion of the poultry activities

2.7 THE PROJECT INVESTMENTS **Mayai Limited** is planning to invest in large scale poultry an investment of **US\$1.575 million** and the breakdown is as follows:

ITEM	TOTAL
Land and buildings	300,000
Plant, Machinery & Equipment	700,000
Vehicles	300,000
Furniture & Fittings	25000
Others	75000
Pre operational Expenses	100000
Initial Working Capital	75,000
Grand Total	1,575,000

2.8 Project Description

The project investment will entail the following. The project will occupy farmland measuring **19.5 hectares** in Kimbwela, Kigoma. The land will be used for development of poultry farms infrastructure as follows:

i) Poultry infrastructure development

- Some acres will be set for the development of Poultry farm and growing various crops for animal feed. The farm infrastructure will mainly consist of Poultry farm infrastructure – this is related to the poultry unit which will entail investment in poultry – sheds, amenities buildings, farm houses and other external works, machinery and equipment and general production equipment for poultry farming.
- Poultry sheds include sheds for parent stock, sheds for chicks' sheds for hen and chicks' infrastructure.
- Amenities buildings include feed store and laboratory building eggs storage buildings, generator house and feed mill building.
- Farm houses and civil works include houses for the staff, fencing fire breaks and inner roads.
- Machinery and equipment include incubators, hatchery, chicken feed equipment eggs handling equipment, weighing scale and other tools.
- General production equipment includes laboratory equipment, farm cleaning equipment and tools, feed mill machinery and equipment.
- The project investment will also include office equipment and furniture, farm house furniture, motor vehicles, utilities- water, electricity, gas and sewage systems, and other expenses.
- Pre-operating expenses include consultancy fees, resources mobilization costs interest on loan, administration costs and other pre-operating costs.

- The project will incur initial operating costs by further purchasing parent stock for chickens.

(ii) Breeding Chickens Unit

i) Feeding breeding chickens

- i) **Mayai Limited** will import the parent stock from other parts of the world like Europe or Brazil. The company is projected to import a total of 100,000 birds

ii) Eggs Selection-

Egg selection for hatching is very important which is usually overlooked by many poultry farmers. **Mayai Limited** will undertake to check the size shape, color and texture of the eggs for hatching.

iii) Egg Storage

Before incubation, the eggs for hatchery will be stored in a cool place away from bright sunlight and sources of heat. The project will construct a storage room special for eggs. The store will be equipped with storage equipment including egg trays.

iv) Incubation –

- ✓ The project will purchase and install incubators and hatcheries.

v) Chicks handling and selling

- ✓ Young chicks are rather fragile and delicate. They need to be protected from the cold and animals like cat and mouse. **Mayai Limited** will construct a fine chicks- storage house
- ✓ The chicks will be packed in special boxes ready for delivery to the market or to customers with outstanding orders. The boxes will carry 110 chicks and special delivery motor vehicles will be used to transport the chicks.

vi) Feed safety and availability

Feeds are routinely subject to contamination from diverse source, which may have serious consequences on the safety of foods. To avoid this **Mayai Limited** will produce its own chicken feeds and also supplies to small scale poultry farms

3.0 POULTRY INDUSTRY IN TANZANIA

3.1 INTRODUCTION

The poultry industry in Tanzania comprises commercial with broilers and layers and the traditional poultry production, which is sometimes called the scavenging or scratcher production, made up of various types and size of birds. Poultry are the most evenly distributed in Tanzania because the birds are not affected by tsetse flies and are accepted by most religious groups. Poultry meat and eggs multiply very fast, easy to market, are most preferred sources of protein. In 2020, 18% of the Total Agricultural Gross Value, 41% of animal product gross value stemmed from poultry production

3.2 TRADITIONAL POULTRY PRODUCTION

Traditional or indigenous chicken are the most numerous of the domesticated chickens. These birds are believed to have a low genetic potential for production but have the ability to survive under harsh conditions (scratch and scavenge to obtain their feed, poor housing, poor husbandry including disease control). They are normally kept in the backyard or in the house, let out in the morning and locked in during the night. All these birds are kept by smallholder farmers with flock sizes ranging from 10 to 30 birds per household.

3.3 COMMERCIAL POULTRY PRODUCTION

Commercial poultry production Tanzania started way back in the 90s when exotic breeds like Rhode Island Red, Light Suisse, White Leghorn Brown Leghorn and Black Australorps were introduced. These pure breeds were used in chicken up-grading programs. Actual commercial poultry production started in the 60s with importation of hybrid chicks for egg

and meat production. In the later years national chick hatchery was established in Dar es Salaam and two breeding farms. Three breeding farms imported day-old parent stock and reared them for production of fertile eggs for hatching. On later years other government poultry farms and hatcheries were established in different regions the initial thrust was for the government to run most poultry production, processing and marketing under centralized economy. The day-old chicks from the hatcheries were sold to small-scale poultry farmers keeping 100 – 2000 birds and only about 5% of the chicks were reared on large - scale farm (i.e., 5,000 birds or more) later in the early in the 80s a lot of private hatcheries mushroomed as poultry keeping was lucrative. Local production was supplemented by importation of day – old chicks to the tune of 40% of domestic production in order to meet the demand. Liberalization of the economy has helped fast growth of the sector. Many private companies have since invested in the sector. **Mayai Limited** will be engaged in commercial poultry farming activities to produce high-quality birds with a projected 100,000 birds per month, the company will become a large – scale private investor in the poultry industry.

4.0 MARKET ANALYSIS

4.1 Development of Kigoma

Kigoma region is located in western part of Tanzania along the shores of Lake Tanganyika, the second deepest fresh water lake in the world. In the northern side, the region borders with Burundi and in the western side DRC Congo. Kigoma is made up of six Districts, one town council and one Municipality. The Regional economy depends heavily on agriculture, natural resources, livestock, fisheries, tourism, small-scale industries, trading and mining. Kigoma region main economic activity is agriculture which employs 70% of the population and the sector is dominated by small holders' farmers. Furthermore, fishing industry is one of the main Economic activities in the Region.

Kigoma has potentials for trading with landlocked countries of DRC and Burundi. One of the great opportunities in Kigoma is that it has lake transportation and Kigoma port is expected to cater for the increased lake transport for passenger and goods by steamer to the great lake nations. The advantageous of Kigoma is in its location and connectivity to other regions in the country and also borders of the neighboring countries like DRC Congo, Burundi and Zambia hence assurance to regional and global market.

4.2 POULTRY SUPPLY CHAIN

The current value chain of the poultry sector in Tanzania indicates that the exotic breeds of chicken are marketed through agents and shops to household consumers, institutions, high profile hotels and local hotels and restaurants. Some commercial producers sell direct to hotels and restaurants. The exotic breeds are mainly sold in the urban centers.

On the other hand, the local chicken goes through a long chain of village markets, middlemen, and regional markets until they reach the urban markets. Cost of transport, middlemen, and traders makes the local chicken relatively expensive in the urban market. Commercial production of exotic breed amounts to only about 5% of chicken population but account a much higher percentage of production and sales as exotic breeds are normally ready for sale after 6 to 10 weeks.

4.3 MARKET CLASSIFICATION

The market for poultry products in Tanzania can be classified into:

- ***Informal Markets*** – chicken and eggs are sold to neighbors or local markets within the same locality or nearby village centers. These sales are directly done by the households. Middlemen or traders from regional and urban markets often buy chicken on the local markets.
- ***Regional Markets*** – includes markets in district centers, regional centers and other peri-urban centers. Chicken and to a lesser degree also eggs are ferried to these centers for sale. The sales are done by traders and/or middlemen. The market volume is relatively high in regional markets.
- ***Urban Markets*** – includes large cities such as Dar es Salaam, Arusha, Mwanza, Mbeya, and Morogoro. Chickens that reach the urban markets are mainly sold by traders who buy them from the regional markets and, in a few cases, from the informal open village markets.
- **Major markets-** There are about six major chicken markets in Dar es Salaam (Kisutu, Manzese, Kinondoni, Tandika, Buguruni and Magomeni) that are operated by chicken trader's associations. For

example, at Kisutu market, traders have constructed facilities for slaughtering and dressing which is charged separately to customers.

4.4 TARGET MARKET

The demand for day old chicks for broiler and layer chicken is a derived demand for chicken meat and eggs. The main target market for the products of Mayai Limited is the population of Dar es Salaam, western and northern regions of Tanzania and the neighboring countries such as DRC Congo Burundi and other SADC countries. With the establishment of ***Mayai Limited*** it is expected to explore more market in Kigoma, Mwanza & DRC Congo region. The firm will serve the small and medium – scale poultry farmers of exotic chicken breed.

4.5 MARKET FOR CHICKEN MEAT & EGGS

The consumer market of chicken and eggs in the target markets can be segmented into:

- ***High Profile Hotels:*** normally prefer exotic breeds as their supply is more reliable and less costly, however some of their customers demand local chicken.
- ***Local Hotels and Restaurants (including bars and pubs and nyama ya kuchoma" places):*** buy exotic and local chicken and eggs depending on their clientele, however they lament about the supply reliability and high cost of local chicken.
- ***Households and institutions:*** buy exotic and local breeds of chicken and eggs depending on their location. In the more rural areas, they prefer the local chicken whereas in urban centers they buy both types of chicken. Exotic and sold in urban super markets.

Local chicken is mainly bought in urban markets and not in supermarkets.

4.6 DEMAND AND SUPPLY ANALYSIS

The **poultry sub-sector** is in its early stage but poultry farming does play a major role in both **urban** and **rural** areas in terms of food resource and families income. In Tanzania, the poultry sector is still at an infant stage both in the commercial and traditional sub-sector. However, poultry farming does play a pivotal role in both urban and rural settings in terms of food security, source of income, manure and meeting social obligations such as dowry and rituals. The growth of the poultry sector is steady.

The current population of chicken is estimated at 72 million, of which 40 million are said to be indigenous (backyard chicken) and the remaining 32 million are commercial poultry, which include 24 million broilers and 8 million layers. Among the existing 4.7 million agricultural households in Tanzania, 3.7 million households keep chicken. Furthermore, the poultry industry has a potential to employ more Tanzanians, especially from the youth who are currently facing unemployment. There is ample land for growing grain and soya to provide enough raw materials to be self-sufficient. Tanzania has hatchery capacity of 3-million-day old chicks (DoC) a year were produced. Tanzania has been receiving a good number of new investors who are interested in establishing breeding farms and hatcheries. The demand for indigenous chicken has been increasing, leading to an increase in the number of hatcheries for local chicken . as per 2021 statistics, there are 26 hatcheries and the parent stock farms have a capacity of 1,200,000 parent stock. More hatcheries have been built, which are producing more local day-old chicks and culminated in the development of a strong vibrant association called the Tanzanian Poultry

Breeders Association (TPBA). The per capita consumption of poultry meat is estimated at about 15kgs per annum.

However, local chicken is the most expensive meat available in urban center such that most people end up consuming the exotic breeds. Suppliers' products range from small- scale, medium – scale to large scale producers.

4.7 PRICING AND PRICES

The pricing of poultry products is liberalized in Tanzania. Operators within each category usually have a similar cost structure. These include the cost of production, taxes and levies, usual costs of storage, transportation and retailing. Finally, operators are also covering their margins. Due to prevalence of competitor's prices.

For day old chicks in Dar es Salaam are sold at the following prices:

- Broiler chicks – between TZ 2000 and 2500
- Layers chicks – between TZ 3000 and TZS 3500
- Cocks' chicks – TZS 1000

For table eggs in Dar es Salaam are sold at the following prices:

- Exotic eggs – between TZS 6500 to TZS7, 500
- Local chicken eggs - between TZs 12,000 to TZ15,000

Mayai limited will price its products at the competitors' prices.

4.8 Marketing Strategy

Mayai limited will thrive to serve the Tanzania market targeting the major cities of Dar es salaam, Kigoma and western and northern Tanzania Regions and neighboring countries. The company's marketing plan focuses on development of brand equity through the effective

management of the marketing mix and the effective targeting of the niche market.

The marketing mix includes:

- **Products** – This includes supply of high-quality poultry products including fresh eggs – and broiler and layers chicks. The project will ensure reliability and the best customer care. The products will be well packaged to bear the firm brand name - **Mayai limited**
- **Price** – Pricing decisions for the poultry products usually takes into account profit margins, the probable pricing response of competitors, the perception that certain pricing techniques will portray upon the product, and what additional costs unique to the project that will need to be incorporated into the products/services.
- **Place** – place (distribution) decisions will be customer oriented in products delivery and meeting orders. The firm will, further open detail outlets close to the target individual customers.
- **Promotion** – Promotion decisions relating to the communication and selling of project to potential customers will focus on the promotions of ‘local products’ emotional connection. Media advertising will careful be selected. The firm will rely on direct marketing to its target customers.
- **People** -The project target market will be the local and international tourist’s hotels and restaurants and pubs, supermarkets and other retail outlets institutional clients like schools and functions/ conference/seminar organizers.

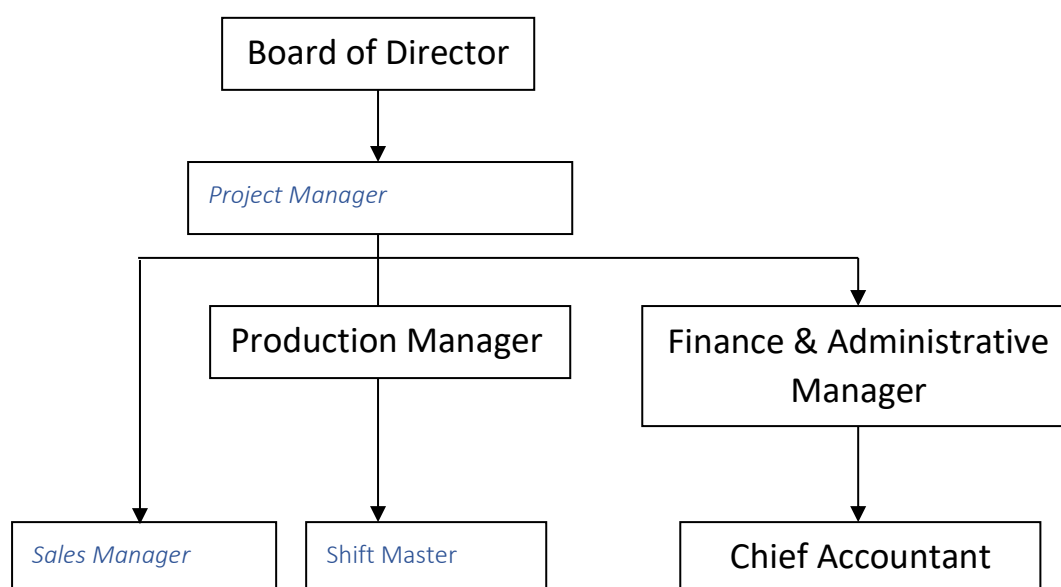
5 .0 ORGANISATION AND MANAGEMENT

5.1 Introduction

The proposed poultry farm will be under the general management of the **Mayai Limited** management team. The company will have a board of director responsible for the major strategic decisions of the business.

5.2 ORGANISATION CHART

The company will have a flatter organization structure for the effective management of the project. The farm organization chart is presented below;



5.3 BOARD OF DIRECTORS

Mayai Limited will have Board of Directors and will be comprised of the shareholders and four independent consultants having expertise and experience in Animal Husbandry, Marketing, Business Management and Human Resources Management. The Board will provide the vision and mission of the business. In managing the project, the Board of Directors will be assisted by the Farm Management Team and external Consultants in business and livestock production and management.

5.4. FARM MANAGEMENT TEAM

The day to day running of the farm is the responsibility of the Farm Manager, who coordinates the production, marketing and administration issues of the project. The Farm Manager directly reports to the Chairman of the Board.

- The farm Manager will be assisted by the following:
 - Field officers
 - Manager – Poultry Unit
 - Logistic/Marketing Officer
 - Chief Accountant
- The veterinary officers will be hired as external consultants to the project.
- The firm will employ support staff including farm attendants, drivers/machinery operators, and security guards.
- The project will have the benefits of getting technical support from the existing poultry operation.
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5.5 STAFFING AND RENUMERATION

- At full capacity the project will employ a total of over 105 staff. The salaries will be very competitive compared to the other sectors and operators.

6.0 IMPLEMENTATION PLAN

The project investment is scheduled to be implemented in 5 years commencing June 2023. During the second year of operation, the project is scheduled to start production in the poultry farm. **Mayai Limited** will appoint Project Manager in – charge of the project implementation from design to construction and commissioning stages who will monitor the project implementation in consultation and collaboration with relevant experts who will be availed by the project sponsors whenever necessary. The promoters will engage a reputable contractor to undertake the construction works. Upon completion of the construction phase, **Mayai Limited** will undertake to manage and run the project.

7.0 RISK AND UNCERTAINTIES

7.1 Inflation Risks

There is potential risk that inflation might rise at higher rates than the projected. This may increase the price of the raw material especial chicken feeds hence increase production costs. While this risk usually prevails in developing country like Tanzania, the government appears committed to continue maintaining the microeconomic stability and bring inflation further down.

7.2 Political Risks

The Government may from time-to-time issue new directive which may affect on the project implementation and operations. However, this risk is strongly addressed by the government long-term commitment of involving private sector in policy decisions.

7.3 Managerial risks Management of poultry farm require close supervision and marketing expertise. The company will employ personnel with experience in the poultry farming and marketing.

7.4 Livestock Diseases

Livestock sector is susceptible to various diseases. Disease makes poultry production a risk venture. **Mayai Limited** will ensure a clean environment, ensure chickens are vaccinated / dewormed and extensively use the services of qualified and experienced field and veterinary officers as well as establish and maintain laboratory facilities to detect potential disease.

7.5 Environmental Impact and Policies

There are two environmental problems to be considered when operating such a project. Firstly, unwanted grass/plants and tree remains will be removed and emphasis will be to preserve big natural trees. The project will also grow trees for the purpose of using for shades, fruits and also to prevent strong winds. Secondly, such projects usually produce a lot of waste and garbage's. The company will carry out the following in order to prevent the pile up of compost's /waste.

- I) There will be trenches and chambers for dirty water
- II) The company will build furnaces to burn dead chickens and other types of refuse/garbage's
- iii) The company will construct canals for the dirty water so that the water will not affect people in their daily life
- iv) The project will build various buildings/sheds which will prevent air pollution with foul smell as a result of chickens' droppings and also to encourage villagers to utilize these chickens' droppings in their farming activities
- v) The project will make sure it will meet international standards of hygiene(biosecurity).

8.0 FINANCIAL AND ECONOMIC EVALUATION

8.1 Financial assumptions

1) general financial assumptions

- The exchange rate of **Tshs 2300 to 1 us\$**
- The financial projections of the first 10 years have been worked out

Investment Plan

- The summary of project investment plan is as follows

ITEM	TOTAL
Land and buildings	300,000
Plant, Machinery & Equipment	700,000
Vehicles	300,000
Furniture & Fittings	25000
Others	75000
Pre operational Expenses	100000
Initial Working Capital	75,000
Grand Total	1,575,000

Financing Plan

- The source of funds includes promoter's equity and loan financing.
 - The loans financing includes long term loan and bank overdraft facility.
- The term Loan is earmarked to part finance capital costs of the project and the overdraft facility will finance working capital. The summary of financing costs is as follows:

	Amount	Total
Owners' Equity (25%)	575,000	575,000
Long term loan	1,000,000	1,000,000
Grand Total	1,575,000	1,575,000

8.2 Financial results

The financial projections of the project present the projected profit and loss statement and cash flow statements.

i) Projected Profitability;

The analysis of profitability of the project indicates that the project is a profitable undertaking with short term returns to the investors. The project will generate revenue for the poultry.

Projected cash flow statements

The projected cash flow statements indicate that the company will have positive cash flows from first year of operation.

ECONOMIC BENEFITS

- the company will pay income taxes property taxes corporate taxes and other taxes to the government.
- Jobs creation- the project will create 100 direct jobs and over 1000 in direct employments Tanzania Poultry Farm Ltd will deploy its financial resources as well as stock of well –trained and experienced personal in the execution of the proposed project. The project outcomes are expected to include:
 - To establish modern livestock infrastructure facilities for the development of poultry project in west Kilimanjaro ranch
 - To increase production of quality poultry products in the country that meet international standards
 - Develop local human resources capacities for the operation and management of poultry farm
 - To create sustainable rural and employment through implementation of the proposed projects and the proposed capacity building initiatives

- Increase national outputs through exploitation of under-exploited resources

9.0 CONCLUSION AND RECOMMENDATION

The project analysis suggest that the project is financially viable and technical feasible. The project will be in the position to meet its financial obligations from the project sales revenue. The preliminaries assessment of the viability of the proposed project is a long-term investment and a profitable venture. It is recommended that the implementation of the project should observe the time frame to capture the window of opportunity for the establishment of the poultry project.

ANNEXTURES

MAYAI LIMITED

INVESTMENT COST

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Land and buildings	300,000
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FINANCING PLAN

	Amount	Total
Owners' Equity (25%)	575,000	575,000
Long term loan	1,000,000	1,000,000
Grand Total	1,575,000	1,575,000

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DEPRECIATION

	costs		1	2	3	4	5	6	7	8	9	10
Land and Building	300,000	5%	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Machinery and Equipment	700,000	10%	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Motor Vehicles	300,000	25%	75,000	75,000	75,000	75,000	-	-	-	-	-	-
Furniture and Fittings	25,000	10%	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500
Pre-operational expenses	100,000	20%	20,000	20,000	20,000	20,000	20,000	-	-	-	-	-
total			182,500	182,500	182,500	182,500	107,500	87,500	87,500	87,500	87,500	87,500

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Capacity of poultry products

	1	2	3	4	5	6	7	8	9	10
%	60	70	80	100	100	100	100	100	100	100
Capacity of poultry products	2,880,000	3,360,000	3,840,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000
Total Capacity	2,880,000	3,360,000	3,840,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000

MAYAI LIMITED

PROJECTED PROFIT AND LOSS STATEMENT

	1	2	3	4	5	6	7	8	9	10
Sales Revenue	5,760,000	6,720,000	7,680,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000
Cost Of Sales (65% of salesrev.)	3,744,000	4,368,000	4,992,000	6,240,000	6,240,000	6,240,000	6,240,000	6,240,000	6,240,000	6,240,000
Contribution margin	2,016,000	2,352,000	2,688,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000
Gross Profit	2,016,000	2,352,000	2,688,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000
Operating Profit	2,016,000	2,352,000	2,688,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000
Less Depreciation	182,500	182,500	182,500	182,500	107,500	87,500	87,500	87,500	87,500	87,500
Profit before Tax	1,833,500	2,169,500	2,505,500	3,177,500	3,177,500	3,177,500	3,177,500	3,177,500	3,177,500	3,177,500
Taxes 30%	550,050	650,850	751,650	935,250	935,250	935,250	935,250	935,250	935,250	935,250
Profit after tax	1,283,450	1,518,650	1,753,850	2,242,250	2,242,250	2,242,250	2,242,250	2,242,250	2,242,250	2,242,250
Accumulated Profit	1,283,450	2,802,100	4,555,950	4,798,200	7,040,450	7,282,700	9,524,950	9,767,200	10,009,450	12,451,700

MAYAI LIMITED

CASHFLOW PROJECTIONS

	0	1	2	3	4	5	6	7	8	9	10
Sources											
Profit Before Tax & Depreciation	-	2,016,000	2,352,000	2,688,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000
Equity	1,575,000	-	-	-	-	-	-	-	-	-	-
Total Sources	1,575,000	2,016,000	2,352,000	2,688,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000
Applications											
Capital Expenditure	1,575,000	-	-	-	-	-	-	-	-	-	-
Taxation		550,050	650,850	751,650	935,250	935,250	935,250	935,250	935,250	935,250	935,250
Sub Total	1,575,000	550,050	650,850	751,650	935,250	935,250	935,250	935,250	935,250	935,250	935,250
Total application	1,575,000	550,050	650,850	751,650	935,250	935,250	935,250	935,250	935,250	935,250	935,250
Net Working Capital	-	1,465,950	1,701,150	1,936,350	2,424,750	2,424,750	2,424,750	2,424,750	2,424,750	2,424,750	2,424,750