

ALIFAA FOOD PACKERS (T) LIMITED

BUSINESS PLAN

FOR

ESTABLISHMENT OF PROJECT FOR FOOD PROCESSING AND PACKAGING

Surveyed area Plot number

02 Block B Chang'ombe Industrial area - Temeke DAR ES SALAAM

1.0 EXECUTIVE SUMMARY.

ALIFAA FOOD PACKERS (T) LIMITED is a company registered in Tanzania under Certificate of Incorporation **No. No: 163882396** issued on 2nd March 2023

We have done detailed market research and feasibility studies.

Our food packaging plant is going to be a standard commercial company and hence will make use of packaging materials that provide protection, tampering resistance, and special physical, chemical, or biological needs.

We are starting our food packaging business because we want to leverage the vast opportunities available in the food processing and packaging industry, to contribute our quota in growing the Tanzania economy, in national food production.

ALIFAA FOOD PACKERS (T) LIMITED is well positioned to become one of the leading food packaging companies in Tanzania, which is why we have been able to source the best hands and machines to run the company with.

We have put processes and strategies in place that will help us employ best practices when it comes to food packaging plant processes as required by the regulating bodies in Tanzania.

At ALIFAA FOOD PACKERS (T) LIMITED, our customer's best interests will always come first, and everything we do will be guided by our values and professional ethics. We will ensure that we hold ourselves accountable to the highest standards by meeting our client's needs precisely and completely.

ALIFAA FOOD PACKERS (T) LIMITED is a private registered food packaging company that is owned by three shareholders named below:

Name of shareholders	% of shareholdings	Nationality
RIYAZ ROSHANALI VERSI	1000	Tanzania
FATIM RIYAZ VERSI	700	Tanzania
PRANAB JYOTI BORA	300	India

Before starting RIYAZ ROSHANALI VERSI food Packaging Company worked with some of the leading food packaging companies in Tanzania. He has over 17 years of experience in the industry.

2.0 **OUR PRODUCTS AND SERVICES**

ALIFAA FOOD PACKERS (T) LIMITED is a standard food packaging company that is committed to producing well-processed and packaged food products for both Tanzania and the neighboring market. We are in the industry to make profits and we are going to do all we can to achieve our business goals and objectives. We are going to be involved in packaging the following products;

- Canned food, fruits, and vegetables
- Cheese and bacon production
- Dry pasta
- Hot sauce production
- Meal replacement product
- Pre-made salsa production
- Fruit and vegetable juices

- Ketchup and other tomato-based sauces
- Soup, stews and bouillon
- Dried and dehydrated fruits and vegetables (used as fruit flavors)
- Pickled products
- Jams and jellies

3.0 OUR MISSION AND VISION STATEMENT

Our Vision is to become a household brand and to have our products in groceries stores, and supermarkets not just across Tanzania but also in the neighboring countries.

ALIFAA FOOD PACKERS (T) LIMITED. is a locally registered food packaging company that will make use of a wide variety of plastics and metals, papers, and glass materials in packaging a wide range of food, vegetable, and fruits for both Tanzania and the neighboring countries.

4.0 OUR BUSINESS STRUCTURE

ALIFAA FOOD PACKERS (T) LIMITED is a privately owned food packaging business that intends to start small in Dar es Salaam but hopes to grow big in order to compete favorably with leading food

processing and packaging companies in the industry both in Tanzania and in East Africa.

At ALIFAA FOOD PACKERS (T) LIMITED will ensure that hire people that are qualified, hardworking, creative, result-driven, customer-centric, and ready to work to help us build a prosperous business that will benefit all the stakeholders.

As a matter of fact, a profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of ten years or more as agreed by the board of trustees of the company. In view of the above, we have decided to hire qualified and competent hands to occupy the following positions;

- Chief Operating Officer
- Food packaging plant Manager
- Human Resources and Admin Manager
- Accountant / Cashier
- Sales and Marketing Executive
- Food Processor and Packing Operators

- Front Desk Officer

5.0 JOB ROLES AND RESPONSIBILITIES

5.1 Chief Executive Officer – CEO:

Responsible for increasing 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

Responsible for creating, communicating, and implementing the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.

Responsible for fixing prices and signing business deals

Responsible for providing direction for the business

Responsible for signing checks and documents on behalf of the company

Evaluates the success of the organization.

5.2 **Food Packaging Plant Manager**

Responsible for overseeing the smooth running of the food packaging plant

Part of the team that determines the number of products that are to be produced

Maps out strategies that will lead to efficiency amongst workers in the plant

Responsible for training, evaluation, and assessment of plant workers

Ensures that the steady flow of fresh food, meat, milk, fruits, and vegetables to the plant and easy flow of finished products through wholesale distributors to the market

Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.

Ensures that the plant meets the expected safety and health standard at all times.

Ensure compliance in the plant

Providing advice on the management of plant activities across all section

Responsible for carrying out a risk assessment in the plant

Ensures that organizations' goals and the desired result is achieved, the most efficient resources (manpower, equipment, tools, and chemicals et al) are utilized and different interests involved are satisfied

5.3 Human Resources and Admin Manager

Responsible for overseeing the smooth running of HR and administrative tasks for the organization

Maintains office supplies by checking stocks; placing and expediting orders; evaluating new products.

Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.

Defining job positions for recruitment and managing interviewing process

Carrying out induction for new team members

Responsible for training, evaluation, and assessment of employees

Responsible for arranging travel, meetings, and appointments

Oversee the smooth running of the daily office activities.

5.4 Accountant/Cashier:

Responsible for preparing financial reports, budgets, and financial statements for the organization

Provides management with financial analyses, development budgets, and accounting reports

Responsible for financial forecasting and risks analysis

Performs cash management, general ledger accounting, and financial reporting for one or more properties.

Responsible for developing and managing financial systems and policies

Responsible for administering payrolls

Ensuring compliance with taxation legislation

Handles all financial transactions for the company

Serves as an internal auditor for the company

5.5 Sales and Marketing Manager

Manage external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones

Model demographic information and analyze the volumes of transactional data generated by customer

Identifies development opportunities; follows up on development leads and contacts

Writing winning proposal documents, negotiating fees and rates in line with organizations' policy

Responsible for handling business research, market surveys, and feasibility studies for clients

Responsible for supervising implementation, advocating for the customer's needs, and communicating with clients

Create new markets cum businesses for the organization

Empower and motivates the sales team to meet and surpass agreed targets

5.6 Food Packaging Machine Operators

Responsible for operating the following machines used in our plant;

Auto-coding label and date verification

Check weighing machines

Cleaning, sterilizing, cooling, and drying machines

Conveying and accumulating machines

Feeding, orienting, and placing machines

Filling machines for liquid and powdered products

Record test and production data for every product batch, including information regarding test results, temperature, time cycle, and ingredients utilized.

Monitor and listen to equipment to detect audible or visual signs of malfunctions, including plugs, leaks, and other failures. Report any malfunctions or quality issues immediately to supervisors.

Clean and sterilize factory processing areas and food production vat daily.

Handles any other duties as assigned by the line manager

Front Desk/Customer Service Officer

Welcomes guests and clients by greeting them in person or on the telephone; answering or directing inquiries.

Ensures that all contacts with clients (e-mail, walk-In center, SMS, or phone) provide the client with a personalized customer service experience of the highest level

Through interaction with clients on the phone, uses every opportunity to build client's interest in the company's products and services

Manages administrative duties assigned by the manager in an effective and timely manner

Consistently stays abreast of any new information on the company's products, promotional campaigns, etc. to ensure accurate and helpful information is supplied to clients

Receives parcels/documents for the company

Distribute mail to the organization

Handles any other duties as assigned by the line manager

6.0 SWOT Analysis

ALIFAA FOOD PACKERS (T) LIMITED does not intend to launch out with trial and error hence the need to conduct a proper SWOT analysis. We

know that if we get it right from the onset, we would have succeeded in creating the foundation that will help us build a standard food packaging company that will favorably compete with leading food processing companies in Tanzania.

We engaged the services of a core professional in the area of business consulting and structuring to assist our organization in building a well-structured food packaging company that can favorably compete in the highly competitive food processing industry in Tanzania.

Part of what the consultant did was to work with the management of our organization in conducting a SWOT analysis for ALIFAA FOOD PACKERS (T) LIMITED. Here is a summary of the result of the SWOT analysis that was conducted on behalf of ALIFAA FOOD PACKERS (T) LIMITED.;

Strength:

Our strength as a food packaging company is the fact that we have healthy relationships with loads of major players in the industry within and outside of Tanzania. We have some of the latest food processing

and packaging equipment and machines. Aside from our relationship and equipment, we can confidently boast that we have some of the most experienced hands in the industry in the whole of Dar es Salaam on our payroll.

Weakness:

Our weakness could be that we are a new food packaging company in Tanzania, and it might take us some time to attract big-time customers in the industry. We are aware of this and from our projection, we will overcome this weakness with time and turn it into a major advantage for the business.

Opportunities:

The opportunities that are available to us as a standard food packaging company cannot be quantified, we know that there are loads of consumers of packaged food all across Tanzania and the neighboring countries. Besides, Dar es Salaam is the largest market for processed and packaged food, fruit, and vegetable products. We are well-positioned to take advantage of this opportunity.

Threat:

Reduced sustainable packaging is becoming more frequent. The motivation can be government regulations, consumer pressure, retailer pressure, and cost control. Reduced packaging often saves packaging costs and this may pose a threat to our industry.

So also, competition from fresh produce poses a threat. Unfavorable government policies and the arrival of a competitor food packaging plant) within the same location where our target market exists can't be ruled out.

7.0 MARKET ANALYSIS**Market Trends**

If you are conversant with the food industry, you will notice that most packaging and labels can be used by marketers to encourage potential buyers to purchase the product. Aesthetically pleasing and eye-appealing food presentations can encourage people to consider the contents.

Although Barcodes have been used for decades in packaging many products, in recent times, 2D barcodes used in Auto coding are increasingly applied to food packaging to ensure products are correctly packaged and dated. No doubt, package design has been an important and constantly evolving phenomenon for several decades.

Marketing communications and graphic design are applied to the surface of the package and (in many cases) the point of sale display. The color of the package plays a significant role in evoking emotions that persuade the consumer to make the purchase.

Packages are made with improved tamper resistance to deter tampering and also can have tamper-evident features to help indicate tampering. Packages are now specifically engineered to help reduce the risks of package pilferage; some package constructions are more resistant to pilferage and some have pilfer-indicating seals. Packages may include authentication seals to help indicate that the package and contents are not counterfeit.

Packages also can include anti-theft devices, such as dye packs, RFID tags, or electronic article surveillance tags, that can be activated or detected by devices at exit points and require specialized tools to deactivate. Using packaging in this way is a means of retail loss prevention.

Lastly, a good number of reports emanating from associations in the industry agree that going forward, the use of smart indicators will increase. There are a number of indicators with different benefits for food producers, consumers, and retailers. As a matter of fact, food packages now have features that add convenience in distribution, handling, stacking, display, sale, opening, reclosing, use, and reuse encouraging people to "Go Green".

7.1 OUR TARGET MARKET

Naturally, the end consumers of processed and packaged food and also those who benefit from the business are all-encompassing; it is far-reaching. Loads of households consume processed and packaged food, fruits, and vegetables. In essence, a food packaging company should be able to sell its products to as many people as possible.

In view of that, we have positioned our business to attract consumers not just in Tanzania alone but also in other parts of the world. We have conducted our market research and survey and we will ensure that we meet and surpass the expectations we set for the business. Below is a list of the people and businesses to whom we will market our processed and well-packaged foods;

- Groceries stores and Supermarket
- Households
- Individuals
- Processed and packaged food, fruits, and vegetable merchants

7.2 OUR COMPETITIVE ADVANTAGE

A close study of the food packaging industry, fruit, and vegetable processing, and packaging industry reveals that the market has become much more intensely competitive over the last decade. As a matter of fact, you have to be highly creative, customer-centric, and proactive if you must survive in this industry. We are aware of the stiff

competition and we are well prepared to compete favorably with other food packaging companies in the industry.

Part of what is going to count as a competitive advantage for ALIFAA FOOD PACKERS (T) LIMITED. is our access to high-quality inputs, attractive product presentation, economies of scale, and of course the vast experience of our management team? So also, have healthy relationships with loads of major players (packaged food, fruits, and vegetable merchants) in the industry within and outside of Tanzania.

We have some of the latest food packaging machines and equipment that will help us maintain food safety during processing, packaging, storage, logistics (including cold chain), sale, and use. Aside from our relationship and equipment, we can confidently boast that we have some of the most experienced hands in Dar es Salaam on our payroll.

Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category in the industry, meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our aims and objectives. We will also give good working conditions and

commissions to freelance sales agents that we will recruit from time to time.

7.3 SALES AND MARKETING STRATEGY

Our sales and marketing team will be recruited based on their vast experience in the food processing and packaging industry and they will be trained on a regular basis so as to be well-equipped to meet their targets and the overall business goal of ALIFAA FOOD PACKERS (T) LIMITED.

We have perfected our sales and marketing strategies first by networking with groceries stores, supermarkets, restaurants, and other key stakeholders who are likely to become our customers. In summary, ALIFAA FOOD PACKERS (T) LIMITED. will adopt the following strategies in marketing our processed and packaged food;

- Introduce our business by sending introductory letters alongside our brochure to stakeholders in the food, fruits, and vegetable processing and packaging industry, households, groceries stores and supermarkets et al.
- Advertise our products in food-related magazines and websites

- List our business in yellow page ads (local directory)
- Attend related food and fruits processing and packing expos, seminars, and business fairs et al
- Open our company with a party so as to capture the attention of residents who are our first targets
- Engage in roadshows in targeted communities from time to time to sell our products
- Leverage the internet to promote our business
- Engage in direct marketing
- Encourage the use of Word of mouth marketing (referrals)
- Join local chambers of commerce and industry with the aim of networking and marketing our products

7.4 SOURCES OF INCOME

ALIFAA FOOD PACKERS (T) LIMITED is in the business for the purpose of maximizing profits hence we have decided to explore all the available opportunities within the food packaging industry to achieve our corporate goals and objectives.

We will generate income by packaging and selling the following products;

- Canned food, fruits and vegetables
- Cheese and bacon production
- Dry pasta
- Hot sauce production
- Meal replacement product
- Pre-made salsa production
- Fruit and vegetable juices
- Ketchup and other tomato-based sauces
- Soup, stews and bouillon
- Dried and dehydrated fruits and vegetables (used as fruit flavors)
- Pickled products
- Jams and jellies

7.5 SALES FORECAST

One thing is certain when it comes to the food packaging business if your products are well-packaged and branded and if your processing plant is easily accessible, you will always attract customers cum sales

and that will surely translate to an increase in revenue for the business.

We are well positioned to take on the available market in Dar es Salaam and every city where our well-packaged food products will be sold and we are quite optimistic that we will meet our set target of generating enough income/profits from the first six months of operation and grow the business and our clientele base.

We have been able to examine the global food packaging industry, we have analyzed our chances in the industry and we have been able to come up with the following sales forecast.

Below are the sales projections for ALIFAA FOOD PACKERS (T) LIMITED., it is based on the location of our business and other factors as it relates to small and medium-scale food, fruits, and vegetable processing, and packaging start-ups in Tanzania;

8.0 PROJECT MANAGEMENT

ALIFAA FOOD PACKERS (T) LIMITED will be under the Management Director who has experience in managing various businesses. Under

this management, **ALIFAA FOOD PACKERS (T) LIMITED** is expected to grow steadily from a small to medium company

The company will have a team of qualified and experienced functional managers in different areas. Other senior and middle-level staff will be available for the start-up and subsequent operations of the company, the total number of employees is expected to be **30**

8.1 **PROJECT MANAGEMENT POLICY**

The day-to-day operations will be managed by the Managing Director, to be assisted by the Production and Technical Director of Production who will be overall in charge of production, Business Development and Logistics Director and financing and administration Director who will take care of all matters related to financial resources and human resources of the company

Gender	Foreign Skilled	Local Skilled	Local Unskilled
Women	2	10	12
Men	3	15	18
TOTAL	5	25	30

8.2 FINANCIAL ASPECTS

ALIFAA FOOD PACKERS (T) LIMITED COST STRUCTURE US\$

PARTICULAR	COST
Land and Buildings	50,000.00
Vehicles	120,000.00
Plant and Machinery	200,000.00
Furniture & Fittings	5,000.00
Others	100,000.00
Working Capital	325,000.00
TOTAL	800,000.00

For the project to be a reality a total investment amounting to US \$ **800,000** is needed

5.0 FINANCING PATTERN

The project will be financed by equity US\$ 300,000 and a loan of US \$500,000

5.1 PRODUCTION CAPACITY

The company has estimated to produce 333,333 cartons of a variety of juice and related products containing 300 gm per year

5.2 SELLING PRICE

The average price is estimated to be US\$3 per carton

6.0 FINANCIAL ANALYSIS

6.1 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. The capital investment allowance is 50%. The capital assets are exempted from customs duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied.

6.2 **Financial Statements:**

6.3 **Projected Profit and Loss Statement**

The Income and Expenditure Statement shows the projected income for the 5 years period. The position depicted is that the project earns profit throughout its life. Accumulated after-tax profits grow from. US \$ **105,000** in the first year to US \$ 598,588 in the 5 year

6.4 **Projected Cash Flows**

This is shown in the financial statements. The project has a positive end-of-year cash flow from US \$155,000 in the 1st year of operation to US \$ 848,588 in 5th year

6.5 **Projected Balance Sheet**

The projected Balance Sheet of the projected is shown in the financial statements under the same heading. The equity of shareholders

increases from US\$ 300,000 in the first year of operation to US \$ 898,588 in the 5th year.

7.0 **ECONOMIC ASPECTS OF THE PROJECTS**

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

(i) Employment Opportunities

Employment and poverty reduction are among the major concern of the Central and Local Government authorities. It is gratifying to note that the project is going to provide employment for **30** people. This is a significant contribution coming from investors.

(ii) Revenue to the Government

The Project is expected to pay a substantial annual amount in the form of corporation tax amounting and other taxes will be paid directly to the government during the project's 5years covered under our project review.

(iii) Foreign Exchange Earning

Since the project's final products will be exported, the project will thus earn foreign currency for the United Republic of Tanzania.

8.0 CONCLUSION AND RECOMMENDATION

8.1 CONCLUSION

- (i) The project is profitable and contributes to government revenue by way of taxes.
- (ii) The project provides employment to 30 people all of whom are national Tanzanians.
- (iii) The project is an encouraging sign to Food Processing & Packaging.

9.0 RECOMMENDATION

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue Authority (TRA) and the Tanzania Investment Centre – (TIC) The project deserves this support because of its viability, since it is technically feasible, economically viable and socially acceptable.

ALIFAA FOOD PACKERS (T) LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT US\$

	1	2	3	4	5
Revenue	1,000,000.00	1,050,000.00	1,102,500.00	1,157,625.00	1,215,506.25
Operating Expenses:	800,000	840,000	882,000	926,100	972,405
Gross Profit Before Interest and Depreciation	200,000	210,000	220,500	231,525	243,101
Interest	40,000	40,000	40,000	40,000	40,000
Depreciation	10,000	10,000	10,000	10,000	10,000
Gross Profit	150,000	160,000	170,500	181,525	193,101
Tax (30%)	45,000	48,000	51,150	54,458	57,930
Profit After Tax	105,000	112,000	119,350	127,068	135,171
Accumulated Profit	105,000	217,000	336,350	463,418	598,588

ALIFAA FOOD PACKERS (T) LIMITED THE PROJECTED CASH FLOW US\$

SOURCES:	0	1	2	3	4	5
Profit before interest and depreciation	-	200,000	210,000	220,500	231,525	243,101
Equity	300,000					
Loan	500,000					
Total Sources	800,000	200,000	210,000	220,500	231,525	243,101
Applications:						
Capital expenditure	460,000		-	-	-	-
working Capital & Others	340,000					
Cash	-	155,000	162,000	169,350	177,068	185,171
Tax	-	45,000.00	48,000.00	51,150.00	54,457.50	57,930.38
Sub total	800,000	200,000	210,000	220,500	231,525	243,101
Total applications	800,000	200,000	210,000	220,500	231,525	243,101
Accumulated cash		155,000	317,000	486,350	663,418	848,588

ALIFAA FOOD PACKERS (T) LIMITED PROJECTED BALANCE SHEET USD

Fixed Assets	1	1	2	3	4	5
Opening balance	-	460,000	450,000	440,000	430,000	420,000
Additions	-					
Total Long-term Assets	-	460,000	450,000	440,000	430,000	420,000
Less depreciation	-	10,000	10,000	10,000	10,000	10,000
Closing balance	-	450,000	440,000	430,000	420,000	410,000
Working capital	340,000	340,000	340,000	340,000	340,000	340,000
Accumulated cash	-	155,000	317,000	486,350	663,418	848,588
Total assets	340,000	945,000	1,097,000	1,256,350	1,423,418	1,598,588
Financed by						
Equity	300,000	300,000	300,000	300,000	300,000	300,000
Accumulated profit	-	105,000	217,000	336,350	463,418	598,588
Total equity	300,000	405,000	517,000	636,350	763,418	898,588
0	-	-	-	-	-	-
Bank Loan	500,000	400,000	300,000	200,000	100,000	-
Total debts	500,000	300,000	300,000	200,000	100,000	-
Total equity and debts	800,000	705,000	817,000	836,350	863,418	898,588

ALIFAA FOOD PACKERS (T) LIMITED PROJECTED PAYBACK PERIOD USD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	105,000	100,000	205,000	205,000
2	112,000	100,000	212,000	417,000
3	119,350	100,000	219,350	636,350
4	127,068	100,000	227,068	863,418
5	135,171	100,000	235,171	1,098,588

ALIFAA FOOD PACKERS (T) LIMITED PROJECTED LONG-TERM LOAN REPAYMENT

Year	principle	Loan Interest (8%)	Total Amount Paid	Loan Balance
1	100,000	40,000	140,000	500,000
2	100,000	40,000	140,000	400,000
3	100,000	40,000	140,000	300,000
4	100,000	40,000	140,000	200,000
5	100,000	40,000	140,000	100,000

ALIFAA FOOD PACKERS (T) LIMITED PROJECTED FIXED ASSETS SCHEDULE US\$

PARTICULAR	COST
Land and Buildings	50,000.00
Vehicles	120,000.00
Plant and Machinery	200,000.00
Furniture & Fittings	5,000.00
Others	100,000.00
Working Capital	325,000.00
TOTAL	800,000.00

ALIFAA FOOD PACKERS (T) LIMITED PROJECTED FIXED ASSETS SCHEDULE US\$

NAME OF ASSETS	1	2		4.00	5.00
Land And Buildings	2,000,000	1,999,000	1,998,000	1,997,000	1,996,000
Machinery, Tools & Equipment	1,000,000	297,000	287,000	277,000	267,000
Motor Vehicles	200,000	95,000	90,000	85,000	80,000
Furniture & Fixtures	5,000	9,000	8,000	7,000	6,000
Total	460,000	2,400,000	2,383,000	2,366,000	2,349,000
DEPRECIATION	1	2	3	4	5
Land and buildings	1,000	1,000	1,000	1,000.00	1,000.00
Machinery tools & Equipment	10,000	10,000	10,000	10,000.00	10,000.00
Motor Vehicles	5,000	5,000	5,000	5,000	5,000
Furniture & Fixtures	1,000	1,000	1,000	1,000.00	1,000.00
ANNUAL DEPRECIATION	10,000	17,000	17,000	17,000	17,000