

TANZANIA COMMUNITY EMPOWERMENT ASSOCIATION TRUST  
(TANCEAT)

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PROJECT BRIEF DESCRIPTION

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**Tanzania  
Community  
Empowerment  
Association  
Trust**  
**(TANCEAT)**

Project: **THE REGISTERED TRUSTEES OF TANZANIA COMMUNITY EMPOWERMENT ASSOCIATION (TANCEAT)**

## 1. Project Brief:

1.1. Name of the Project: **TANCEAT COMMERCIAL FARM IN POULTRY AND FISH PROJECT**

1.2. Promoters: **TANCEAT**

1.3. Telephone: +255719 056 472

1.4. E-mail: fmathias70@yahoo.com

1.5. Project Location: Kitunda, Ilala

### 1.6. Product descriptions:

- **Raw Materials:** Broiler Chicks, Fingerlings, Chicken Feeds, Fish Feed, Chicken manure, yellow corn, White maize and Soya beans.
- **Final Product:** Maize Flour, Organic Fertilizers, Broiler Feeds, Broiler fertile eggs, Broiler Chicken, Broiler chicks, Chicken sausages, Fish fillets, Fingerlings and Broiler's Meat.
- **Presentation:** Decentralized 450 Modern members' Sheds, Centralized 10 parent stock chicken sheds, Animal feeds production, integrated Hatchery and slaughter system, Biogas and solar panel Farm, Member's broiler farming system and urban community village.
- **Physical Characteristics:** Measurements (Live birds, Acres, Kilograms and Cartons)
- **Level of purity Data:** At a standard level (TBS, WFP, ISO and TVLA)

### 1.7. Production Capacity:

#### POULTRY FARM

- 4,500 incubators for hatching eggs at 10,560 pieces each per time;
- Broiler Chicken 43,00,000-44,000,000BPM at a completion stage
- 75,000-80,000 members will be involved for the all period;
- Av. weight: 1.5-1.8KGS/Bird, Feed Rate to maturity 2.0 – 2.5 Kgs/ Bird
- Feed, Feeders 20-25/1000 Birds and 20-25 Drinkers per 1000 birds
- Direct jobs created: 75,000+ people
- Indirect jobs created: 1,000,000-1,200,000 people
- Make up water: 15,000m<sup>3</sup>
- Land area: 300,000 acres.

#### FISH FARM

- Cage capacity 6,370m<sup>3</sup>
- Circumference: 50m
- Diameter: 15.9m



- Rate of fish stocking: 200-300/m<sup>3</sup>
- Stocking per Cage: 1,500,000 Fingerlings
- Fingerlings production: 1,500,000,000/year
- Number of Cages: 360 pieces (Farmed in 6 blocks of 10 groups of 6 cages each)
- Number of Cage Blocks: 10 Blocks
- Feeds: 400,000 Ton Per Annum
- Targeted Fish meat output: 450,000-500,000 Ton Per Annum
- Farm employees: 12,000 members

**SUB PROJECTS:**

Biogas Farm, Solar panel Farm, BSF Farm, Water Hyacinth Harvesting, Organic Fertilizers and Packaging processing plant.

1.8. **Project funding for:** Main projects (Poultry Farm, Fish Farm) and other sub projects (Biogas Farm, Solar panel Farm, BSF Farm, Water Hyacinth harvesting, Packaging processing plant and Organic Fertilizer) and urban community villages.

1.9. **Total Project Value:**

YEARS	YEAR 1	YEAR 2		YEAR 3	YEAR 4	YEAR 5
<b>BROILER PARENT STOCK</b>	<b>10,000</b>	<b>100,000</b>		<b>1,700,000</b>		<b>1,810,000</b>
STAGES	OUTGROWERS	PROTOTYPES		IMPLEMENTATION		CONTINUATION
PHASES	PILOT	START UP	TESTING	INITIAL	FULL IMPLEMENTATION	EXPANSION
IMPLEMENTATION TIME	12 MONTHS	6 MONTHS	6 MONTHS	12 MONTHS	12 MONTHS	12 MONTHS
<b>AMOUNT REQUIRED (\$)</b>	<b>2,311,036</b>	<b>11,091,400</b>	<b>166,953,501</b>	<b>230,511,050</b>	<b>1,184,960,534</b>	<b>1,640,264,186</b>
GRACE PERIOD	12 MONTHS	12 MONTHS		12 MONTHS	12 MONTHS	12 MONTHS
REPAYMENT PERIOD	36 MONTHS	48 MONTHS		120 MONTHS	120 MONTHS	120 MONTHS

1.10. **Implementation period:** 60 Months

## 1.0 EXECUTIVE SUMMARY

This business is about establishment of an agri-business project in Tanzania based at TANCEAT facilities. The project will strategically be hosted at Tanzania mainland and Zanzibar in the on consideration of logistics, available resources and cost minimization. It will encompass six sub-projects, which are; poultry production sub-project, fish production sub-project, and cereals production sub-project. This business plan document has been put in place to provide technical backing for the management of the proposed project to secure funding for developing and executing the entire project's components. The document provides economic, market, environment, and management, financial and social viability of the project that gives comfort to the management, the financial partners, and technological partners to put together their efforts towards attaining their objectives.

Basically, the business idea emanates from a great opportunity of having underdeveloped sector of poultry production in Tanzania national republic coupled with high market prices of poultry products due to existing wide gap between demand and supply which stimulated the formation of Tanzania Community Empowerment Association Trust (TANCEAT) as a Tanzanian Community based association group formed by 75,000+ members of broiler chicken farmers, broiler animal feed producers, Veterinary doctors and other associate professionals. Members include women, elders, youth and people living with disability aiming to work together as a consortium team by forming a commercial farming group chain and team, in order to eliminate gaps existing between them, through cost reduction by using dead capital and underdeveloped resources available, through team work, volunteering, contribution and equal participation, focusing on profit maximizations,' and poverty reductions, through targeted market price, cold capital in order to achieve **green economy** as well as **blue economy** by attaining environmental friendly project, using maggots from black soldier flies (BSF). The maggots fed from **garbage** collected by members from their homes and various markets, **water hyacinth** from Lake Victoria as an alternative source of protein for animal feeds and organic fertilizers from poultry litter after biogas [methane and carbon dioxide] extraction as a value chain addition.

The same reason can be advanced for the fish farming sector which is at infant stage in the country while in fact, fish production trends worldwide show high production level of fish from aquaculture than from fish hunting (both from sea and fresh water sources). If the sectors can be exploited adequately, it can be a means to create livelihood for Tanzanians, assist the country with its agenda of food security and create a spectacular means of income generation for the business executing firms.

From political point of view, economic situation of Tanzania provides fertile and fruitful ground to venture into white meat production business with an emphasis of processing to add value. Furthermore, the country is stable and gives assurance and tranquility to engage in a huge and long-term investment. There are also indications for people of Tanzania to have their buying power improving day by day. This is due to increased government spending on development of the public infrastructure like,

SGR, road construction, airports expansion, enhancement of air transportation, expansion of sea and dry ports, etc. Furthermore, there is stability of economic indicators which support increased production of goods and services. Increased production means increased ability to spend and rising of demand for various products and services, not to mention about food items specifically, which must be acquired on daily basis. Thus, management of the proposed project intends to operationalize the business idea and has clear objectives to attain, which are; to engage into commercial scale fish farming and processing so as to increase shelf life of the fish, creating value addition and escalate demand for fish for both domestic and overseas market, to engage in the production of poultry animals (chicken) which meet international standards and then make them available to customers at competitive prices, to utilize the by-products of fish (fish frames), maize with rice leftovers, soya beans and farmed caterpillars and maggots to produce animal feeds to be used in the farming of fish, and poultry animals, and provide livelihoods to Tanzanians through employment and through importing of knowledge and skills to enable them to engage into own production activities, among others.

The motto is to work together as a consortium team by forming a commercial broiler farming group chain and team in order to eliminate gaps existed between stakeholders through cost reduction by using dead capital and redundant resources available. By way of team work, volunteering, contribution and equal participation, focusing on profit maximizations, and poverty reductions, through targeted market price, cold capital in order to achieve green economy as well as blue economy by attaining environmentally friendly project, using maggots produced from black soldier flies (BSF) and water hyacinth.

The maggots are produced from garbage collected by members from their homes and various markets. The water hyacinth, cyprinid silver, water snails and sweet shrimps will be collected from Lake Victoria as an alternative source of protein for animal feeds and fertilizers production.

TANCEAT was incorporated and registered on 18<sup>th</sup> October, 2021 as a private group owned trustee by ministry of Home Affairs, thereafter to RITA for assets and liability ownerships.

It is managed by highly skilled, experienced and motivated Tanzanian group members who need to produce quality poultry products at affordable prices for consumption of low-income earners through their targeted major surrounding markets. There is a huge potential market for chicken chicks, poultry meat, maize flours, chicken manure and fertile hatching eggs products in East and Central Africa at large. TANCEAT is well positioned to take advantage of this opportunity.

The main objective of TANCEAT is to acquire the whole poultry value chain of production from seed to table by using available and present resources (feed producers, chicks' producer, veterinary doctors, broiler farmers and other resources).

TANCEAT focus on its core activities of project through innovation, product implementation and sale.

The trust is owned 100% percent by Tanzanians of low-income earners. (Please see the copy of members' constitutions).

This business plan is prepared as a tool for managerial decision-making, guidance and solicitation of term loan fund from financiers specifically for purchasing property, plants and equipment, raw materials and other working capital mobilizing resources.

In fact, for the case of demand analysis, there is assurance of adequate market for all the envisaged products where both; production capacity and planned level of production are far below the forecasted demand. Nonetheless, it is important to undertake promotional campaigns at least at the beginning to create awareness to the public regarding existence of the project and its products. Thereafter, as for the case of any business, direct marketing will be carried out annually and budget for that has been earmarked.

## 2.0 TOTAL INVESTMENT AMOUNT REQUIRED

The total investment cost of the project including working capital is estimated at \$3.236 billion. From the total investment cost the highest share (\$3.224 billion or 99.60%) is accounted by CAPEX followed by initial working capital cost OPEX (11.80million or 0.40%).

<b>Investment components [5 years project]</b>	<b>Main projects [\$]</b>	<b>Sub projects [\$]</b>	<b>Total project costs [\$]</b>
Broiler Parent stock	308,365,934	-	<b>308,365,934</b>
Hatchery Plant	101,750,063	-	<b>101,750,063</b>
Broiler Poultry Farm	1,506,439,415	-	<b>1,506,439,415</b>
Slaughter plant	194,102,431	-	<b>194,102,431</b>
Tilapia Fish Farm	495,582,000	-	<b>495,582,000</b>
Biogas Farm	-	331,220,000	<b>331,220,000</b>
Organic Fertilizers	-	65,150,000	<b>65,150,000</b>
Packaging plant	-	9,280,000	<b>9,280,000</b>
Solar Panel Farm	-	64,795,000	<b>64,795,000</b>
Water Hyacinth Harvesting	-	10,860,000	<b>10,860,000</b>
Maggots Farming	-	69,534,400	<b>69,534,400</b>
Electric section	387,931	-	<b>387,931</b>
Animal Feed Processing	25,080,400	-	<b>25,080,400</b>
Truck/ Vehicles	5,320,000	-	<b>5,320,000</b>
Land and Urban Farm	36,425,532	-	<b>36,425,532</b>
Working capital	11,798,601	-	<b>11,798,601</b>
<b>Total Investment</b>	<b>2,685,252,307</b>	<b>550,839,400</b>	<b>3,236,091,707</b>

The project will create employment opportunities for more than 150,000 people. The

establishment of such chicken poultry farming and processing project which will have a foreign exchange effect to the country by increasing the level of export. The project will also generate income for the Government in terms of tax revenue and payroll tax. Summary of Total Investment required for the main and sub projects:

The total financing amount as elaborated in this project is proposed to be borrowed from local and external financiers;

The repayment period for the financing loan is proposed to be fifteen (15) years;

The project will be covered by the insurances and Collateral owned by organization from this project.

### **3.0 An overview of the proposed business**

The proposed project will be executed in various places in Tanzania but the head office will be situated at Dar es Salaam region and later to Bagamoyo District. To start with, the poultry farm will have a magnitude of 3,076 acres which are in the process of being acquired presently. Based on the model of the business, there will be some small pieces of land here and there for individual small producers who will supply the raw materials and some commodities to the Trustee's head office for processing and marketing.

The main line of business for the proposed project will be production of poultry and fish, mainly chicken and tilapia. Available data indicates that, there is no commercial level poultry farming in Tanzania. It is on that basis, demand of poultry meat in the country is not promising due to high price. In fact, this has rendered the per capita consumption of poultry meat to be only 5.6 kg which is smaller compared to the levels in Kenya and Uganda, the neighbouring countries. This production component will be integrated with fish farming (aquaculture), mainly by use of fish cages. The types of fish to be kept in farms are Tilapia and Nile perch. The intention is to tap the fish market domestically and overseas. Some of the harvested fish (about 60% of each type) will be sold raw to the domestic market through the established outlets. The remaining 40% will be processed into fillets and will actually be intended for overseas market.

These two sub-projects (poultry and fish production) will be supported by production of cereals, legumes, bananas and other varieties from more than 300,000 acres of land targeted. The main items under this sub-project will be Maize, rice, soya beans, wheat and bananas. Rice and maize will provide leftovers that will be applied in the production of fish and poultry feeds. Furthermore, soya beans will be used as a cheap source of protein for both, fish and poultry feeds. This will also be supplemented by fish frames from fish filleting.

In addition to that, banana pulp will be used in the manufacturing of packaging materials to package the various products which will be offered to the markets. Apart from that, the organization will allocate part of its land for production of chili, alovera, cactus, coriander, rosemary and parsley to be used in the application of medicine for chicken.

In order to have the intended products to the market, the organization intends to install processing factories which will hatch the fertilized eggs, process animal feeds, mill grains (maize and rice), slaughter and package chicken, and process fish fillets. A cursory study conducted shows that, Bagamoyo is a prime location for the envisaged project due to its soil condition to support agriculture and its proximity to the market that includes but not limited to Kagera, Dar es Salaam, Arusha, Dodoma and Morogoro Regions. Furthermore, Bagamoyo can be easily accessed by road, and air apart from having availability of services.

#### 4.0 INNOVATION AND IMPLEMENTATION

The organization is now introducing 10,000 parent stocks for out growers, 100,000 parent stocks for prototype and 1,700,000 for full parent stock implementation and expansion.

The first phase of **outgrowing** [10,000 broiler parent stocks] broilers will be produced from district centres; production will be centralized through districts centres. Centres will occupy more than 5 acres of land for 5 poultry houses with a capacity of 5,000 broilers per house shed. The total of 50 poultry house will be constructed in Dar es Salaam, Coastal regions and managed by five (5) members per each chicken house with an average of 1000 broilers per member. Each member will have to pass in this centre before graduated and transferred to prototype, all necessary requirement of training and coaching principles must be met.

During **prototype** stage 100,000 parent stocks will be introduced for urban commercial farm, 450 broiler houses with the capacity of 15,000 broilers per chicken house will be constructed within nine (9) land blocks. The all-Project prototype activities averaging 50 poultry houses per block will be constructed left with 250 houses per block for final implementation, all unit complete chains of production line, property, plant and equipment for prototype at Kyerwa District, Kagera region will be fully completed and ready for cutting and pasting to the whole project plan.

The **full implementation and expansion** of 1,700,000 broiler parent stocks project by escalating the prototype for the all nine (9) blocks of 300 members each responsible broiler farm, final implementation and take off of four regional centres for broiler parent stocks.

#### 5.0 MARKETING STRATEGY

**Poultry global market report 2021.** COVID-19 impact and recovery 2030 provides the strategists, marketers and senior management with the critical information they need to assess the global poultry market as it emerges from COVID 19 shut down.

The **United States of America** is the world's largest poultry meat producer, with 17 percent of global output, followed by China and Brazil. China is by far the world's largest egg producer, with 38 percent of global production, followed by the United States (7 percent) and India (7 percent).

Asia Pacific was the largest region in the global poultry market accounting for 32% of the market in 2020. Western Europe was the second largest region accounting 28% of the global poultry market. Africa was a smallest region in the global poultry market.

Poultry manufacturing growth is aided by stable economic growth forecasted in many developed and developing countries. The International Monetary Fund (IMF) predicts that the global GDP growth will be 4.1% in 2022 and 3.2% in 2023. The Russia-Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. Recovering commodity prices after a significant decline in the historic period is further expected to aid the market growth.

Developing economies are also expected to register stable growth during the forecast period. Additionally, emerging markets are expected to continue to grow slightly faster than the developed markets in the forecasted period. Stable economic growth is expected to increase investments in end user poultry market, thereby driving poultry manufacturing forecast period.

Due to low production and input shortages of chicks and feeds, people in Dar es Salaam are now consuming some broiler chickens that are produced in neighboring country like Kenya. The findings from the market analysis revealed that most customers do not like the taste of these imported chickens. They were described as fatty and tasteless. This finding underscores a need to augment efforts of the local broiler producers and to increase the supplies of home-grown broilers. In addition, TANCEAT producers have to take an additional step and produce a quality broiler that their potential buyers want.

### *5.1 Competition:*

The main local competitors for this project are Interchicks, Mkuza, Amadoli, irvin ,Organia and other small scale producers. There are also chicken brands imported from regional countries which are slightly cheaper but customers do not favor their quality. These competitors are capable of cutting down their price so as to attract the customers. They are also capable of providing good packaging for their products.

### *5.2 Target markets:*

The project will target exportation to United Arabs Emirates, East and Central Africa, giant mining companies, giant major government projects, Supermarkets, Hotels, restaurants and individual bulk buyers. However, the project is envisaged to expand and provide supplies to the ready organized markets centre (Universities, Boarding schools, hospitals, prison, and hotels).

### *5.3 Present Customers*

Our most dependable existing customers are:

- Meat master with local demand of more than 20 tons per month;
- GNM International with un-executed demand of more than 1056 tons per month broiler meat;

- Yakfy traders limited (SMC-Private) Limited demand of variety broiler meat;
- Madina Posh demand of 150 tons per month broiler meat;
- Local broiler markets;
- Members who are committed to buy and sell 100kg of flour per month per each member;
- Whole sellers;
- Retail small mills;
- Organized market.

## 6.0 VISION, MISSION AND VALUES

### 6.1 Vision

The vision of this is to acquire and become a national centre of Excellency in poultry products and technology.

### 6.2 Mission

The mission of the organization is to break the gap existed between poultry farmers, poultry feed producers, veterinary doctors and other associate professionals by formulating a consortium team work, which will benefits through dividing chicken on table after every function attaining its responsibilities. Poultry farmers will keep chicken, millers will produce chicken feeds and doctors will doctor the flocks likewise other professional will accomplish their parts.

### 6.3 Values

At the heart of all we do is a commitment to responsibility, integrity and accountability and the Corporation's four corporate values:

- ❖ Family - At the heart of what unites us
- ❖ Health & Safety - Zero tolerance
- ❖ Team Work - Working together
- ❖ Growth - We are building the future

## 7.0 ECONOMIC BENEFITS OF THE PROJECT

- **Empowerments and capacity building** –TANCEAT will empower more than 150,000 people. The project is estimated to start with 600 members at a start-up stage ranging from skilled laborers to unskilled workers.
- **Tax Income** – the project, together with the prospective buyer will pay income taxes, property taxes, corporate taxes and other taxes to the Tanzania government.
- **Provision of Train on Trainee group centres of Education** – the project complements the government efforts to provide decent education to its society through veterinary member doctors.
- **Value creation** – The organization will mobilize resources to create a modern poultry commercial farm and satellite residential property which will

substantially add to the country's capital formation and Gross Domestic Product (GDP).

## **8.0 RECOMMENDATIONS AND KEY SUCCESS FACTORS**

In order to achieve good results TANCEAT smart broiler project will ensure that:

- Proper automation through artificial intelligent (AI) technology is instituted to all fowls or coops run structures and properly maintained so that the incidence of any risks is detected.
- Fertile broiler eggs and chicks are purchased from reliable suppliers to obtain stock of chicks that is free from diseases and deformities.
- There is regular vaccination to avoid contamination.
- Proper disinfection of the structures and disposal of bi-products to avoid infections.

## **9.0 ECONOMIC IMPACT EVALUATION**

TANCEAT broiler project is envisaged to empower the producers with expert knowledge and skills in the practical production, processing and marketing of quality broilers. In turn their economic, social, health and nutritional status will improve.