



IMPLEMENTATION REPORT

MILK PROCESSING PROJECT

JUNE 28, 2024
KAHAMA FRESH LIMITED

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KAHAMA FRESH LIMITED

PROJECT IMPLEMENTATION REPORT

1.0 INTRODUCTION

This report provides implementation status since March 2021 till today. The report shows specific tasks/ milestones accomplished to date, challenges faced; and our special requests and recommendation.

2.0 PLANNED ACTIVITIES

The company had planned to perform the following activities during the project period

- i. Raising the building for the plant
- ii. Acquisition of the Milk Processing Equipment -
- iii. Importation and installation of the Milk Processing plant
- iv. Building the office for the Milk Processing Plant Staff
- v. Electrical installation
- vi. Constructing an Effluent Treatment Plant (ETP) for dirty water recycling
- vii. Acquisition of 500KVA Generator as a stand by Generator for UHT Milk Processing Plant Unit
- viii. Commissioning of the project water plant
- ix. Training of the operators on Utilities (air, water, boiler, ice water and CIP)
- x. Test run ups to Yoghurt Unit
- xi. Test run ups to UHT
- xii. Test on milk sterility
- xiii. Continuous training and supervision
- xiv. Continuous run of various products
- xv. Official hand over of the plant

3.0 ACCOMPLISHMENTS/ ACTIVITIES DONE TODAY

Our company has implemented so many activities since March 2021 till today. Activities accomplished include

- i. Raised the building for the Milk Processing plant
- ii. Acquired the UHT Milk Processing Equipment
- iii. Acquired the Yoghurt Processing Plant
- iv. Acquired and Installed the Milk Pasteurizing equipment

- v. Acquired and Installed the Cold-room for Youghurt and Milk butter
- vi. Acquired and installed a 500kva Stand-by Generator for UHT Plant
- vii. Imported and installed the Milk Processing plant accessories
- viii. Built the office for the Milk Processing Plant
- ix. Effluent Treatment Plant (ETP) Construction for dirty water recycling
- x. Did electrical installation for the plant
- xi. Construction of over 100,000 litres tank of Underground Water Reserve
- xii. Built the office for management staff;

3.1 Installed a 20,000 LITRERS Milk Processing Plant at Karagwe, Kihanga Industrial Area

KFL has recently installed a Milk Processing Plant at Kiragwe, Kihanga Industrial Area, with the capacity of processing 20,000 liters of milk daily. The plant is located 7 km from the leased area. With this plant, we expect to meet the current milk demand in Kagera region and beyond.



Figure 1: 20,000 LTRS Milk Processing Plant Installed at Karagwe, Kihanga Industrial (Side View- Utilities section)



Figure 2: 20,000 LTRS Milk Processing Plant Installed at Karagwe, Kihanga Industrial Park (Inside View)

3.2 Raised the building for the Milk Processing plant

The company has managed to raise a 1 floor building for Milk Processing Plant at Kihanga Industrial Area, in Karagwe .



Figure 3: Kahama Fresh Ltd Constructed Building for the Milk Processing Plant- Front view

3.2 Acquired the UHT Milk Processing Equipment

We have managed to acquire and install the UHT Milk Processing Plant from Alpes International, and hence able to produce UHT milk, that helps the milk to last longer.



Figure 4: Acquired & Installed UHT Milk Processing Plant

3.3 Acquired and Installed the Yoghurt Processing Plant

The company has managed to acquire and install a Yoghurt processing Plant Unit component, and is currently in testing stage, and it is ready to start operations.



Figure 5: Installed Yoghurt Packing Unit



Figure 6: Installed Yoghurt Processing Unit

3.4 Acquired and Installed a Cold-room for cooling Milk processed products.

The company has acquired and installed the coldroom which is suitable for cooling processed milk products like Yoghurt as depicted below:



Figure 7: Installed Cold-room for cooling Milk processed products

3.5 Installed Raw Milk receiving point

Established a reliable raw milk receiving point, at which raw milk is tested for hygiene factors before processing so as to reduce the risk of receiving milk with water or milk



Figure 8: Raw Milk Receiving Point at the factory (Front section)



Figure 9: Raw Milk Receiving Point at the factory (Sideview section)

3.6 Constructed the Effluent Treatment Plant (ETP)

During the period, our company engaged the Consultant and managed to construct a desired engineering design for factory effluent treatment system after considering the nature of effluent, parameters and effluent flow, prepared in relation to existing infrastructure and planned land use of the KFD area.



Figure 10: Constructed Water Well at Ranch

3. Installed coolers at milk collection centers for the milk processing Plant

KFL has installed 5000 ltrs coolers at various centers that are used as the milk collection centres for milk collected from out growers around the factory area. This is very helpful reducing milk spoilage, and hence enhancing production efficiency at our ranch.



Figure 11: One of the Installed a 5000 ltrs cooler at the collection centre based at Kahama Fresh Dairy Farm at Kikulula

4.0 COMPANY UPDATED INFORMATION

4.1 Shareholder's Information

The current company Ownership Structure is as stipulated below

No.	Shareholder	Nationality	# of Shares	Ownership %
1	Jossam Ntangeki	Tanzanian	50,000	50%
2	James Jossam	Tanzanian	20,000	20%
3	Evelyn Nestory	Tanzanian	20,000	20%
4	Apollo Mugabi	Ugandan	5,000	5%
5	Unalloted Shares	Tanzanian	5,000	5%
	Total		100,000	100%

4.2 Company communication Information

Below is the current communication information for our company

Email address: kahamafreshltd@gmail.com

Mobile Number:

Land Line Telephone Number

Physical Address: Kihanga Industrial Area, Karagwe, Plot No. 19, Block No.1,

P.O Box 408, Kihanga, Karagwe, Kagera

4.3 Contact Person

Name: Jossam Ntangeki
Position: Managing Director
Email address: kahamafreshltd@gmail.com
Mobile Number:
Land Line Telephone Number

4.4 Incorporation

Kahama Fresh Limited is a company established in 2018, with certificate of incorporation No.140464 dated 15th January 2018,

4.5 TIN Information

Kahama Fresh Limited is Tax Payer Identification Number (TIN) 136-818-295 operating with a valid business license and operating in Kagera region.

4.6 Project Objective

The Project's core activity is dairy milk processing, through its newly established Milk Processing Plant at Kihanga Industrial area in Karagwe.

4.7 Capacity

The Project Capacity per year is processing over 3,000 tonnes, since the maximum capacity for the milk processing plant is 20 tonnes per day.

4.8 Direct Employment

Foreign Men: ONE
Foreign Women: NIL
Local Men: 10
Local Women: 10

5.0 PROJECT FINANCING EXPENDITURE (USD)

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings	-	384,615.38	384,615.38
Plant and machinery	-	3,269,230.77	3,269,230.77
Vehicles/Aircrafts	-	134,615.38	134,615.38
Furniture	-	11,538.46	11,538.46
Office equipment	76,923.08	-	76,923.08
Insurance Cover	-	2,692.31	2,692.31
Pre-operational expenses	-	-	-
Working sub-total capital	5,000.00	5,000.00	10,000.00
Grand Total	81,923.08	3,807,692.31	3,889,615.38

6.0 PROJECT FINANCING

The investment will continue being financed from two sources, company own funds and borrowing from a bank/financial institution. The loan will be repaid in three years at not more

than 13% interest rate, and repayment terms proposed is two instalments every year tying up with cash flow generated from milk processed products.

The below table stipulate how the project is being financed.

	Amount (TZS)	Amount (USD)	Source Country
Local equity	1,000,000,000	384,615.00	Tanzania
Local loans	8,900,000,000	3,423,077.00	Tanzania
Foreign equity	200,000,000	76,923.00	Uganda
Foreign Loans	-	-	-
Total Investment	10,100,000,000	3,887,215.00	

7.0 CHALLENGES / PROBLEMS AND SOLUTIONS

- i. The main challenge that Kahama Fresh Ltd is facing at present is the shortage of packaging materials including Youghurt cups, that are to be sourced at neighbouring countries at order. However, Kahama Fresg Ltd is looking forward to obtain external financing so as to procure packing materials in bulk.
- ii. The other challenge is the low milk volume production in the area, since livestock farmers in Karagwe were still using old methods of production that result to low milk production yield. The available milk is not sufficient to cater for the plant capacity, and for the existing milk demand in the market due to shortage of land for our company. . The company has recently launched a program to outgrowers of ‘**LOAN CATTLE - PAY MILK**’ (**KOPA NG’OMBE - LIPA MAZIWA**) scheme, that will be so ideal to minimize the raw milk shortage. The program for LOAN CATTLE PAY MILK has was launched by the Minister for Livestock and Fisheries, Hon. Abdallah Ulega



Figure 12: Minister for Livestock & Fisheries, Hon. Abdallah Ulega launching Loan Cattle Pay Milk program at KFL

Kahama Fresh Ltd, in collaboration with TADB and Heifer International, has recently introduced the “*Loan Cattle Pay Milk*” program, where by about 600 cattle were procured and loaned to different farmer groups in Karagwe district.



Figure 13: Youth farmer group loaned cattle in the of Loan Cattle Pay Milk Program

8.0 FUTURE PLANS

The company's project objective is to ensure increased production of milk to 20,000 liters of milk daily from the 1st year of 2024 and increase the production to 36,360 liters by year 2029

- i. Procure packing materials in bulk so as to counter anticipated delays
- ii. Enhance and supporting outgrowers farmer groups to produce more milk for the factory
- iii. Recruitment if qualified staffs to ruu the project
- iv. Obtain TBS approval for the processed milk products
- v. Official opening of the factory by the President
- vi. Commencement of the project

9.0 CONCLUSIONS AND RECOMMENDATIONS

Kahama Fresh Ltd, being strategically located in Kagera region, which is closer to the borders of the neighbor countries, Uganda, Rwanda and Congo, there is a wider market exposure for our products, locally and internationally, and hence, obtaining the requested project extension, will stimulate our production leading to increased revenue, which will eventually add up to the government revenue through income tax paid.

Prepared and Submitted by


JOSSAM NTANGKI
MANAGING DIRECTOR
M/S KAHAMA FRESH LTD

