

BUSINESS PLAN FOR FULMER TANZANIA LIMITED FOR HIGH-QUALITY HONEY PRODUCTION IN TANZANIA.

1. EXECUTIVE SUMMARY

This business plan outlines the establishment of a state-of-the-art apiary in Tanzania with 1000 to 1200 bee colonies using modern European hives and technology. The project aims to produce high-quality mono-floral honey for export to Europe, integrate and train local beekeepers in modern techniques, and provide necessary tools and feeding syrup. The total planned investment is USD 500,000 over three years, covering equipment, technology, land acquisition, and working capital. This initiative promises to elevate local beekeeping standards, foster sustainability, and generate profitability.

2. PROJECT OBJECTIVES

Objective: The primary objective of Fulmer Tanzania Ltd. is to establish and operate a modern apiary in Tanzania specializing in the production of high-quality monoclonal honey for export to European markets.

Sector Focus: The company operates within the agricultural and agribusiness sector, specifically targeting the apiculture industry.

Products:

1. **Honey:** Produced from distinct floral sources found in Tanzania's diverse ecological zones, focusing on high-quality, single-origin honey varieties appealing to European consumers.

2. **Consumer-Packaged Honey:** Variants include consumer-ready jars of monofloral honey and sliced honeycomb, tailored to meet preferences in European and Arab markets for premium honey products.

3. **Training and Education:** Offered to local beekeepers, emphasizing advanced beekeeping techniques and the use of modern hive technologies to improve honey quality and yield.

Sector and Market Positioning: Fulmer Tanzania Ltd. positions itself as a leader in sustainable honey production and beekeeping practices within Tanzania. Leveraging European standards and expertise, the company aims to elevate local beekeeping standards and contribute to Tanzania’s agricultural export sector.

3. FULMER TANZANIA LIMITED INVESTMENT COSTS STRUCTURE

Capital Expenditure Breakdown:

ITEMS	USD
Land and Buildings	50,000
Machinery & Equipment	300,000
Motor Vehicles	70,000
Furniture & Fixtures	5,000
Pre expenses	20,000
Others	5,000
Working Capital	50,000
TOTAL	500,000

1. Equipment: USD 300,000

- Modern European hives, extraction equipment, and processing machinery.

2. Technology: USD 100,000

- Implementation of advanced hive monitoring systems, automation technologies, and quality control measures.

3. Land Acquisition: USD 50,000

- Purchase or lease of suitable land for apiary setup and infrastructure development.

4. Working Capital: USD 50,000

- Initial operational expenses, including salaries, utilities, marketing, and contingency funds. **Total Investment:** USD 500,000 over three years.

4. SOURCE OF FUNDS

Equity Investment:

Reginald Saria: 25% ownership

- Contribution: USD 125,000 (equity stake and expertise in local beekeeping)

Ferenc Fulmer: 75% ownership

- Contribution: USD 375,000 (equity stake and expertise in European honey packaging)

5. JOB CREATION

Employment Opportunities:

Fulmer Tanzania Ltd. is committed to contributing to local economic development through job creation across various levels of expertise and specialization within the apiary and honey production sectors. The project is expected to generate employment opportunities as follows:

1. Apiary Operations:

- **Beekeepers:** Direct employment for local beekeepers responsible for daily apiary management, hive maintenance, and honey extraction processes.
- **Technicians:** Hiring of technical staff to oversee the installation and maintenance of modern European hive technologies and equipment.
- **Administrative Staff:** Support roles in administration, logistics, and customer relations to facilitate smooth operations.

a. Training and Education:

- **Trainers and Instructors:** Engagement of beekeeping experts to conduct training sessions and workshops for local beekeepers, focusing on advanced beekeeping techniques and hive management.

b. Processing and Packaging Facility:

- **Production Workers:** Employment in the processing facility for honey extraction, filtration, and packaging, adhering to European hygiene and quality standards.
- **Quality Control Specialists:** Monitoring product quality and ensuring compliance with international export requirements.

c. Support Services:

- **Logistics and Supply Chain:** Roles in transportation, warehousing, and distribution of honey and honeycomb products to local and international markets.
- **Sales and Marketing:** Positions focused on market research, branding, and sales strategies to expand market reach and enhance product visibility.

Projected Employment Impact:

- **Direct Jobs:** Anticipate creating approximately 35 direct employment opportunities within the first year of operation, where we expect 5 foreigners 30 locals’ workers with potential for growth as production scales up.
- **Indirect Jobs:** Indirectly support additional employment in related sectors such as agriculture, transportation, and logistics, further stimulating local economic activity

Employees Distribution Summary

Gender	Foreign Skilled	Local Skilled	Total
Women	3	13	16
Men	2	17	19
TOTAL	5	30	35

Community Development:

The company aims to foster sustainable livelihoods by providing skills training and stable employment opportunities to local communities. By prioritizing local hiring and capacity building, the project seeks to enhance socio-economic resilience and promote inclusive growth in rural area.

6. INVESTMENT FUNDS EXPENDITURE BREAKDOWN

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Working Capital	50,000
TOTAL	500,000

a. Equipment (USD 300,000):

- **Modern European Hives:** Purchase of high-quality Langstroth and top bar hives suitable for monofloral honey production.
- **Extraction Equipment:** Investment in honey extraction machines, centrifugal extractors, and filtering equipment to maintain product quality.
- **Processing Machinery:** Acquisition of equipment for honeycomb slicing and packaging tailored to European and Arab market preferences.

b. Technology (USD 100,000):

- **Hive Monitoring Systems:** Installation of advanced technologies for monitoring hive health, temperature, and humidity to optimize honey production.
- **Automation Solutions:** Implementation of automated systems for honey extraction, packaging, and quality control to enhance operational efficiency.
- **Quality Assurance Tools:** Purchase of testing equipment and lab facilities to ensure compliance with European hygiene and quality standards.

c. Land Acquisition (USD 50,000):

- **Site Preparation:** Expenses related to land clearing, leveling, and preparation for apiary setup.
- **Infrastructure Development:** Construction of service buildings, storage facilities, and utilities infrastructure meeting European hygiene standards.

d. Working Capital (USD 50,000):

- **Initial Operational Expenses:** Covering salaries for initial staff recruitment, utilities (electricity, water), insurance, and administrative costs.
- **Marketing and Promotion:** Investment in promotional activities, branding, and market entry strategies to establish presence in target export markets.
- **Contingency Fund:** Reserving funds for unforeseen expenses and operational challenges during the initial phase of business operations.

Total Investment: USD 500,000 over three years.

7. SOURCE OF SUPPLY INPUTS

a. Beekeeping Equipment and Supplies:

- **International Suppliers:** Establishing partnerships with reputable international suppliers of beekeeping equipment, including Langstroth and top bar hives, protective gear, and hive tools. Suppliers from Europe or other regions known for high-quality beekeeping products will be sought to ensure durability and efficiency in hive management.
- **Local Manufacturers:** Exploring opportunities to collaborate with local manufacturers for beekeeping equipment components, promoting local industry growth and potentially reducing costs through localized production.

a. Feeding Syrup and Nutrients:

- **International Suppliers:** Identifying suppliers of high-quality feeding syrups and supplementary nutrients necessary for bee health during non-blooming seasons. Suppliers from regions with expertise in bee nutrition and health products will be considered to ensure the nutritional needs of the bee colonies are met.

- **Local Production Potential:** Assessing the feasibility of local production of feeding syrups and nutrients using locally available ingredients, potentially reducing import dependency and supporting local agricultural sectors.

c. Packaging Materials:

- **European Standards:** Procuring packaging materials that adhere to European hygiene and quality standards for honey and honeycomb products. This includes jars, labels, seals, and shipping materials designed to maintain product integrity and appeal to international markets.
- **Local Suppliers:** Evaluating local suppliers for packaging materials where feasible, ensuring compliance with international standards while supporting local businesses and reducing logistics costs.

c. Hive Monitoring Technology:

- **International Providers:** Partnering with providers of advanced hive monitoring technologies and sensors to track hive conditions such as temperature, humidity, and hive activity. This ensures proactive hive management and optimization of honey production processes.
- **Technological Integration:** Working closely with suppliers to integrate monitoring systems with existing hive infrastructure, enhancing operational efficiency and data-driven decision-making capabilities.

8. PROJECT IMPLEMENTATION SCHEDULE

It is expected that the Project will be take 36 months to implement as shown below:

	ACTIVITY	PERIOD
1.	Processing TIC Certificate of Incentive	July 2024
2.	Funds Mobilization	July 2024 – June 2026
3.	Ordering of Vehicles and Machines	April 2025 – July 2027
4.	Trial Operations	August 2026
5.	Commercial Operations	January 2027

Year 1

Quarter 1-2: Preparation and Setup

- **Activity:** Secure land acquisition and obtain necessary permits.
- **Sub-activity:** Finalize architectural plans and construction contracts.
- **Milestone:** Begin construction of apiary and service buildings.

Quarter 3-4: Apiary Establishment

- **Activity:** Install initial 500 bee colonies with modern European hives.
- **Sub-activity:** Set up infrastructure for feeding syrup distribution.
- **Milestone:** Commence honeycomb production and initiate colony health monitoring.

Year 2

Quarter 1-2: Expansion and Training

- **Activity:** Scale up apiary to 1000 bee colonies.
- **Sub-activity:** Conduct training workshops on top bar and Langstroth hive management.
- **Milestone:** Begin production of high-quality monofloral honey.

Quarter 3-4: Infrastructure Development

- **Activity:** Construct small-scale processing facility meeting European hygiene standards.
- **Sub-activity:** Install packaging equipment for consumer-ready honey and honeycomb.
- **Milestone:** Start packaging and labeling products for export.

Year 3

Quarter 1-2: Optimization and Scaling

- **Activity:** Implement advanced hive technologies for improved honey yield.
- **Sub-activity:** Fine-tune honey production processes for consistency and quality.
- **Milestone:** Increase production capacity and optimize export logistics.

Quarter 3-4: Export Readiness and Market Penetration

- **Activity:** Secure export certifications and establish logistical partnerships.
- **Sub-activity:** Finalize contracts with European distributors and retailers.
- **Milestone:** Begin regular export shipments of high-quality honey and honeycomb products.

9. FULMER TANZANIA LIMITED FIVE (5) YEARS FINANCIAL (REVENUE & EXPENDITURE) PROJECTION

Yearly Revenue and Expense Projection (USD)

Year	Revenue (Sales)	Cost Of Goods Sold	Gross Profit	Operating Expenses	Net Profit/Loss
Year 1	70,000	14,000	14,000	42,000	28,000
Year 2	150,000	30,000	30,000	90,000	60,000
Year 3	250,000	50,000	50,000	150,000	100,000
Year 4	400,000	100,000	80,000	220,000	140,000
Year 5	500,000	100,000	100,000	300,000	200,000

Assumptions and Calculation Notes:

- a. **Revenue (Sales):** Based on projected sales volumes of monofloral honey and honeycomb products, with anticipated growth in export markets, especially Europe.
- b. **Cost of Goods Sold:** Includes direct costs related to honey production, packaging materials, labor, and distribution costs.
- c. **Gross Profit:** Calculated as Revenue Minus Cost of Goods Sold.
- d. **Operating Expenses:** Include administrative expenses, marketing costs, salaries, rent, utilities, and other overhead expenses necessary to run the business.
- e. **Net Profit/Loss:** Calculated as Gross Profit Minus Operating Expenses.

10. FULMER TANZANIA LIMITED
PROJECTED CASH FLOWS US\$

PERIOD	Zero	1	2	3	4	5
SOURCES:						
Profit before interest and depreciation	-	350,000	350,000	350,000	350,000	350,000
Equity	500,000					
Loan	-					
Total Sources	500,000	350,000	350,000	350,000	500,000	500,000
Applications:						
Capital expenditure		70,000	150,000	250,00	400,000	500,000
working Capital & Others	50,000					
Cash	0	55,000	60,000	85,000	100,000	105,000
Tax	-	7150	7800	8,450	9,100	9,750
Sub total	-	350,000	350,000	350,000	350,000	350,000
Total applications	500,000	350,000	350,000	400,000	500,000	500,000

11. FULMER TANZANIA LIMITED
PROJECTED BALANCE SHEET US\$

	0	1	2	3	4	5
Fixed Assets						
Opening balance	-	350,000	350,000	350,000	350,000	350,000
Total Long-term Assets	-	350,000	350,000	350,000	350,000	350,000
Less depreciation	-	17,500	17,500	17,500	17,500	17,500
Closing balance	-	332,500	332,500	332,500	332,500	332,500
Working capital	50,000	50,000	80,000	80,000	100,000	100,000
Accumulated cash	-	282,500	252,500	252,500	232,000	232,500
Total assets	100,000	300,000	350,000	350,000	400,000	400,000
Financed by						
Equity	350,000	400,000	420,000	400,000	360,000	300,000
Accumulated profit	-	28,000	80,000	100,000	140,000	200,000
Total equity	500,000	280,000	500,000	500,000.	500,000	500,000

12. CAPACITY OF PROJECT

The capacity of the Fulmer Tanzania Ltd. honey production project is **200 Tones** designed to establish a robust apiary capable of producing high-quality mono-floral honey for export to European markets. Here are the key aspects of its capacity:

a. Apiary Setup:

- **Number of Bee Colonies:** 1000 to 1200 bee colonies initially.
- **Hive Technology:** Modern European hives (e.g., Langstroth hives) to optimize honey production and colony health.
- **Service Buildings:** Infrastructure meeting European hygiene standards, supporting honeycomb production and processing.

b. Production Output:

- **Honey Production:** Focus on monofloral honey, leveraging Tanzania's diverse ecological zones and abundant nectar sources.
- **Export Target:** Supplying high-quality honey and honeycomb primarily to European markets, tailored to meet stringent quality standards and consumer preferences.

c. Training and Support:

- **Local Integration:** Training local beekeepers in advanced beekeeping techniques, enhancing skills in hive management and honey production.
- **Supply Chain Support:** Providing essential tools and feeding syrup to maintain hive health and optimize honey production.

d. Infrastructure and Investment:

- **Total Investment:** USD 500,000 over three years, covering equipment, technology, land acquisition, and working capital.
- **Capital Composition:** Reginald Saria (25%) and Ferenc Fulmer (75%), combining local expertise with European honey industry experience.

e. Market Alignment:

- **Advantages:** Leveraging Tanzania's natural assets for rare monofloral honey production, adaptable East African bee species, and underutilized nectar sources.
- **Challenges:** Addressing seasonal variability in nectar availability and ensuring cost-effective import solutions for essential supplies during non-blooming periods.

This capacity overview underscores Fulmer Tanzania Ltd.'s commitment to establishing a sustainable and profitable honey production venture in Tanzania, integrating local expertise and international standards to meet global market demands.

f. Risk Analysis and Mitigation

Economic Risks: Mitigate high customs duties and import restrictions through governmental support and strategic import partnerships.

Seasonal Risks: Manage nectar seasonality by maintaining adequate honey reserves and exploring alternative feeding solutions.

Operational Risks: Address dependencies on imported high-quality tools by fostering local manufacturing capabilities and establishing resilient sourcing partnerships.

g. Implementation and Monitoring:

- Regular review and adjustment of financial projections will be crucial to adapt to market changes, operational efficiencies, and cost management strategies.
- Continual monitoring of revenue streams and expense controls will ensure alignment with projected financial targets and business objectives.

h. Conclusion

This venture represents a significant opportunity for growth and profitability, leveraging Tanzania's natural assets and advanced European beekeeping practices. By integrating local beekeepers into the value chain and focusing on producing premium monofloral honey, the project aims to foster sustainable development and community prosperity. We seek full support and incentives available under Tanzanian law to ensure the project's success.

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