

# SRI SAI INTERNATIONAL (T) LIMITED

## BUSINESS PLAN



**2024**



*Handwritten signature: I.C. G. Co. 002*

# **SRI SAI INTERNATIONAL (T) LIMITED**

## **1.0 EXECUTIVE SUMMARY**

The most promising option for the project is eggs production and will entail production and marketing that have been dressed, graded accordingly, packaged, labeled and sold in large quantities to supermarkets, hotels, and restaurants in Tanzania; such project has been practiced before, meaning that eggs production will start from a zero base.

**SRI SAI INTERNATIONAL (T) LIMITED** is a newly registered business dealing with agriculture particularly animal husbandry, poultry and food processing; it is incorporated on November, 2023 with expectation of official commencing of the operations to be end of the year.

The business will be positioned as local and later international through our creative approach to the company's image and detail presentation. The Company will provide a combination of excellent agricultural produce at value pricing, with fun packaging and atmosphere, it is an answer to an increasing demand for eggs.

In today's highly competitive environment, it is becoming increasingly difficult to differentiate one product from another. Dar es Salaam is now becoming the model metropolis for Tanzania's new economic boom. With more than 2 million visitors yearly, mainly from neighboring countries (Zambia, Malawi, Congo and the Zimbabwe), Dar es Salaam retail sector is the strongest in the region.

Our main priority is to produce quality and competitive animal produce, preferably eggs to start with which can introduce our business in the market, later, our effort will be a further development of more products depending with market niche.

This plan is prepared to obtain a location for the initial launch of this concept. Additional financing will need to be secured for setting the best production area which is environmentally friendly and efficient. The financing, in addition to the capital contributions from shareholders, will allow the business to successfully open and expand through year two. The initial capital investment will allow us to provide our customers with a value-driven, entertaining experience through the creativity of its founders.

Our products will entice youngsters to bring their friends and family with our innovative environment, fresh-cut products, and selection of unique tests and flavors.

# SRI SAI INTERNATIONAL (T) LIMITED

## 1.1 Business Objectives

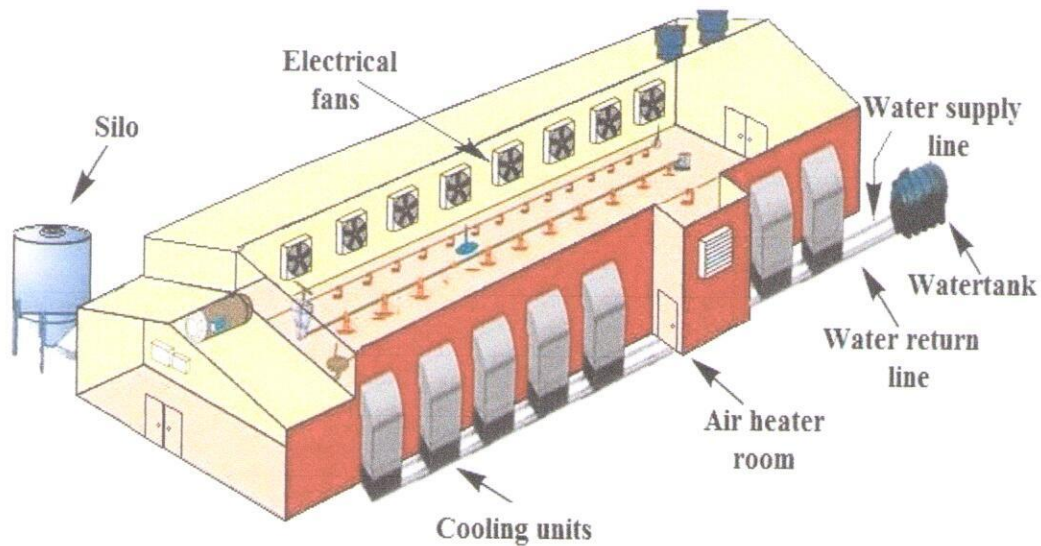
The innovation in the poultry production will be organised as follows:

### Processing and Grading:

The poultry will be graded according to the standards that meet the market requirements. The market analysis results showed different chicks have different quality in terms of endurance to diseases, the capacity to lay eggs given their life time before they phase out.

### Packaging:

The eggs will be properly stored and will be packed in plastic and paper trays, all the products will be labeled with the brand name, weight, and price and expiry date.



### Marketing:

The poultry will have to produce a quality that is preferred by our potential buyers and that is above usual market standards. There will be need for periodic market research to maintain customer conformity and determine current preferences. The production will also go out to supermarkets and advertise their special poultry through tasting and giving free samples. Pamphlets will also be distributed at strategic points.

# SRI SAI INTERNATIONAL (T) LIMITED

## **Training and capacity building:**

We will constantly train our team to make we upkeep ourselves on the best production methods. Capacity building will be an ongoing activity that will be based on baseline surveys, monitoring and evaluation results by experts and self/peer evaluation among ourselves.

## **1.2 Mission**

Our main goal is to be one of the most successful poultry farmers in Tanzania, starting with one farm located in Coast Region with expectation to expand to several areas around the country.



The business will strive to premier eggs brands in the local markets, we want our customers to have the total experience when testing our products.

# SRI SAI INTERNATIONAL (T) LIMITED

## 1.3 Project description

The project aims to start with one hundred thousand (100,000) quality chickens per cycle that meet the customers' expected standard demand. The fowl run space is purchased from a local owner in Bagamoyo of around 10 hectares for about 350 million Tanzania shillings. We are currently constructing the fowl run cages for all chickens in batches 25,000 per group in one cage and we expect to have four cages; one office and staff building to stay so as to be closer to the project. Clean water supply will be from the bore hole dug in the farm.



For now, the project is solely funded by the shareholders of the company but we expect as we expand from time to time, we will try to finance from external sources like banks so that we can increase production and enjoy economies of scale.

# **SRI SAI INTERNATIONAL (T) LIMITED**

## **1.1. Market Plan**

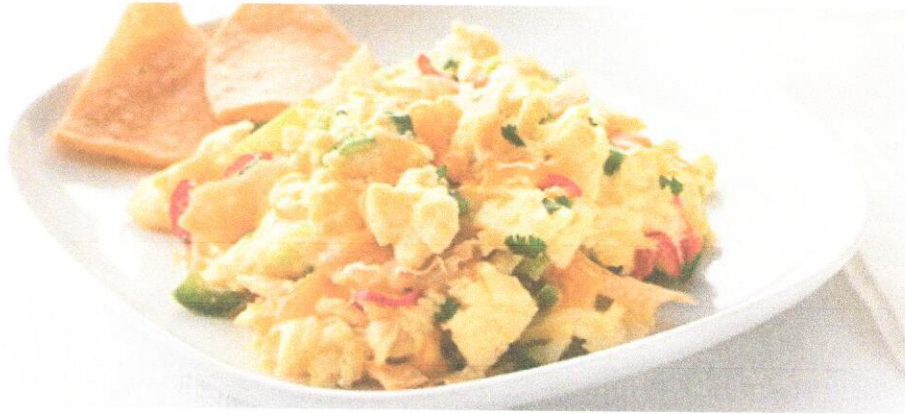
SRI Sai International (T) Limited expects to mainly sell eggs as main line of business and later feeds; we use the concept of market niche, where the eggs are all produced from one area and distributed around the markets to make sure that quality can easily be controlled. Our outlets also provide excellent and friendly customer service to support the ambience of fun, energetic and affordability.



# SRI SAI INTERNATIONAL (T) LIMITED

## 1.5. Products

We will concentrate on producing and selling of eggs, and later on we will engage on expansion to other areas like production of feeds, chicks and like. Despite us having to know what to produce and sell, the market will definitely determine which way is best for us to go.



## 1.6. Competitive comparison

The main local competitors for this project are Kenchick and Interchick who are large eggs producers whose line of production include feeds and chicks which add competitive advance. There are also chicken brands important from regional countries which are slightly cheaper but customers do not favour 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.

# **SRI SAI INTERNATIONAL (T) LIMITED**

## **1.7. Market analysis summary**

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

## **1.8. Target markets**

The project will target supermarkets, hotels, restaurants and individual bulk buyers. However the project is envisaged to expand and provide supplies to boarding schools, hospitals, prisons, hotels and supermarkets as well as regional supermarkets and hotels. This entails frequent markets analysis in order to determine production quantities and qualities and ensure consistence, reliability and trust on the product

## **1.9. Presentation**

The project will offer quality eggs to its customers in terms of taste, size presentation and price. In addition to whole chickens will produce a well packed eggs in trays so as to accommodate all its customers.

# SRI SAI INTERNATIONAL (T) LIMITED

## 1.10. SWOT Analysis

The table below shows the Strengths, Weaknesses, Opportunities and Treats of the intended poultry business.

**Table: SWOT Analysis**

<p><b>Strength</b></p> <ul style="list-style-type: none"> <li>-One of the advantages offered by the project is that it will produce eggs of high quality and it will also provide continuous supply of eggs to its customers.</li> <li>-Integration of different projects is possible for example poultry and crop production</li> <li>- Labour is readily available.</li> <li>- Land and water has been found at minimal cost.</li> <li>- The project has taken cognisance of social inclusion factors in terms of gender, social status (widow/widower/orphans) and adolescents.</li> </ul>	<p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>-There is no electricity at the site and this will make some operations difficult.</li> <li>- Project members live very far from the project site and this makes some routine operations difficult.</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>- The project will create employment for many producers as they will get income from the retained earnings</li> <li>- When the product is advertised well the market share will increase hence the profits will also increase.</li> </ul>	<p><b>Threats</b></p> <p><b>Construction costs</b></p> <p>High initial investment is require for the construction of the fowl run, brooders, store room and offices.</p> <p><b>Competition</b></p> <p>There are many competitors for this project, and this will require to produce eggs of high quality and introduce innovations that are have not been introduced by their competitors.</p>

## SRI SAI INTERNATIONAL (T) LIMITED

Consumer expenditures for eggs rose during the end of the year 2000, followed by the tremendous growth of Tanzania's economy. The increasing number of new establishments such as franchises, fancy restaurants and gourmet bars around Dar es Salaam has shown a significant growth in this sector. Food spending is around 56% of total consumer expenditures in Tanzania, and consumer spending on leisure and recreation made up of 13% of total consumer spending.



A much broader appeal exists for weekend slots because those are the days when most of our core target market enjoys eggs because to some is still considered as luxury.

# SRI SAI INTERNATIONAL (T) LIMITED

## 3.0 Financial Plan

This section details calculations, assumptions and methodologies used as a foundation for the projections of the expected financial performance of the project.

### 3.1 Initial investment

The below table shows different funds required for the establishment of the project:

Description		Total
<i>Construction of fowl run</i>		TZS
Land	Square metres	360,000,000.00
Wire mesh	Roles	56,000,000.00
Cement	Bags	18,000,000.00
Bricks	Bricks	7,000,000.00
Polythene plastic	Roles	3,000,000.00
Pit sand	Cubic metre	5,000,000.00
River sand	Cubic metre	5,000,000.00
Gum poles	Poles	4,000,000.00
Paddocks	Paddocks	2,000,000.00
Door frames	Frames	17,000,000.00
Quarry stone	Cubic metre	20,000,000.00
Doors	Doors	1,700,000.00
Roofing timber	Metres	28,000,000.00
Roofing nails	Kgs	6,000,000.00
Reinforcemnt materials	Roles	11,000,000.00
Electricity		5,000,000.00
Labour		55,000,000.00
<b>Total</b>		<b>603,700,000.00</b>

## SRI SAI INTERNATIONAL (T) LIMITED

### *Working capital*

Chicks	20,000,000.00
Feeds	9,000,000.00
Layers	12,000,000.00
Vets costs	3,000,000.00
Packaging materials	5,000,000.00
Labour	4,000,000.00
<b>Total</b>	<b>53,000,000.00</b>

The initial investment for the project is estimated to be TZS 500,000,000, which includes 603,700,000 in construction and 53,000,000 in working capital and equipment.

### 3.2 Projected income statement

Income statement <i>in thousands</i>	Year 1	Year 2	Year 3	Year 4	Total
Sales	600,000.00	700,000.00	800,000.00	900,000.00	<b>3,000,000.00</b>
Total revenue	600,000.00	700,000.00	800,000.00	900,000.00	<b>3,000,000.00</b>
Cost of goods of sold	130,000.00	140,000.00	150,000.00	160,000.00	<b>580,000.00</b>
<b>Gross profit</b>	<b>470,000.00</b>	<b>560,000.00</b>	<b>650,000.00</b>	<b>740,000.00</b>	<b>2,420,000.00</b>
<b>Expenses</b>					
Cost of chicks	20,000.00	200,000.00	20,000.00	20,000.00	<b>260,000.00</b>
Cost of feed	5,000.00	5,000.00	5,000.00	5,000.00	<b>20,000.00</b>
Heat and light	1,000.00	1,000.00	1,000.00	1,000.00	<b>4,000.00</b>
Vet costs	200.00	200.00	200.00	200.00	<b>800.00</b>
Water	500.00	500.00	500.00	500.00	<b>2,000.00</b>
Labor	5,000.00	5,000.00	5,000.00	5,000.00	<b>20,000.00</b>
Maintanance expenses	2,000.00	2,000.00	2,000.00	2,000.00	<b>8,000.00</b>
Rent	-	-	-	-	-
Advertising	1,000.00	1,000.00	1,000.00	1,000.00	<b>4,000.00</b>
General expenses	3000	3000	3000	3000	<b>12,000.00</b>
<b>Total expenses</b>	<b>37,700.00</b>	<b>217,700.00</b>	<b>37,700.00</b>	<b>37,700.00</b>	<b>330,800.00</b>
Profit before tax	432,300.00	342,300.00	612,300.00	702,300.00	<b>2,089,200.00</b>
Tax	86,460.00	68,460.00	122,460.00	140,460.00	417,840.00
<b>Profit after tax</b>	<b>345,840.00</b>	<b>273,840.00</b>	<b>489,840.00</b>	<b>561,840.00</b>	<b>1,671,360.00</b>

The project is expected to realise an average net profit margin of around 13%.

