

# **PROJECT BRIEF FOR PROPOSED NEW BUGURUNI FLOUR MILLING PLANT AT NYERERE INDUSTRIAL AREA, DAR ES SALAAM, TANZANIA**



Said Salim Bakhresa & Company Limited

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DETAILS OF PROPONENT

Proponent (Person or Firm): SAID SALIM BAKHRESA & COMPANY LIMITED

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## PROJECT SUMMARY:

We are pleased to present the business plan for the establishment of a new wheat mill project, with a total project cost estimated at USD 39.10 million. This comprehensive plan outlines our vision, objectives, strategies, and financial projections for the successful implementation and operation of the project.

1. **Executive Summary:** Our company, Said Salim Bakhresa & Company Limited, aims to set up a modern wheat milling facility in Buguruni, with the primary goal of producing premium quality wheat flour to meet the growing demand in Tanzania's domestic market. The project will contribute to food security, economic development, and employment generation in the region.
2. **Company Overview:** Said Salim Bakhresa & Company Limited is a reputable company with a track record of successful ventures in the agriculture and food processing sectors. Leveraging our expertise and resources, we are committed to establishing a state-of-the-art wheat mill that adheres to international quality standards and sustainability principles.
3. **Market Analysis:**
  - **Demand:** The demand for wheat flour in Tanzania has been rising steadily due to population growth, urbanization, and changing consumer preferences.
  - **Supply:** Despite increased wheat cultivation, domestic production remains insufficient, leading to significant reliance on imports.
  - **Competitive Landscape:** The market is characterized by a mix of large-scale industrial mills and small local producers. Our focus will be on offering superior quality products and efficient distribution channels to gain a competitive edge.
4. **Objectives:**
  - To establish a wheat mill with a milling capacity of 750 metric tons per day.
  - To generate annual revenues of USD 99 Million.
  - To create employment opportunities for 531 individuals and provide training and skill development programs.
5. **Operations Plan:**
  - **Site Selection:** We have identified a suitable location with access to raw materials, transportation networks, and utilities.
  - **Facility Setup:** The project will involve the construction of milling units, storage silos, administrative offices, and ancillary facilities.
  - **Machinery and Equipment:** State-of-the-art milling equipment and technology will be sourced from reputable suppliers to ensure efficiency and product quality.

- **Production Process:** Our milling process will adhere to strict quality control measures to produce premium grade wheat flour meeting consumer preferences and regulatory standards.
- **Supply Chain Management:** We will establish strategic partnerships with international wheat suppliers to ensure a steady and reliable import of high-quality raw materials. Additionally, we will optimize distribution channels to efficiently reach our target markets.

#### 6. Financial Projections:

- **Capital Investment:** The total project cost is estimated at USD 39.10 million, allocated towards land acquisition, construction, machinery, working capital, and contingencies.
- **Revenue Forecast:** Based on market demand and pricing analysis, we anticipate annual revenues to reach USD 99 million.
- **Profitability:** The projected net profit margin is 3.50 % with a return on investment (ROI) within a period of 5 (five) years.
- **Financing Plan:** We intend to secure a combination of equity financing, bank loans, and government incentives to fund the project.

#### 7. Risk Management:

- **Market Risks:** Fluctuations in wheat prices, changes in consumer preferences, and competition pose potential challenges.
- **Operational Risks:** Technical failures, supply chain disruptions, and regulatory compliance issues could impact operations.
- **Financial Risks:** Exchange rate fluctuations, interest rate changes, and cost overruns may affect project viability.
- **Mitigation Strategies:** We will implement robust risk management practices, diversify revenue streams, and maintain adequate reserves to mitigate potential risks.

8. **Conclusion:** The establishment of a new wheat mill project represents a strategic investment opportunity with the potential to contribute to Tanzania's economic growth, food security, and industrial development. We are confident in the feasibility and viability of this venture and seek your support in realizing our vision.