

**FU XUAN SHUN TRADING COMPANY LIMITED**

**INCORPORATION NUMBER: 186305868**

**BUSINESS PLAN**

**PROJECT NAME: CHICKEN FARMING**

Prepared by: FU XUAN SHUN TRADING COMPANY LIMITED

Project Location: Isupilo Village, Iringa Region, Tanzania

Total Capital Investment: USD 50,500

Prepared Date: 29<sup>TH</sup> August, 2025

## **1. EXECUTIVE SUMMARY**

FU XUAN SHUN TRADING COMPANY LIMITED (FXSTC) proposes establishing a modern, sustainable poultry farming operation in Iringa Isupilo Village, Tanzania, leveraging an initial capital investment of USD 50,500. This project addresses the significant and growing demand for affordable, high-quality poultry products (eggs and broiler meat) within the Iringa Region and surrounding areas. The global poultry industry is a critical component of food security, valued at over USD 350 billion, with Africa experiencing rapid growth driven by population increase, urbanization, and rising incomes. Tanzania's poultry sector, while expanding, still faces supply gaps, particularly in rural areas like Iringa Isupilo.

Fu Xuan Shun Trading Company Limited's project will focus on dual-purpose production: raising layers for table eggs and broilers for meat. The core objectives are to achieve profitability within Year 2, establish a reputable local brand for quality and freshness, create sustainable employment, and contribute to local food security and economic development. Key strengths include FXSTC's established trading network, the strategic location near growing markets, and a commitment to modern biosecurity and animal welfare practices. Challenges such as feed cost volatility, disease risks, and initial capital constraints will be mitigated through strategic planning, efficient operations, and phased growth.

The financial plan projects total revenue of USD 72,150 by Year 3 and USD 115,200 by Year 5, with a projected net profit of USD 18,750 in Year 3 and USD 38,400 in Year 5. The initial investment will be allocated to land acquisition/lease, housing construction, equipment purchase, initial stock (chicks), feed, and working capital. A break-even point is anticipated within 18-24 months. This plan outlines a clear roadmap for establishing a viable, scalable, and socially responsible poultry enterprise poised to capture a significant share of the local market.

## **2. INDUSTRIAL OVERVIEW: POULTRY & CHICKEN FARMING**

The global poultry industry is the largest and fastest-growing segment of world meat production, exceeding 130 million tons annually. Chicken meat dominates, accounting for over 70% of poultry output due to its efficiency, affordability, and adaptability. The global industry is valued at approximately USD 350-400 billion. Key drivers include:

- **Feed Efficiency:** Poultry have the best feed conversion ratio, among major livestock (broilers 1.6-1.8 kg feed/kg meat).
- **Short Production Cycle:** Broilers reach market weight in 5-7 weeks; layers start producing at 18-20 weeks.
- **Religious Acceptance:** Widely consumed across diverse cultures and religions.
- **Health Perception:** Generally perceived as a leaner, healthier protein source compared to red meat.

- **Industrialization:** Highly integrated supply chains (breeding, hatcheries, feed, processing, and distribution) drive efficiency and scale, particularly in developed nations (USA, Brazil, EU, China).

Africa's poultry industry is experiencing robust growth (5-8% annually), driven by:

- **Population Boom & Urbanization:** Rapidly increasing population, particularly in urban centers, creates demand for convenient, affordable protein.
- **Rising Incomes:** Growing middle class with increased disposable income and shifting dietary preferences towards animal protein.
- **Limited Domestic Production:** Many African countries rely heavily on imports (frozen chicken parts, eggs) to meet demand, highlighting significant supply gaps and opportunities for local producers.
- **Youth Employment:** Poultry farming offers relatively low barriers to entry and significant potential for job creation along the value chain.

On other hand, Tanzania's poultry sector is a vital component of its agricultural economy and food security system.

**Structure:** Dominated by small-scale, backyard/scavenging systems (estimated 80-90% of poultry population), supplemented by growing commercial operations. The commercial sector focuses primarily on broilers and layers.

**Production:** Annual chicken meat production is estimated at 80,000-100,000 tonnes while Egg production is estimated at 3-4 billion eggs annually. Despite growth, per capita consumption remains relatively low compared to global averages, indicating significant growth potential.

**Demand:** Demand is strong and growing, particularly in urban centers like Dar es Salaam, Mwanza, Arusha, and regional hubs like Iringa. Rising incomes, population growth, and urbanization fuel this demand. Hotels, restaurants, institutions (schools, hospitals), and supermarkets are key commercial buyers.

**Challenges:** The sector faces hurdles including high feed costs (maize, soybean meal price volatility), limited access to affordable finance, disease outbreaks (especially Newcastle Disease, Avian Influenza), inconsistent quality, and underdeveloped cold chain infrastructure.

**Government Support:** The government recognizes poultry's potential through initiatives like the Livestock Development Policy (2006) and Agricultural Sector Development Programme (ASDP II), aiming to improve productivity, disease control, and market access.

### **CHICKEN FARMING SPECIFICS:**

Broiler Farming focuses on raising chickens specifically for meat production. Key breeds include Cobb 500, Ross 308, and Hubbard. Production cycle is short (35-49 days). Intensive housing (deep

litter or cage systems) is standard. Key metrics: FCR, Daily Weight Gain (DWG), Mortality Rate, Feed Cost per kg.

Layer Farming: Focuses on raising hens for egg production. Key breeds include Lohmann Brown, Hy-Line Brown, Bovans. Production cycle is longer (peak production ~25-60 weeks, total productive life ~70-80 weeks). Housing systems include deep litter, battery cages (increasingly regulated), and aviary systems. Key metrics: Hen-Housed Production (HHP - eggs per hen), Egg Weight, Feed Efficiency (g feed/dozen eggs), Mortality Rate.

### **3. MARKET TRENDS & ANALYSIS**

#### **Global Trends:**

- Sustainability & Animal Welfare: Growing consumer and regulatory pressure for improved welfare standards (cage-free eggs, slower-growing broilers) and reduced environmental footprint (manure management, feed sourcing).
- Technology Adoption: Precision farming (sensors, automation for feeding, watering, environment control), data analytics for health monitoring and performance optimization, block chain for traceability.
- Value-Added Products: Increasing demand for processed products (marinated, ready-to-cook, further processed meats), specialty eggs (omega-3, organic, free-range), and branded products.
- Consolidation: Continued vertical integration and consolidation in major producing regions.
- Alternative Proteins: Rise of plant-based and cultured meat as potential disruptors, though currently small scale.

#### **African Trends:**

- Import Substitution: Governments and private sector actively seeking to reduce reliance on imported poultry products through boosting local production capacity.
- Cold Chain Development: Gradual improvements in cold storage and transportation infrastructure, enabling wider distribution of fresh/frozen products.
- Formalizing Markets: Shift from informal live bird markets towards processed, packaged products sold through supermarkets and formal retail channels, especially in urban areas.
- Feed Innovation: Exploration of alternative, locally sourced feed ingredients (insect protein, cassava, algae) to reduce reliance on imported maize and soy.
- Youth & Tech Engagement: Increasing interest from young entrepreneurs and adoption of mobile technology for market access, information, and financial services.

#### **Tanzanian Trends (Iringa Region Focus):**

- **Strong Urban Demand:** Iringa town is a significant regional center with a growing population, universities, hospitals, hotels, and restaurants, creating consistent demand for eggs and chicken meat.
- **Supply Gap:** Local commercial production is insufficient to meet the growing demand in Iringa town and surrounding districts, leading to reliance on supplies from Dar es Salaam or other regions, increasing costs and reducing freshness.
- **Rising Middle Class:** Increasing disposable income in Iringa is driving demand for higher-quality protein sources, including fresh eggs and chicken.
- **Institutional Market:** Schools, colleges, hospitals, and government institutions represent large, stable potential customers requiring consistent supply.
- **Retail Growth:** Expansion of local supermarkets and mini-markets creates opportunities for branded, packaged eggs and chicken products.
- **Price Sensitivity:** While demand is growing, price remains a critical factor for the majority of consumers. Affordability is key.
- **Freshness Preference:** Consumers strongly prefer fresh, locally produced products over frozen imports when available and competitively priced.

### **Market Opportunities:**

The Iringa Isupilo chicken project is strategically positioned to capitalize on the significant and underserved demand for fresh, high-quality eggs and broiler meat in the Iringa Region. By establishing a modern, efficient operation close to the market, the company can offer competitive pricing, superior freshness, and reliable supply, capturing market share from imports and less efficient local producers. The focus on the local market minimizes logistics costs and complexity.

## **4. INDUSTRY CHALLENGES**

- i. **High & Volatile Feed Costs:** Feed constitutes up to 60-70% of production costs. Prices of maize and soybean meal (which are the ingredients) are subject to significant fluctuations due to weather, global markets, and local supply shocks, directly impacting profitability.
- ii. **Disease Outbreaks:** Poultry are highly susceptible to numerous diseases (Newcastle Disease, Avian Influenza, Gumboro, Coccidiosis, and Salmonella). Outbreaks can cause catastrophic mortality (up to 100%), production drops, and costly control measures (vaccination, biosecurity, medication). Access to quality vaccines and veterinary services can be limited.
- iii. **Access to Finance:** Securing affordable, long-term credit for capital investment (housing, equipment) and working capital (feed, chicks) remains a major hurdle for many poultry farmers, especially new entrants. High-interest rates and collateral requirements are barriers.

- iv. **Infrastructure Deficits:** Unreliable electricity supply (critical for ventilation, lighting, cooling), poor road networks impacting feed/stock delivery and product distribution, and limited cold chain facilities constrain operations and market reach.
- v. **Market Access & Price Fluctuations:** Farmers often struggle to access reliable markets or secure fair prices, especially during periods of oversupply. Dependence on few buyers or fluctuating demand can create instability.
- vi. **Biosecurity Implementation:** Maintaining strict biosecurity protocols (isolation, sanitation, and controlled access) is essential but challenging, particularly for smallholders or farms located near other poultry. Disease introduction can be devastating.
- vii. **Climate Change:** Extreme weather events (droughts, floods) impact feed crop production and prices. Heat stress directly affects bird performance (reduced feed intake, growth, egg production, increased mortality).
- viii. **Regulatory Hurdles:** Navigating complex and sometimes inconsistent regulations regarding business registration, land use, environmental compliance (manure management), food safety standards, and veterinary drug use can be time-consuming and costly.
- ix. **Skilled Labor Shortage:** Finding and retaining workers with adequate knowledge of modern poultry husbandry, health management, and record-keeping can be difficult.

## **5. VISION & MISSION STATEMENTS**

### **Vision**

"To be the leading provider of fresh, high-quality, and affordable poultry products in the Iringa Region, recognized for our commitment to sustainable farming practices, animal welfare, and community empowerment, while creating lasting value for our stakeholders." This vision articulates Fu Xuan Shun Trading Co.'s aspiration for market leadership within its defined operational area that is Iringa Region. It emphasizes core values are quality (fresh, high-standard products), Affordability (meeting local market needs), Sustainability (environmental and economic responsibility), Animal Welfare (ethical treatment), and Community Focus (contributing positively to Isupilo village and surrounding areas). It highlights the goal of creating value not just for the company, but for employees, customers, suppliers, and the community at large.

### **Mission:**

"FU XUAN SHUN TRADING COMPANY LIMITED's Iringa Isupilo chicken farming Project is dedicated to profitably producing and supplying superior table eggs and broiler meat to the local market. We achieve this by implementing modern, efficient farming technologies, adhering to stringent biosecurity and animal welfare standards, optimizing resource utilization, fostering strong customer relationships, and investing in our employees and community. We are committed

to operational excellence, continuous improvement, and sustainable growth." This mission statement clearly defines;

- Core Business: Production and supply of eggs and broiler meat.
- Target Market: Local market (Iringa Region).
- Key Activities: Utilizing modern technology, ensuring biosecurity/welfare, optimizing resources, building customer relationships.
- Values: Excellence, improvement, sustainability.
- Stakeholder Focus: Employees and community.
- Ultimate Goal: Profitable operations and sustainable growth.

Guiding Principles:

- Quality First: Never compromise on product quality and safety.
- Animal Welfare: Treat all birds humanely and provide optimal living conditions.
- Integrity: Conduct business ethically and transparently.
- Community Partnership: Be a responsible and contributing member of the Isupilo community.
- Innovation: Continuously seek better methods and technologies.
- Sustainability: Manage resources responsibly for long-term viability.
- Employee Development: Invest in training and creating a safe, respectful work environment.

## 6. PRODUCTS & SERVICES

Primary Products:

i. Table Eggs

**Description:** Fresh, high-quality eggs from layer hens.

**Packaging:** Sold primarily in trays of 30 eggs. Option for bulk purchases (crates of 360 eggs) for institutional clients. Branded trays featuring the "FXSTC Fresh Farms" logo and Isupilo origin.

**Key Features:** Consistent quality, freshness (direct from farm), high shell integrity, excellent internal quality (yolk color, albumen height). Emphasis on local production.

**Target:** Households, local retailers, supermarkets, hotels, restaurants, schools, hospitals.

ii. Live Broilers

**Description:** Healthy, well-finished broiler chickens (Cobb 500 or similar breed) raised to optimal market weight (1.8 - 2.2 kg live weight).

**Presentation:** Sold live to customers who prefer on-farm selection or immediate processing. Can also offer basic slaughtering and dressing service on-site for a fee (see Services).

**Key Features:** Uniform size, good fleshing, excellent health status, high meat yield. Fed quality ration for optimal taste and texture.

**Target:** Local consumers (for home consumption), small restaurants, local butchers, market vendors.

Secondary Products (Future Potential):

- iii. Processed Chicken: (Phase 2/3) - Offering chilled, dressed whole birds or basic cuts (drumsticks, thighs, and breasts) packed in hygienic conditions. Requires investment in small-scale processing facility and cold storage.
- iv. Value-Added Eggs: (Future) - Exploring opportunities for specialty eggs (e.g., higher omega-3 content via feed supplementation) if market demand justifies.
- v. Manure: (Ongoing) - Poultry manure is a valuable organic fertilizer. Will be collected, composted, and sold to local crop farmers as a supplementary revenue stream and waste management solution.

## SERVICES

- i. Basic Slaughtering & Dressing: (On-demand service) - For customers purchasing live broilers who prefer the convenience of ready-to-cook birds. Service fee applied. Ensures hygienic handling.
- ii. Farm Advisory Services (Future): (Phase 3) - Leverage expertise to offer basic poultry management advice, vaccination support, or input sourcing assistance to smallholder farmers in the area, building relationships and potential market linkages.
- iii. Direct Farm Sales: Providing a convenient location for local customers to purchase fresh eggs and live birds directly, ensuring maximum freshness and building brand loyalty.

## 7. BUSINESS STRUCTURE & MANAGEMENT

**Company:** FU XUAN SHUN TRADING COMPANY LIMITED (FXSTC)

**Legal Form:** Private Limited Company (already registered).

**Experience:** FXSTC has existing experience in trading operations, providing a foundation for market linkages, logistics, and business management.

**Project Management Structure (Iringa Isupilo Farm):**

- Overall Project Manager: (Based at FXSTC HQ or designated senior manager) - Oversees strategic direction, financial control, major procurement, and liaison with HQ. Reports to FXSTC Board/Directors.

- Farm Manager (On-site):

Responsibilities: Day-to-day farm operations, staff supervision, production planning, stock management, feed & input ordering, biosecurity implementation, health monitoring, record keeping, basic maintenance, liaison with suppliers and local customers. Key leadership role on the ground.

- Farm Assistant / Stockperson:

Responsibilities: Daily bird care (feeding, watering, monitoring), cleaning, egg collection, basic health checks, assisting with vaccinations, record keeping under supervision, general farm maintenance.

- Accountant
- Sales person

## 8. SWOT (STRENGTH, WEAKNESS, OPPORTUNITIES AND THREATS) ANALYSIS

STRENGTHS (INTERNAL)	WEAKNESSES (INTERNAL)
1. Established Company: FXSTC has existing business infrastructure and trading networks.	1. Limited Initial Capital: USD 50,500 requires careful allocation and phased growth.
2. Strategic Location: Proximity to growing Iringa market reduces logistics costs & ensures freshness.	2. New Entrant in Poultry: Lack of direct operational history in poultry farming.
3. Focused Local Market: Targets underserved local demand, minimizing complexity.	3. Dependence on Key Personnel: Reliance on Farm Manager's expertise.
4. Commitment to Modern Practices: Emphasis on biosecurity, welfare, efficiency.	4. Feed Supply Vulnerability: Susceptible to price volatility and local supply issues.

STRENGTHS (INTERNAL)	WEAKNESSES (INTERNAL)
5. Clear Vision & Mission: Provides strategic direction and stakeholder alignment.	5. Infrastructure Risks: Potential for unreliable power/water impacting operations.
6. Potential for Synergy: FXSTC trading network could aid input sourcing/marketing.	6. Initial Scale Constraints: Starting scale limits bargaining power with suppliers.
OPPORTUNITIES (EXTERNAL)	THREATS (EXTERNAL)
1. Growing Local Demand: Rising population/incomes in Iringa drive poultry consumption.	1. Disease Outbreaks: Newcastle Disease, Avian Flu pose catastrophic risks.
2. Supply Gap: Insufficient local commercial production creates market opportunity.	2. Feed Cost Volatility: Fluctuations in maize/soy prices directly impact profitability.
3. Import Substitution: Government & consumer preference for local, fresh products.	3. Market Competition: Potential competition from larger regional players or imports.
4. Institutional Market: Stable demand from schools, hospitals, hotels, restaurants.	4. Climate Change: Droughts/floods affecting feed crops and causing heat stress.
5. Value-Added Potential: Future scope for processed products or manure sales.	5. Regulatory Changes: New regulations on environment, welfare, or food safety.

STRENGTHS (INTERNAL)	WEAKNESSES (INTERNAL)
6. Community Support: Potential for positive local Relationships and labor pool.	6. Economic Instability: Inflation, currency fluctuations impacting costs/prices.
7. Government Support: Potential access to training, subsidies, or development programs.	7. Theft & Security: Risk of theft of birds, feed, or equipment.

**9. TARGET MARKET**

The primary focus is on the local market within the Iringa Region, specifically:

i. Iringa Municipality (Core Market):

Households: Individual consumers purchasing eggs and live chickens for home consumption. Target segment: Middle to lower-middle income families seeking affordable, fresh protein. Emphasize convenience and freshness.

ii. Retail Outlets:

Local Shops and small neighborhood stores are key channel for widespread egg distribution. Offer credit terms or reliable delivery to build loyalty. Supermarkets & Mini-Marts are growing segment in Iringa town. Demand for consistent supply, branded eggs (trays), and potentially dressed chicken in the future. Requires higher quality standards and packaging.

iii. Hospitality Sector:

Hotels & Lodges require consistent supply of eggs and chicken for guest meals, value reliability and quality. Potential for premium pricing. Restaurants & cafeteria are also high volume users of both eggs and chicken. Key customers for live broilers (often preferred for freshness and control). Build strong relationships for regular orders.

iv. Institutions:

Schools & Colleges: Large, stable demand for eggs (breakfast) and chicken (meals). Often require formal tender processes. Significant volume potential, Hospitals & Clinics require eggs and chicken for patient meals. Prioritize hygiene and consistent supply.

v. Surrounding Towns & Villages (Secondary Market):

Market Vendors are traders who sell live chickens at local markets they can be bulk buyers of broilers important for reaching rural consumers. Small-Scale Restaurants & cafeteria located in smaller towns within a 30-50km radius of Isupilo. Serve as distribution points.

### CUSTOMER NEEDS & FXSTC'S VALUE PROPOSITION:

CUSTOMER SEGMENT	KEY NEEDS	FXSTC VALUE PROPOSITION
Households	Affordability, Freshness, Convenience	Fresh eggs & chicken at competitive prices; convenient farm gate or local shop purchase
Local Shops	Reliable Supply, Credit, Good Margins	Consistent egg deliveries; flexible payment terms; competitive wholesale pricing
Supermarkets	Consistent Quality, Branded Packaging, Hygiene	High-quality branded eggs; potential for dressed chicken; strict hygiene standards
Restaurants/Hotels	Freshness(Live Birds), Consistency, Volume	Reliable supply of healthy live broilers; consistent egg supply; bulk order capability
Institutions	Volume, Reliability, Competitive Pricing, Formal Process	Ability to meet large tenders; stable supply; competitive pricing; formal invoicing
Market Vendors	Healthy Birds, Good Weight, Competitive Price	Supply of well-finished, healthy broilers at fair wholesale prices

## 10. MARKETING & SALES STRATEGIES

The overall strategy is to build a strong local brand reputation for Freshness, Quality, Reliability, and Fairness through direct engagement, consistent performance, and community involvement. Focusing on cost-effective, relationship-based marketing.

### MARKETING STRATEGIES:

#### Brand Development:

- Brand Name: **"FXSTC Fresh Farms"**
- Logo & Identity: it is a simple, professional logo featuring a chicken/egg motif and location. To be used consistently on packaging, signage, and materials.
- Key Message: **"Fresh from Our Farm to Your Table"**
- Product Positioning: Position products as the freshest, highest-quality locally produced option available in the Iringa market, offering excellent value for money. Avoid competing solely on lowest price; compete on quality and freshness.

## Pricing Strategy:

- Cost-Plus: Base prices on production costs plus a reasonable profit margin. Regularly review costs (especially feed).
- Competitive: Monitor prices of key competitors (local farms, imports) to remain competitive, especially for eggs. Aim for mid-range pricing, not the cheapest, but offering demonstrably better value through freshness.
- Promotion & Communication:

## Sales Strategies:

- Direct Farm Sales: For eggs (trays/loose) and live broilers (onsite purchase + optional slaughter). Captures full margin.
- Wholesale to Retailers: Supply eggs (trays/crates) to local shops and supermarkets. Key volume channel. Requires reliable delivery.
- Direct to Institutions: Secure contracts or regular supply agreements with schools, colleges, hospitals, government institutions. Formal tenders likely. High volume, stable revenue.
- Direct to Hospitality: Establish supply relationships with hotels, lodges, and restaurants in Iringa town. Focus on live broilers and eggs.
- Sales to Market Vendors: Supply live broilers to traders who sell at local markets. Extends reach to rural areas.

## 11. FINANCIAL PLAN

### LIST OF EQUIPMENTS

NO.	Commodity Name	Specification Model	Unity	Quantity
1	Crusher	SFSP 56X60P	Piece	1
2	Elevator	NE 800	piece	1
3	Silo	9Wx1500	piece	1
4	Cooler	HG-500	Piece	1
5	Mixer	Meyer TMR,10	Piece	1
6	Automatic bag scaler	DK9	Piece	1
7	Pellet Mill	SZLK 558	Piece	1
8	Boiler	CDZEE4-85	Set	1
9	Distribution cabinet	XL-21	Group	1
10	Vibrating screen	5XF2-25S	Piece	1
11	Generator	WpG68	Group	2
12	Laying cage	HLCS600	Piece	2000
13	Artificial inseminating cage	BHLCS45	Piece	2000
14	Environmental controller	H9200	Piece	1

15	Fan	BH-1206	Piece	10
16	Insulation door	SD6-27A	Group	3
17	Dimmable lighting system	BH-1608	Group	1
18	Wet curtain	BH-7090	Group	1
19	Fan shade cover	Bh-6247-B6	Piece	10
20	Air inlet window	BH-690	Piece	4
21	Automatic manure cleaning system	BH2480	Group	1
22	Poultry drinking system	LM-2702	Group	1
23	Manure drying system	PCB-110	Group	1
24	Automatic egg collector	HW 120	Piece	4
	TOAL			

#### A. CAPITAL INVESTMENT BREAKDOWN (USD 50,500)

Category	Estimated Cost (USD)
Land & Site Development	5,000
Broiler House (1)	12,000
Layer House (1)	15,000
Feed Store	2,500
Equipment Store	1,000
Office/Sales Point	1,500
Staff Facilities	1,000
Biosecurity Fence	2,000

Category	Estimated Cost (USD)
Water System	4,000
Solar Power System	3,000
Broiler Equipment	2,500
Layer Equipment	2,000
General Equipment	1,500
Office Equipment	1,500
Initial Working Capital	5,000
CONTINGENCY (10%)	5,000
<b>TOTAL CAPITAL INVESTMENT</b>	<b>50,500</b>

## **B. REVENUE STREAMS**

The farm will generate income from;

- i. Sale of broiler chickens
- ii. Sale of eggs
- iii. Sale of manure
- iv. Future expansion into day-old chick production & value-added products

## **C. FINANCIAL ASSUMPTION**

- Broiler selling price will be USD 7 per bird.
- Average mortality rate is 8%
- Feed costs increase up to 5% annually
- Egg selling price is USD 0.25 per egg, 70% lay rate.
- Four (4) broiler cycle per year

**NOTE:** Exchange rates and inflation may affect costs and prices.

**D. REVENUE PROJECTIONS STATEMENT IN FIVE (5) YEARS (USD)**

Year	Broiler COGS		Layer COGS			COGS	Total COGS
	(Chicks + Vaccines)	+ Feed	(Pullets + Vaccines)	+ Feed	+ Manure (Minimal)		
1	8,200		7,900		0		16,100
2	13,500		9,600		100		23,200
3	38,000		11,200		100		49,300
4	39,500		11,600		100		51,200
5	41,000		12,000		100		53,100
<b>5-Year Total</b>	<b>140,200</b>		<b>52,300</b>		<b>400</b>		<b>192,900</b>

**E. OPERATING EXPENSES PROJECTIONS (USD)**

Year	Labor	Utilities	Transport	Marketing	Admin	Insurance	R&M	Total OpEx
1	7,200	1,200	1,800	600	900	0	0	11,700
2	7,560	1,260	1,890	630	945	500	1000	13,785
3	7,938	1,323	1,985	662	992	500	1000	14,400
4	8,335	1,389	2,084	695	1,042	500	1000	15,045

Year	Labor	Utilities	Transport	Marketing	Admin	Insurance	R&M	Total OpEx
5	8,752	1,458	2,188	730	1,094	500	1000	15,722
<b>5-Year Total</b>	<b>39,785</b>	<b>6,630</b>	<b>9,947</b>	<b>3,317</b>	<b>4,973</b>	<b>2,000</b>	<b>4,000</b>	<b>70,652</b>

#### F. PROFIT & LOSS (P&L) SUMMARY (USD)

Year	Revenue	COGS	Gross Profit	OpEx	EBITDA*	Depreciation	EBIT	Tax (30%)	Net Profit
1	13,480	16,100	(2,620)	11,700	(14,320)	2,500	(16,820)	0	(16,820)
2	27,534	23,200	4,334	13,785	(9,451)	2,500	(11,951)	0	(11,951)
3	66,936	49,300	17,636	14,400	3,236	2,500	736	221	515
4	69,883	51,200	18,683	15,045	3,638	2,500	1,138	341	797
5	72,987	53,100	19,887	15,722	4,165	2,500	1,665	500	1,165
<b>5-Year Total</b>	<b>251,820</b>	<b>192,900</b>	<b>58,920</b>	<b>70,652</b>	<b>(11,732)</b>	<b>12,500</b>	<b>(24,232)</b>	<b>1,062</b>	<b>(25,294)</b>

**EBITDA:** Earnings Before Interest, Taxes, Depreciation, Amortization. Depreciation estimated at USD 2,500/year. Losses carried forward, no tax paid until profitability.

**Note:** Years 1-2 show losses due to startup costs, initial production ramp-up, and investment. Profitability achieved in Year 3.

## G. CASH FLOW STATEMENT SUMMARY (USD)

Year	Cash (Revenue)	InCash Out (COGS + OpEx + Tax + Capex)	Net Cash Flow	Cumulative Cash
Start	50,500 (Capital)	50,500 (Initial Investment)	0	0
1	13,480	16,100 + 11,700 = 27,800	(14,320)	(14,320)
2	27,534	23,200 + 13,785 = 36,985	(9,451)	(23,771)
3	66,936	49,300 + 14,400 + 221 = 63,921	3,015	(20,756)
4	69,883	51,200 + 15,045 + 341 = 66,586	3,297	(17,459)
5	72,987	53,100 + 15,722 + 500 = 69,322	3,665	(13,794)

**Note:** Initial capital covers setup. Operating cash flow becomes positive in Year 3. Cumulative cash remains negative due to initial investment but shows strong improvement. Working capital needs are covered within OpEx/COGS. No additional capital expenditures assumed after Year 1.

## H. BREAK-EVEN ANALYSIS

➤ Contribution Margin Ratio (Year 3) = (Revenue - COGS) / Revenue

$$(66,936 - 49,300) \div 66,936 = 17,636 \div 66,936 = 26.3\%$$

Fixed Costs (Year 3): Operating Expenses = USD 14,400

Break-Even Revenue (Year 3) = Fixed Costs ÷ Contribution Margin Ratio

$$14,400 \div 0.263 = \text{USD } 54,751$$

➤ Break-Even Point: The project needs to generate approximately USD 54,751 in revenue during Year 3 to cover all costs (COGS + Fixed OpEx). Based on projections, Year 3 revenue is USD 66,936, exceeding the break-even point by USD 12,185. Achievable within Year 3 (Month 7-9 based on production cycles).

### 13. LEGAL & ADMINISTRATIVE FRAMEWORK

- FU XUAN SHUN TRADING COMPANY LIMITED is already registered as a Private Limited Company under the Companies Act, 2002 (Tanzania). The poultry project will operate under this existing registration. The project will obtain a specific business license from the Iringa Municipal Council or relevant local authority for operating a poultry farm. In regards to Tax Identification Number (TIN) FXSTC has a valid TIN and is registered for Value Added Tax (VAT) **(COMPLETED)**
- Registration with Ministry of Livestock and Fisheries (MLF): Animal Identification: Implement a basic animal identification system (e.g., flock numbering, record keeping) as required by the DLO. **(PENDING)**
- Disease Control & Reporting: Comply with the Animal Diseases Act, 2003. Report any suspected notifiable diseases (especially Avian Influenza, Newcastle Disease) immediately to the DLO. Adhere to vaccination programs recommended by the DLO. **(PENDING)**
- Veterinary Drugs & Pesticides: Only use drugs and pesticides registered by the Tanzania Veterinary Laboratory Agency (TVLA) or relevant authority. Follow label instructions and withdrawal periods strictly. Keep records of all treatments. **(PENDING)**
- Environmental Impact Assessment (EIA): For a project of this scale (500 broilers + 300 layers), a full EIA may not be mandatory under the Environmental Management Act, 2004. However, conduct an Environmental Review and implement an Environmental Management Plan. **(PENDING)**
- Food Safety Standards: Adhere to basic food safety principles (hygiene, sanitation, temperature control for eggs). While full HACCP may be excessive initially, implement good hygiene practices **(PENDING)**
- Bureau of Standards (TBS): If packaging eggs for retail, ensure packaging materials meet basic TBS standards. If processing chicken in future, compliance with TBS standards for meat processing will be required. **(PENDING)**
- Employment Contracts: Issue written contracts to all permanent employees (Farm Manager, Farm Assistant) outlining terms (duties, salary, hours, leave, termination) as per the Employment and Labour Relations Act, 2004. **(PENDING)**
- Social Security: Register employees with the Social Security Regulatory Authority (SSRA) and make mandatory contributions (e.g., to PSSF, NSSF).
- Occupational Safety & Health (OSH): Provide a safe working environment. Provide necessary Personal Protective Equipment (PPE - boots, overalls, gloves, masks). Train employees on safe handling of equipment, chemicals, and birds. Comply with the Occupational Safety and Health Act, 2003. **(PENDING)**

## Compliance Strategy:

- i. **Engage Professionals:** Consult with a local lawyer for land agreements and regulatory compliance. Consult with an accountant for tax and financial reporting. Engage a veterinarian for health compliance.
- ii. **Proactive Approach:** Research all applicable regulations thoroughly before starting operations. Apply for all necessary permits and licenses well in advance.
- iii. **Build Relationships:** Establish positive working relationships with key regulatory officials (DLO, Municipal Council, NEMC, and Water Office).
- iv. **Documentation:** Maintain meticulous records of all compliance activities, permits, inspections, and reporting.
- v. **Regular Review:** Periodically review compliance status and stay updated on any regulatory changes.

## 14. CONCLUSION

The business plan for FU XUAN SHUN TRADING COMPANY LIMITED's Iringa Poultry Farming Project presents a viable and strategically sound opportunity to establish a profitable and sustainable agricultural enterprise in the heart of Tanzania's Iringa Region. Leveraging an initial capital investment of USD 50,500, the project directly addresses the significant and growing demand for fresh, high-quality poultry products (eggs and broiler meat) within the local market, a demand currently underserved by existing supply.

The comprehensive analysis highlights the strengths of the initiative: FXSTC's established business foundation, the project's strategic location near the Iringa market, a clear commitment to modern farming practices and animal welfare, and a focused approach on the local community. While challenges such as feed cost volatility, disease risks, and initial capital constraints are acknowledged, the plan outlines robust mitigation strategies including strict biosecurity, efficient operations, phased growth, and strong financial management.

The financial projections, though conservative, demonstrate a clear path to profitability within the third year of operation, with positive operating cash flow and improving margins thereafter. The phased approach to production – starting with 500 broilers and 300 layers and scaling up based on market demand and operational efficiency – ensures prudent capital deployment and minimizes risk. The break-even analysis indicates the project can cover all costs within Year 3.

Beyond profitability, the project aligns with broader national and regional development goals. It will create direct employment opportunities in Isupilo village, contribute to local food security by providing affordable protein, support ancillary businesses (feed suppliers, transporters), and stimulate the local economy through the sale of manure as fertilizer. The commitment to community engagement and sustainable practices further enhances the project's social license to operate.

The legal and administrative framework ensures compliance with all relevant Tanzanian regulations, providing a solid foundation for long-term operations. The management structure, led by an experienced Farm Manager and supported by dedicated staff, is designed for efficient execution of the operational plan.

In conclusion, the FU XUAN SHUN TRADING COMPANY LIMITED Iringa Isupilo Poultry Farming Project is well-conceived, strategically positioned, and financially viable. It represents a sound investment with the potential for significant returns, while simultaneously making a meaningful contribution to the economic development and food security of the Iringa Region. With disciplined execution, careful management of risks, and a continued focus on quality and market responsiveness, this project is poised to become a leading local supplier of poultry products and a model for sustainable agricultural enterprise in the area. FXSTC is confident in the project's success and its positive impact on the company and the Isupilo community.