

**AFRISIAN GINNING LIMITED**

**Revised Business Plan**

**for**

**Manufacturing Edible oil and Other Related**

**Products**

## 1.0 EXECUTIVE SUMMARY

**AFRISIAN GINNING LIMITED** is a private business company incorporated in the United Republic of Tanzania with Certificate of incorporation No.28426 issued on 19<sup>th</sup> September, 1995, the main line of businesses involves manufacturing edible oil and other related products, The plant will process sunflower, palm, and soybean oil etc., with a refining and bottling capacity targeting both domestic and regional markets.

This project aims to expand by investing in a **modern manufacturing edible oil and other related products** in Tanzania to produce high-quality edible oil. The project will serve domestic markets and regional export destinations such as Kenya, Uganda, Rwanda, and Zambia.

The proposed expansion of business is therefore a result of knowledge and experience that directors have been accumulated over 30 years, the proposed production facility will be located at **Plot No. 117,119,120, Block M, Misugusugu Area, Kibaha District, Pwani Region**

The project will incorporate advanced technology for seed cleaning, pressing, solvent extraction (optional), and modern refining processes including degumming, bleaching, neutralizing, and deodorization.

Target output is 24,000MT/year of edible oil and 30,000 MT/year of seed cake. Revenue forecast exceeds USD 31,200,000 annually.

The project estimated creating over 150 direct and 300 indirect jobs. The company aims to reduce reliance on imports, create employment, and supply high-quality, affordable edible oil.

## 1.2 BUSINESS OBJECTIVES

- Expand an edible oil manufacturing.
- Capture at least 5 of the Dar es Salaam edible oil within 5 years.
- Create over **150** direct jobs and support thousands of indirect jobs.

## 2.0 PROJECT BACKGROUND AND JUSTIFICATION

### 2.1 BACKGROUND

Tanzania has a significant demand for edible oil, currently estimated at 570,000 tons annually, with a projected increase to 700,000 tons by 2030. Domestic production falls far short of this demand, with a supply of only about 180,000 to 205,000 tons, forcing the country to rely heavily on imports to cover the large deficit.

- **Deficit:** Tanzania imports approximately 365,000 tons of edible oil annually to meet demand

### 2.2 JUSTIFICATION

- Reduces import dependency.
- Promotes local value addition using Tanzanian raw materials.

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- Generates employment and supports local industries.
- Meets government's industrialization goals (Tanzania Industrialization Agenda 2025).

### 2.3 PROJECT OBJECTIVES

- To manufacture and supply high-quality edible oil for domestic and export markets.
- To promote import substitution and increase Tanzania's manufacturing GDP contribution.
- To provide affordable edible oil for households.
- To create employment and skills development opportunities.

### 2.3 COMPANY BACK GROUND BRIEF

**AFRISIAN GINNING LIMITED** the company is owned by two shareholder who, the board of directors have decided to expand the investment in Tanzania.

The company is owned by two shareholders

<b>Name</b>	<b>% of Shares</b>	<b>Nationality</b>
SAMIR ABDULWAHID ESMAIL	60.69	Tanzania
MAHEEN YAKUB OSMAN SADIK	39.31	Tanzania

All the directors of the company are therefore well versed people in the business operations, having been engaged in the business for a period ranging between 20 to 25 years, Equiped wit the wide experience in the business as explained above, the direcors of the

company are optimistic of successful implementation of the proposed project.

#### 2.4 LOCATION

The project is located at **Plot No. 117,119,120, Block M, Misugusugu Area, Kibaha District, Pwani Region**

#### 2.5 MISSION

Prompt and professionally high-quality service delivery to customers, aimed at ensuring that they realize the highest value for money, thereby increasing the market share and seizure of every available opportunity for the company's growth.

#### 2.6 CORE VALUES

Service provision with commitment, integrity and creativity while treating each customer as if they were the company's only customer.

#### 3.0 MARKET ANALYSIS

##### 3.1 INDUSTRY OVERVIEW

The edible oil market in Tanzania remains structurally underserved, with over 65% of total national consumption relying on imports from Malaysia, Indonesia, and other international markets. Sunflower oil accounts for the majority of locally produced oil due to climatic advantages, while palm and soybean oils dominate the import segment. With a national consumption of approximately 650,000 MT per year against a local production level of 220,000 MT, the sector faces a supply deficit exceeding 430,000 MT annually.

In recent years, demand has grown steadily due to population growth, urbanization, rising household incomes, and increased industrial use in bakeries, food processors, restaurants, and hospitality establishments. As a result, edible oil remains one of the highest-demand fast-moving consumer goods in Tanzania, with annual market growth estimated at 6–8%. Regional markets also offer strong opportunities due to logistical proximity and growing urban populations across East and Central Africa.

Government policy has increasingly favored local manufacturing through tariff measures, reduced duty on machinery, and incentives for locally refined oils. With import substitution forming a core national policy priority, the project aligns strongly with national development goals.

### **3.2 Market outlook and growth**

- The market is projected to grow, with a steady increase in revenue and volume expected in the coming years.
- Domestic demand is high, but supply is limited, creating significant import substitution opportunities for local producers.

### 3.3 Government initiatives and policies

- **Import substitution:** The government aims to reduce the dependence on imported edible oil by increasing domestic production and processing capacity.
- **Increased import duties:** A 10% import duty hike on edible oil has been implemented to further support local industry.
- **Support for local production:** Efforts are underway to revive and increase domestic cultivation of oilseeds and revive farms for other crops like wheat
- **Quality control:** The Tanzania Bureau of Standards (TBS) is working to ensure product quality and requires TBS approval for all food businesses.

### 3.3 COMPETITIVE ADVANTAGE

- Use of local raw materials to reduce cost
- Modern production technology for consistent quality
- Attractive packaging and branding
- Proximity to port and logistic centers

### 4.0 LOCAL PRODUCTION

Several local companies produce edible oil in Tanzania, including large-scale manufacturers and smaller enterprises. The largest producers often have high-capacity, automated factories and also manufacture other detergents and cleaning products.

## 4.2 PRODUCTION CAPACITY AND TECHNOLOGY

Large-scale manufacturers like Royal Soap and Detergent Industries use modern, fully automated technology to produce a variety of synthetic detergent powders, including high, medium, and low-density products. Many companies, particularly smaller ones, also offer Original Equipment Manufacturing (OEM) services to produce powder soap for other brands.

## 4.3 RAW MATERIAL SUPPLY CHAIN

- Sunflower seeds will be sourced from Singida, Dodoma, Manyara, Shinyanga, and Mbeya.
- The company will implement a contract farming program to ensure reliable supply to farmers.
- Palm olein will be imported from Malaysia and Indonesia for refining and local packaging.
- Soybeans will be purchased from Rukwa, Mbeya, and Songwe regions.

## 4.4 QUALITY AND STANDARDS

To ensure market acceptance and customer satisfaction, many local producers adhere to quality control policies and comply with standards set by the Tanzania Bureau of Standards (TBS). Brands are often tested at every production stage, from manufacturing to packaging.

## 5.0 CHALLENGES

### 5.1 MARKET COMPETITION

- i. The market is highly competitive, with a vast array of both locally manufactured and imported products.
- ii. Market accessibility can be a challenge, particularly in reaching a wide customer base effectively.

### 5.2 CONSUMER DEMANDS AND PREFERENCES

- i. Consumers increasingly demand high-performing products that are also eco-friendly and sustainable, creating a need for new product development.
- ii. The rise of social media has influenced consumer choices, with brands needing to align with lifestyle and environmental values.
- iii. There is a growing demand for convenient, time-saving, and quality solutions, particularly from dual-income households.

### 5.3 FINANCIAL AND OPERATIONAL CONSTRAINTS

- i. Financing and investment can be limited.
- ii. Companies face challenges with financial constraints, which can affect their ability to invest in technology, marketing, and distribution.

- iii. A lack of skilled labor or training can lead to issues with outdated technology and poor management practices.

## **5.5 EXTERNAL AND REGULATORY ENVIRONMENT**

- i. Weak legal enforcement and a lack of assistance from authorities can create an uneven playing field.
- ii. Supply chain issues can arise due to a lack of coordination between different actors in the market, from raw material suppliers to manufacturers.
- iii. Imported products can pose a significant competitive threat, often due to factors like price or the availability of raw materials.

## **5.6 PRODUCT QUALITY AND STANDARDIZATION**

- i. Maintaining consistent quality, including proper moisture content and effectiveness, is a constant challenge.
- ii. Ensuring products meet consumer expectations for both performance and safety is critical for brand loyalty and market positioning.

## **6.0 TECHNICAL DESCRIPTION OF THE PLANT**

- The plant will include seed cleaning, dehulling, flaking, cooking, pressing, and solvent extraction units.
- Refinery operations will include degumming, neutralization, bleaching, deodorization, winterization, and filtration.

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- Bottling lines include PET bottling for consumer sizes (500ml–5L) and HDPE jerrycans (10L–20L).
- Auxiliary facilities include boilers, generators, air compressors, RO water plant, cooling towers, and waste treatment.
- Laboratory testing will follow international quality standards including ISO 22000 and HACCP.

### 6.1 PROCESS FLOW DESCRIPTION

- Raw material arrival → Cleaning → Dehulling → Flaking → Cooking → Pressing → Filtration → Crude oil storage.
- Crude oil → Degumming → Neutralization → Bleaching → Deodorization → Polishing → Refined oil storage.
- Refined oil → Bottling → Capping → Labeling → Packaging → Distribution.
- By-products such as seed cake will be bagged and sold to animal feed processors.
- Control checks occur at each stage to ensure compliance with TBS standards.

### 6.2 MACHINERY & EQUIPMENT LIST

- Seed cleaning machines, magnetic separators, gravity separators.
- Oil expeller press (150 TPD capacity).
- Solvent extraction plant (optional: 100 TPD).
- Crude oil refinery plant (75 TPD).
- Deodorizer, bleacher, neutralizer vessels.
- PET bottle blowing machines (2 lines).
- Fully automatic filling, capping, labeling machines.

- Steam boilers (3–5 tons/hour), RO water treatment unit, power generator (800 kVA).

## 7.0 FINANCIAL PLAN (DETAILED)

- Total CAPEX = USD 10,000,000 including land, buildings, machinery, utilities, vehicles, and working capital.
- Annual operating cost (OPEX) 80% of total revenue including raw materials, labor, utilities, packaging, transport.
- Projected revenue = USD 31,200,000 per year with annual growth of 5%.
- Gross margin = 52%; Net margin = 36%.
- Payback period = 3 years;

## 8.0 RISK ASSESSMENT & MITIGATION

Raw material price fluctuations → Mitigation: contract farming and bulk procurement.

Imported crude palm oil price volatility → Mitigation: hedge contracts and diversified suppliers.

Machine breakdowns → Mitigation: preventive maintenance and spare parts inventory.

Competition from established players → Mitigation: strong branding and superior quality.

Regulatory changes → Mitigation: compliance team and continuous monitoring.

## 8.1 ENVIRONMENTAL MANAGEMENT PLAN

- Establishment of **Effluent Treatment Plant (ETP)**.

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- Safe chemical storage and handling procedures.
- Air and dust filtration systems.
- Full compliance with **NEMC** and **OSHA** standards.
- Regular environmental audits and waste reduction measures.

### 9.0 MANAGEMENT

**AFRISIAN GINNING LIMITED**, as a corporate entity is managed under the Board of Directors. Day to day management of its conducted under the company's Managing Director who will be assisted by directors, Managers, Seniors officers etc.

- Board of Directors
- General Manager
- Production Manager
- Quality Assurance Officer
- Finance & Accounts Department
- Procurement & Logistics
- Sales & Marketing Department
- Technical and Maintenance Team
- HR and Administration

### 8.1 HUMAN RESOURCE PLAN

<b>Category</b>	<b>No. of Employees</b>
Management & Admin	10

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<b>Category</b>	<b>No. of Employees</b>
Production & Technical	50
Sales & Distribution	50
Quality & Lab	10
Support Staff	30
<b>Total</b>	<b>150</b>

**10.0 ANNUAL PROJECTED REVENUE**

PROJECTED REVENUE IN US\$

Year	1	2	3	4	5
Revenue	31,200,000	32,760,000	34,398,000	36,117,900	37,923,795

**10.1 PROJECTED PRODUCTION COSTS**

Production cost has been estimated to be 80% of total revenue

PROJECTED PRODUCTION COST US\$

Year	1	2	3	4	5
<b>Total Cost</b>	24,960,000	26,208,000	27,518,400	28,894,320	30,339,036

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### 10.0 PROJECT INVESTMENT COST

The project is estimated cost **\$10,000,000** as provided here below.

#### AFRISIAN GINNING LIMITED COSTSTRUCTURE US\$

Land and Buildings	3,500,000
Machinery & Equipment	3,500,000
Motor Vehicles	800,000
Furniture & Fixtures	10,000
Pre exp	20,000
Others	170,000
Working Capital	2,000,000
<b>TOTAL</b>	<b>10,000,000</b>

### 10.1 INVESTMENT PATTERN

The investment financing pattern is provided below.

<b>Source</b>	<b>Value (\$)</b>
Equity	5,000,000
Loan	5,000,000
Total	10,000,000

### 11.0 FINANCIAL ANALYSIS AND PROJECTIONS

#### 11.1 CONSIDERATIONS AND ASSUMPTIONS

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight-line method to depreciate the

project's capital items has been applied, it is assumed to be 5% annual depreciation.

5 years financial projections have been worked out.

### 11.2 PROJECTED PROFIT AND LOSS STATEMENT

The Income and Expenditure Statement show the projected income for the 5 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. **US \$3,957,800** in first year to **US \$ 22,644,957 in** the 5th years, refer appendix (I)

### 11.3 PROJECTED CASH FLOWS

The project's cash flows depict a good liquid position right from the first year. Cash accumulation builds up from **US \$ 4,543,800** in the first year to **US\$ 24,774,957 at** the end of 5th years of the project's operations, refer appendix (II)

### 11.4 PROJECTED BALANCE SHEET

The company owners' equity increases from US \$ **5,000,000** at the end of first year to **US\$ 27,644,957** at the end of 5<sup>th</sup> year which is significance increase as you can see, refer appendix (III)

## 11.5 RISK ASSESSMENT & MITIGATION

### 11.7 IMPLEMENTATION SCHEDULE

Project implementation is expected to be relatively very short once project has been approved it is estimated that renovation and expansion of will be completed within two years: -

#### Project Implementation

S/N	ACTIVITY	PERIOD
1	Processing TISEZA Certificate of Incentive	November 2025
2	Processing Exemptions	November-October 2027
3	Mobilizing Fund	October -May 2026
4	Renovation of building	December 2025 -August 2027
5	Ordering Machines and other equipment	November -December 2027
6	Testing business and in-house training	December –March 2027
7	Commercial operations	April 2027

## 12.0 CONCLUSION & RECOMMENDATION

### 12.1 CONCLUSION

- The project is profitable and contributes to government revenue by way of taxes.
- The project is an encouraging sign to prove that we have investors who have confidence with Tanzania and are ready to invest such large sums of investment.
- Creates over 150 direct and 300 indirect jobs.
- Promotes import substitution and local value addition.
- Generates tax revenues (VAT, corporate tax, PAYE).

- Stimulates growth of packaging, transport, and edible oil sub-sectors.
- Promotes Tanzania's industrial self-sufficiency and exports.

## **12.2 RECOMMENDATION**

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue Authority, TRA and the TISEZA. The project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.

# AFRISIAN GINNING LIMITED

## APPENDIX I

### AFRISIAN GINNING LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT " US \$

	1	2	3	4	5
Revenue	31,200,000	32,760,000	34,398,000	36,117,900	37,923,795
<b>Total Cost</b>	24,960,000	26,208,000	27,518,400	28,894,320	30,339,036
<b>Profit before Depreciation &amp;Interest</b>	6,240,000	6,552,000	6,879,600	7,223,580	7,584,759
<b>Interest</b>	400,000	320,000	240,000	160,000	80,000
<b>Depreciation</b>	186,000	186,000	186,000	186,000	186,000
<b>Gross Profit</b>	5,654,000	6,046,000	6,453,600	6,877,580	7,318,759
Tax (30%)	1,696,200	1,813,800	1,936,080	2,063,274	2,195,628
<b>Profit After Tax</b>	3,957,800	4,232,200	4,517,520	4,814,306	5,123,131
Accumulated Profit	3,957,800	8,190,000	12,707,520	17,521,826	22,644,957

# AFRIAN GINNING LIMITED

APPENDIX II

## AFRIAN GINNING LIMITED PROJECTED CASH FLOW US\$

<b>SOURCES:</b>		1	2	3	4	5
Profit before interest and depreciation	-	6,240,000	6,552,000	6,879,600	7,223,580	7,584,759
Equity	5,000,000					
Loan	5,000,000					
<b>Total Sources</b>	10,000,000	6,240,000	6,552,000	6,879,600	7,223,580	7,584,759
<b>Applications:</b>						
Capital expenditure	7,810,000	-	-	-	-	-
working Capital & Others	2,190,000					
Cash	-	4,543,800	4,738,200	4,943,520	5,160,306	5,389,131
Tax	-	1,696,200	1,813,800	1,936,080	2,063,274	2,195,628
<b>Sub total</b>	10,000,000	6,240,000	6,552,000	6,879,600	7,223,580	7,584,759
<b>Total applications</b>	10,000,000	6,240,000	6,552,000	6,879,600	7,223,580	7,584,759
Accumulated cash		4,543,800	9,282,000	14,225,520	19,385,826	24,774,957

# AFRISIAN GINNING LIMITED

## APPENDIX III

### AFRISIAN GINNING LIMITED PROJECTED BALANCE SHEET US \$

<b>Fixed Assets</b>		1	2	3	4	5
Opening balance	-	7,810,000	7,624,000	7,438,000	7,252,000	7,066,000
<b>Total Long-term Assets</b>	-	7,810,000	7,624,000	7,438,000	7,252,000	7,066,000
<b>Less depreciation</b>	-	186,000	186,000	186,000	186,000	186,000
<b>Closing balance</b>	-	7,624,000	7,438,000	7,252,000	7,066,000	6,880,000
Working capital	2,190,000	2,190,000	2,190,000	2,190,000	2,190,000	2,190,000
Accumulated cash	-	2,978,700	6,074,520	9,294,516	12,646,097	16,137,042
<b>Total assets</b>	2,190,000	12,792,700	15,702,520	18,736,516	21,902,097	25,207,042
Financed by						
Equity	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Accumulated profit	-	3,957,800	8,190,000	12,707,520	17,521,826	22,644,957
Total equity	5,000,000	8,957,800	13,190,000	17,707,520	22,521,826	27,644,957
Long term loan	5,000,000	4,000,000	3,000,000	2,000,000	1,000,000	-
<b>Total debts</b>	5,000,000	4,000,000	3,000,000	2,000,000	1,000,000	-
<b>Total equity and debts</b>	10,000,000	12,957,800	16,190,000	19,707,520	23,521,826	27,644,957

# AFRISIAN GINNING LIMITED

## APPENDIX IV

### AFRISIAN GINNING LIMITED PROJECTED LONG-TERM LOAN REPAYMENT US\$

<b>Year</b>	<b>Principle</b>	<b>Loan Interest (8%)</b>	<b>Total Amount Paid</b>	<b>Loan Balance</b>
1	1,000,000	400,000.00	1,400,000.00	5,000,000.00
2	1,000,000	320,000.00	1,320,000.00	4,000,000.00
3	1,000,000	240,000.00	1,240,000.00	3,000,000.00
4	1,000,000	160,000.00	1,160,000.00	2,000,000.00
5	1,000,000	80,000.00	1,080,000.00	1,000,000.00

# AFRISIAN GINNING LIMITED

## APPENDIX V

### AFRISIAN GINNING LIMITED COST STRUCTURE US\$

Land and Buildings	3,500,000
Machinery & Equipment	3,500,000
Motor Vehicles	800,000
Furniture & Fixtures	10,000
Pre exp	20,000
Others	170,000
Working Capital	2,000,000
<b>TOTAL</b>	<b>10,000,000</b>