

BUSINESS PLAN

Vanesa Integrated Farm

Tanga Region,
Handeni District,
Kwedizinga Ward,
Postal Code 21820,
Near NMB

To: [Tanzania Investment Center, TIC]

From: [Vanesa Integrated Farm]

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Business Overview and Financial Projection of Vanesa Integrated Farm

1. Company Overview

Vanesa Integrated Farm is a newly established enterprise situated in the Kinondoni Municipal area of Dar es Salaam, Tanzania. The farm aims to become a leading source of agricultural products, specializing in the production of chicken, cows, and goats meats. Following compliance with the necessary tax regulations under Regulation 103 of the Tax Administration (General) Regulations, 2016, Vanesa Integrated Farm has successfully obtained a Tax Clearance Certificate which reinforces its commitment to fulfilling all legal obligations associated with its operational activities.

2. Marketing Strategy

2.1 Overview

The marketing strategy of Vanesa Integrated Farm focuses on both online and in-person sales channels. Initially, the firm will engage its customer base through a robust online presence, which will include the creation of a dedicated website and social media accounts. Future plans involve leveraging these platforms for targeted advertising campaigns aimed at enhancing brand visibility and product accessibility.

To effectively execute the marketing strategy, Vanesa Integrated Farm will employ highly qualified marketing personnel. This team will be responsible for overseeing all marketing efforts, developing and implementing strategies to penetrate the market, ensuring that the products are readily available to customers, and enhancing visibility in local and digital marketplaces.

2.2 The Market Potential

The demand for chicken meat is significant among various stakeholders, including direct consumers and businesses such as grocery stores,

cafeterias, restaurants, hotels, food chains, mining operations, institutions, and bakers. The primary consumers of chicken meat are food chains and vendors. In Dar es Salaam, individual buyers, tenderers, and wholesale purchasers engage in both farm gate and organized supply, thereby ensuring the viability of the proposed project investment outlets. In addition to serving the Dar es Salaam market, wholesale buyers also distribute to the markets in Zanzibar, Comoros, and Seychelles.

2.3 Marketing

A key determinant of the project's profitability will be its capacity to deliver effective, affordable, and high-quality chicken products. Leveraging the expertise of the experienced owner, staff, and management, the farm is positioned to maintain a significant and substantial market share in Dar es Salaam. With competitive offerings, the farm is expected to attract a considerable number of customers seeking quality poultry products. The project will continue to sell live chickens directly from the farm and fulfill delivery orders for existing wholesale clients, including Chef's Company Limited and Frostan Limited in Dar es Salaam, with plans to expand the list of wholesale buyers in the future.

2.3.1 Requirement of Quality Products

The initial market survey conducted in Dar es Salaam has revealed a significant number of potential customers interested in purchasing farm products. The analysis of the survey indicates that consumers have a preference for high-quality poultry products; however, the local supply of an adequate quantity of such quality products remains insufficient, failing to meet the standards required by prominent food chains, hotels, and supermarkets. The farm possesses a competitive edge in producing

quality and standardized poultry products, attributed to its skilled personnel in poultry husbandry.

2.3.2 The Existing Supply of Live Chicken

Currently, the availability of high-quality and standard live chicken meat in supermarkets and large hotels is predominantly sourced from larger farms. In contrast, small and medium-sized consumers primarily obtain their supply from small and medium poultry farms, which are currently unable to meet the market demand. This situation is prompting the need for new investments in the sub-sector to address the existing shortfall.

2.3.3 The Market Share

The proposed initiative aims to capture the attention of consumers in the chicken products sector and establish a significant market presence within the small-scale chicken farming category. This will be achieved through a combination of existing quality, operational efficiency, and competitively priced products, alongside a marketing strategy that carefully manages product pricing, raw material procurement, and the maintenance of product quality. These elements will be aligned with the prevailing market demand and supply dynamics.

2.3.4 Marketing Organization

- Marketing personnel: The farm has in place a competent and experienced sales team responsible for marketing the project products;
- Market strategy: The farm will use the gained experience in selling of live chicken, goats and cows meats to penetrate the new market including selling arrangements with different buyers like individuals, hotels, restaurant and supermarkets;
- Sales strategies: The farm will offer products that satisfy the need and wants; profitable and competitive price; select the most efficient

means of promotion; and the most efficient means of bringing the products to the market place at reasonable cost;

- Pricing Strategies: In selecting the price of products, the farm will take into account the most competitive and profitable price; price that allows to position in the market; and price that cannot affect demand and supply elasticity to the consumers positively;
- Sales channels and methods strategies: The farm distribution plan will be a direct sale to customers both retailers and wholesalers

2.3.5 The Products Quality

The preservation of high-quality meat products is a crucial factor in the effective marketing of these items. To enhance marketability, it is essential to ensure and uphold the quality of farm products. Consumers of chicken products typically seek guarantees regarding quality, standards, and a consistent supply.

2.3.6 Output Pricing

Establishing the pricing for products is crucial for securing a significant market share for the project. Therefore, the prices of farm products will be set competitively and affordably to capture a substantial portion of the local market. The average selling price for live chickens will be TZS 8,000 per unit. This proposed pricing is deemed reasonable and aligns with prevailing market conditions. Nonetheless, the pricing structure will be periodically reassessed to ensure it remains responsive to market demands and economic factors related to production.

2.3.7 Availability and Procurement of Raw Materials

The agricultural inputs, such as day-old chicks, feeds for chickens and goats, vaccines, supplements, packaging materials, and additives, are easily accessible in Dar es Salaam. Nevertheless, the farm will persist in

utilizing the services of M/s Irvines (T) One Stop Shop Limited for the provision of day-old chicks, feeds, and veterinary advisory services for the poultry operation.

3. Competitive Landscape

The primary competitor identified is Sunrise Integrated Farm, a local establishment that also engages in the sale of farm meat products such as chicken, goats, and cattle. Notably, Sunrise Integrated Farm has not ventured into the online sales domain, which presents a significant opportunity for Vanesa Integrated Farm. By developing a comprehensive online selling mechanism, coupled with a reliable product delivery system, Vanesa aims to capture the market segments that have been overlooked by competitors and provide superior service to customers in these areas.

4. Financial Projections

An analysis of the financial operations indicates a monthly overhead cost of TZS 35,000,000. The pricing strategy has been designed to optimize revenue generation while remaining competitive. The anticipated monthly sales volume is as follows:

- Chicken: 10,000 units, priced at TZS 8,000 each, generating total revenue of TZS 80,000,000.
- Goats: 50 units, priced at TZS 150,000 each, generating total revenue of TZS 7,500,000.
- Cattle: 50 units, priced at TZS 500,000 each, generating total revenue of TZS 25,000,000.

In total, the projected monthly revenue is therefore TZS 112,500,000. When compared to the overhead cost, this results in a projected profit margin of TZS 77,500,000 per month, illustrating the financial viability

and growth potential of the enterprise. Therefore, the accumulated profit per year is projected to TZS 930,000,000. As the project assumes the factors like inflation, exchange rate and cost of living remain constant, the project expects to earn a profit of TZS 4,650,000,000 within 5 years.

5.0 Management of the Project

5.1 Type of the Organization: Sole Proprietorship Entity

5.1.2 The Project Promoter

The promoter is an entrepreneur with over three (3) years' experience in the high yield small sized poultry farming specifically broiler chicken production, marketing and management, hence capable to implement the proposed project operations effectively.

- The promoter is herein proposing for investment and improvement of the existing poultry farm via improvement of the existing leased farm infrastructure, water supply and storage system, and sourcing addition working capital to finance the on-farm operational cost with assistance from the bank because:
- The promoter has a considerable experience in poultry farming management, and marketing;
- The promoter has a deep understanding of the project's context and can respond to the needs and requirements of the market and clients' requirement;
- The promoter has a deep understanding of financial institutions loans uses and repayment challenges; and
- The promoter has an advisory skill to enable the project to run efficiently.

5.1.3 Management of the Project

The current management of the farm operation is led by the promoter, who is supported by a diploma holder and a seasoned Farm Manager possessing over ten years of experience in poultry farming. Daily operations are closely overseen by a private veterinary doctor. Additionally, M/s Irvines (T) One Stop Shop Limited will continue to supply day-old chicks, chicken feed, and provide technical support, including veterinary services.

In anticipation of an increase in farm operations, the promoter plans to recruit additional staff with expertise in poultry husbandry and management, emphasizing a strong entrepreneurial spirit.

5.1.4 Organization Structure

This poultry farming operation is a small-scale, family-run enterprise that primarily employs a limited number of technical staff on a permanent basis. The majority of daily operations are managed by the promoter, who is supported by an experienced farm manager for technical issues. Additionally, the farm plans to continue sourcing technical expertise from a private veterinary clinic, as well as suppliers of day-old chicks and chicken feed. Consequently, under the proposed project financing structure, the organization will remain led by the promoter, who will oversee operations with the assistance of the existing farm manager and various casual laborers.

6.0 Technical Aspect of the Project

6.1 Production Planning and Operation Technique

The farm intends to enhance its poultry production by renovating the existing infrastructure of the leased poultry farm, upgrading chicken production support equipment, acquiring day-old chicks, providing

chicken feed, securing veterinary services, and expanding market outreach.

This initiative aims to increase the farm's current broiler chicken flock from 5,000 to 10,000 per batch starting in the second year of the project's duration. The day-old chicks for broilers will be procured from M/s Irvines (T) One Stop Shop Limited, a reputable local supplier known for its expertise in poultry farming, as well as its established technical support and supply chain in Dar es Salaam.

In terms of chicken breed selection, the farm will focus on exotic breeds that are well-suited to the local environment, exhibit high yield potential, and possess manageable characteristics. The farm plans to continue utilizing the chicken breeds provided by M/s Irvines (T) One Stop Shop Limited due to their favorable adaptability and ease of management.

6.2 Production Capacity

The farm will sustain a broiler chicken batch size of 5,000 chickens every 30 days during the initial year of the project. However, following the planned renovations of the leased poultry farm facilities, which can accommodate up to 10,000 chickens per batch, the farm will be able to produce 10,000 chickens per batch starting in the second year.

6.3 Land and Location

The project is set to be situated within the current leased infrastructure of Vanesa farm, located in the Area, Ward, Handeni District, Tanga Region. This location is conveniently reachable by road and is adequately supported by the DAWASA water supply system and the TANESCO electricity supply line.

6.4 Civil Works

The complete civil infrastructure of the current poultry farm consists of three reinforced cement block poultry buildings, a feed storage facility, an office, as well as residential and security accommodations. The site is linked to a water supply system, which includes associated motors, tanks, and taps.

6.5 Machinery and Equipment

The poultry infrastructure leased for the project has already been equipped with automatic drinkers, feeders, and brooders, while a charcoal heating stove is set to be acquired. Additional supporting equipment for the poultry farm, such as an electric controller box and TX valves, is already in position. Emphasis has been placed on selecting high-quality equipment that incorporates advanced technology. Furthermore, the project will proceed with the procurement of additional chick-rearing equipment and tools to accommodate the expected growth in the chicken population.

6.6 Technical Information

6.6.1 Poultry Husbandry Practice

The on-farm and purchased day-old-chicks (DOCs) broiler chickens for rearing, will be inspected and sorted according to size, activeness and bright eyed to ensure their healthiness.

6.6.2 Brooding

The rearing of chicks necessitates optimal conditions, including appropriate lighting and temperature. Therefore, maintaining a consistent temperature and lighting is essential throughout the growth period of the chicks, particularly during the first two weeks. The farm currently utilizes charcoal heating stoves and lighting equipment to support the growth of the chicks. Additionally, further enhancements are suggested to accommodate the anticipated increase in production.

6.6.3 Feeding

Broilers necessitate a specialized starter feed during the brooding phase of 0 to 2 weeks, followed by growing pellets from 2 to 3 weeks, and finisher or developer pullet feed from 3 weeks onward. It is essential that the feed comprises high-quality ingredients and appropriate formulations. The project will receive technical guidance from a Veterinary Doctor and the feed suppliers, M/s Irvines (T) One Stop Shop Limited, to ensure the achievement of the intended objectives.

6.6.4 Housing

Chicks necessitate a clean, dry, and well-ventilated environment to sustain their thermal balance. The poultry house designated for this project is currently maintained in a clean state and will remain so after each batch. Disinfection is routinely performed at least 48 hours prior to the arrival of the new day-old chicks (DOCs).

6.6.5 Feeders

Critical equipment for chick feeding is essential and must be appropriately allocated to correspond with the population of the chicks. The project currently has some feeders installed, and additional feeders have been suggested in this document to align with the proposed expansion program.

6.6.6 Drinkers

Chicks necessitate access to clean water with sufficient space for drinking; therefore, it is essential that drinkers are supplied with fresh, clean water at room temperature. The project currently includes automatic drinkers, and the proposal herein suggests the installation of additional automatic drinkers to replace those that have become worn out.

6.6.7 Production record

Record must be kept for monitoring performance of the broilers stock, in order to give a reasonably way of culling weak broilers; as well as guidance for the farm performance and operation costs. The farm is currently practicing this recording process.

6.6.8 Quality and quantity of the products

Broilers quality meat is critical to reach a preferred dressed market weight of 1 – 1.5 Kgs in order to fetch a reasonable market price.

6.7 Logistics

Presently, the project hires and will continue to the farm transportation needs.

6.8 Workforce

The project will require addition of 4 personnel together with the existing 2 staff; and in total will comprise of 2 administration, 1 technical worker directly related to farm 4 personnel for the general activities.

6.9 Repair and Maintenance

The cost of repair and maintenance has been estimated at 2.5% for machinery, 0.5% for buildings, 2.5% for vehicles and generator and will remain constant.

6.10 Data and Information System Capacity

Presently, the farm records are kept manually; however, under the proposed improvement of the farm operations, the promoter is planning to install the Information system to store and track production, sales, personnel, agents, and clients' data. The budget for these items will be

funded by the promoter.

6.11 Safety Procedures and Environmental Protection

Poultry farm production if well managed is environmentally friendly. The farm will therefore be well maintained, strict poultry farming including stocking, cleanness and husbandry practices will be observed to maintain a friendly environment.

7.0 The Project Risk and Mitigations

7.1 Substantial Investment

The promoter has made a substantial investment over the business history; and its success depends among other things, on ability to secure a significant amount of financing, management of the integrated operations, control of the operation cost, maintain and enhancement of marketing strategies.

To mitigate this risk; the promoter and management team will continue to use the internal generated resources prudently as well the bank loans to finance the proposed project investment. Also, the project will continue to recruit and provide adequate training to the management team to ensure is innovative and creative in the broiler chicken production.

7.2 Size of the Project

The promoter plans to initiate an investment of TZS 350 million in projects that include leasing poultry farm infrastructure and associated costs, representing a significant expansion compared to the current scale of operations. To address potential risks, the project promoter possesses considerable experience and expertise in executing small to medium-sized poultry projects, as well as in their operations and management. Consequently, the promoter is assured of the viability of the proposed project size and has assembled a competent management team to oversee both the implementation and ongoing operations of the project.

7.3 Availability of Quality Chicken Breeds

The poultry farm investment requires quality and high yield chickens, feeds, technical and veterinary services. Should there be any untimely or supply shortage or inferior breed, there will be likelihood of mismatching production to satisfy the market supply.

To mitigate this risk, the project has already earmarked a reliable source of suitable chicks' breed of high-quality yield from M/s Irvines (T) One Stop Shop Limited to ensure performance and productivity;

7.4 Operating risks

Operating risk primarily arises from the project's inability to meet the expected economic production rate, which may be attributed to inadequate chicken husbandry practices, ineffective management, insufficient veterinary services, and the inexperience or quality of the personnel overseeing the project. The mitigation strategies for operating risk are as follows:

Technical risk: The farm operations will be supported by a collaborative team comprising representatives from M/s Irvines (T) One Stop Shop Limited, a private veterinary doctor, and the farm's employed manager. This team will ensure that all technical aspects related to the production of high-quality chickens are thoroughly addressed.

Management risk: Although the project promoter possesses extensive experience in poultry farming, a qualified farm manager has been appointed to oversee daily operations effectively. Additionally, the farm will continue to seek guidance from experts at M/s Irvines (T) One Stop Shop Limited regarding best practices in poultry farming.

Cost risk: This encompasses potential increases in the costs of feed, day-old chicks, labor, and overhead expenses. To manage this risk, the project will implement careful monitoring of its financial arrangements and overall management practices.

8.0 Economic Benefits and Corporate Social Responsibility

Successful completion, implementation and operationalization of the poultry farm activities will have significant economic and social benefits to the Poultry industry of Tanzania as follow: -

- Creation of direct employment opportunities to over 5 Tanzanians;
- Provision of income to employees and other service providers (individual entrepreneurs) thus contributing to Government efforts to the citizens' income generation (wealth creation);
- Enhancing production of safe and high-quality live broiler chicken into the local market for the consumers benefit; and
- Add revenue base to both promoters and the Government.

9. Conclusion

In conclusion, Vanesa Integrated Farm is positioned strategically within the agricultural sector in Dar es Salaam, leveraging innovative marketing strategies and an online sales model to gain market share. With a clear plan for operations and robust financial management practices, the enterprise is prepared to establish itself as a reputable brand in the farming industry. Further assessments and adaptations will be essential as the business grows and responds to market dynamics.

Recommendations for Next Steps

- Develop and launch online platforms for sales.
- Monitor competitor activities and customer feedback.

- Continuous evaluation and adjustment of marketing strategies to optimize customer engagement and sales growth.

Attachments

Financial Projection Spreadsheet, Marketing Strategy Outline, Competitor Analysis Report.

Financial Projection Spreadsheet

An analysis of the financial operations indicates a monthly overhead cost of TZS 35,000,000.

Item	Units	Cost per unit	Total amount
Overheadcosts	(35,000,000)		
Chicken	10000	8000	80,000,000
Goats	50	150,000	7,500,000
Cattle	50	500,000	25,000,000
Total			112,500,000

Projected monthly revenue			77,500,000
Projects yearly revenue			930,000,000
Projected 5 year revenue			4,650,000,000