

FARM ACCESS COMPANY LIMITED

REVISED BUSINESS PLAN

FOR

VETERINARY MEDICINES MANUFACTURING PROJECT

PREPARED FOR

FARM ACCESS COMPANY LIMITED.

Dar es Salaam

1.0 EXECUTIVE SUMMARY

FARM ACCESS COMPANY LIMITED is a company Incorporated in Tanzania with a certificate of No. 97773 issued on 13rd March, 2013.

The project involves expanding a small-to-medium scale veterinary pharmaceutical manufacturing facility to produce essential animal health products for livestock and poultry. Tanzania's fast-growing poultry, cattle, goat, and aquaculture sectors create strong demand for affordable and locally produced veterinary medicines.

The project involve manufacture:

- Antibiotics (powders & injectables)
- Antiparasitics (dewormers)
- Vitamins & mineral supplements
- Disinfectants & antiseptics
- Poultry health formulations

The project targets import substitution, reduction of counterfeit drugs, and regional exports.

1.2 EXPECTED OUTCOMES

The board of director planning to expand the project for locally produced veterinary medicines with projected revenue of

annual revenue: US\$1,250,000 in the first year, the project
 Payback period: 3 years and creating employment of 20 staff
 To achieve this FARM ACCESS COMPANY LIMITED is investing
 in expanding production of veterinary medicines project that
 will competitively take advantage of the existing market.

1.3 COMPANY OWNERSHIP

FARM ACCESS COMPANY LIMITED is promoted by five
 shareholders who are very experienced in production of
 veterinary medicines.

Shareholders names	% of ownership	Nationality
ROSE IGNATIO NGOWI	25	Tanzania
HOSEA IGNATIO NGOWI	20	Tanzania
DAN KAY NGOWI	25	Tanzania
THOMAS SIMON MSUKULE	20	Tanzania
FELIX HERINI RAPHAEL MLAKI	10	Tanzania

1.4 PROJECT LOCATION

The registered office of the FARM ACCESS COMPANY LIMITED
 is located at Plot No. 7, ILKIUSHIN, ARUMERU District, Arusha
 Region.

2.0 PROJECT OBJECTIVES

2.1 Main Objectives

- Establish a WHO-GMP compliant veterinary drug manufacturing unit
- Supply affordable, quality veterinary medicines to local farmers
- Reduce reliance on imports from India and China
- Support animal health, food security, and export quality standards

2.2 Specific Objectives

- Manufacture at least 15–20 veterinary products within 24 months
- Achieve TMDA certification
- Capture 5–8% local market share by Year 3

3.0 MARKET ANALYSIS

3.1 Industry Overview (Tanzania)

- Livestock population:
 - Cattle: ~36 million
 - Goats & sheep: ~28 million

- Poultry: 95+ million
- Heavy dependence on imported veterinary drugs
- High incidence of:
 - Newcastle disease
 - Coccidiosis
 - Worm infestations
 - Tick-borne diseases

3.2 Target Customers

- Livestock farmers (small & commercial)
- Poultry farms
- Veterinary clinics & agrovet shops
- NGOs & government livestock programs

3.3 Market Gap

- High cost of imported medicines
- Counterfeit and substandard products
- Limited local manufacturing capacity

4.0 PRODUCT PORTFOLIO

Initial Product Lines

Category	Products
Antibiotics	Oxytetracycline, Amoxicillin, Tylosin
Antiparasitics	Albendazole, Ivermectin
Vitamins	Multivitamin liquid, Vitamin AD3E
Disinfectants	Iodine solution, Chlorhexidine
Poultry Products	Coccidiostats, Growth promoters

5.0 TECHNOLOGY & MANUFACTURING PROCESS

5.1 Manufacturing Sections

- Weighing & mixing room
- Liquid formulation unit
- Powder blending unit
- Injection preparation (aseptic)
- Filling & packaging
- Quality control laboratory
- Warehousing

5.2 Process Flow

- i. Raw material testing
- ii. Weighing & formulation
- iii. Mixing/blending
- iv. Filtration/sterilization (injectables)
- v. Filling & sealing
- vi. Labeling & packaging
- vii. Quality control release

6.0 MACHINERY & EQUIPMENT

Equipment
Liquid mixing tanks
Powder blender
Injectable filling line
Autoclave & sterilizers
Packaging & labeling machines
QC lab equipment
Utilities & installation

7.0 REGULATORY & COMPLIANCE

- TMDA (TFDA) product registration
- WHO-GMP standards
- Environmental Impact Assessment (EIA)
- Business registration (BRELA)
- Industrial license
- Pharmacist-in-charge & qualified veterinarians

7.1 RISK ANALYSIS & MITIGATION

Risk	Mitigation
Regulatory delays	Early TMDA engagement
Raw material price volatility	Long-term supplier contracts
Counterfeit competition	Brand protection & QA
Disease outbreaks	Product diversification

8.0 HUMAN RESOURCES (25 STAFF)

FARM ACCESS COMPANY LIMITED management is headed by Managing Director, the three will form Core management team to be assisted with, 1 HR and Admin Manager, 1 Logistics Manager, 1 Chief Accountant and 2 Junior accounting clerks.

The operational team headed by 3 operational managers and includes drivers and cleaners, total of 25 people to be employed

9.0 MARKETING & DISTRIBUTION STRATEGY

- Distributor agreements with agrovet shops
- Direct sales to large farms
- Government tenders
- NGO & donor-funded animal health programs
- Regional exports (Kenya, Rwanda, Zambia)

10.0 PROJECT OPERATING COST

- The company has estimated that the project operating cost and other cost to be 70% of the total annual revenue

10.1 PROJECT COST

The project has budgeted to cost the followings:

PARTICULAR	US\$
Land and Buildings	250,000
Machinery & Equipment	400,000
Motor Vehicles	70,000
Furniture & Fixtures	5,000
Pre exp	5,000
Others	100,000
Working Capital	170,000
TOTAL	1,000,000

10.2 PROJECT ESTIMATED REVENUE

The company has estimated that the project revenue to be US\$ 1,250,000 in the first year increasing by 10% annually.

10.3 PROJECTED FINANCING

The management is planning to finance the project through equity and cash generated from business by US\$ 600,000 and the remaining US\$ 400,000 from loan

10.4 IMPLEMENTATION TIMELINE (12–15 MONTHS)

- Months 1–3: Licensing, land, building
- Months 4–6: Equipment procurement
- Months 7–9: Installation & validation
- Months 10–12: Trial production & registration
- Month 13+: Commercial production

11.0 FINANCIAL ASPECTS FOR THE PROJECT

- Projected Profit and Loss Statement

The attached Appendix I shows the projected income for the 5years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. **US\$ 316,050 in** the 1st year to **US\$ 2,023,035 in** the 5th year.

- Projected Cash Flows

The project's cash flows are shown in Appendix II. They depict a good liquid position right from the first year. Cash accumulation builds up from **US\$ 364,550** in the first year to **US\$ 2,185,535** at the end of 5th years of the project's operations.

- Projected Balance Sheet

The project's assets cash flows are shown in Appendix III. Owners' equity grows from **US\$ 600,000** in the first year to **US\$ 2,623,035** at the end of 5th years of the project's operations based

- Payback Period

Total investment is **US\$ 1,000,000** cash accumulation in 3th year **US\$1,194,950** which is more than the initial investment. The project payback Period is exactly 3years. The project has a relatively short payback period.

- Loan repayment

Total investment loan is **US\$400,000** to be repaid within 4 years.

12.0 ECONOMIC ASPECTS OF THE PROJECTS

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

- **Employment Opportunities**

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that the company, is going to provide additional employment to 25 people. This is a significant contribution coming from local investors.

- **Revenue to the Government**

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

- **Foreign Exchange Earning**

Since the project's clientele is mostly towards neighbouring countries the project will thus earn foreign currency for the United Republic of Tanzania. Out of all project expected cargo overhauling transactions will be settled in foreign currencies. In this study we have assumed that the project will be paid in foreign currency.

- Improved livestock productivity
- Reduced imports
- Support for food security & exports

13.0 CONCLUSION

- The project is profitable and contributes to government revenue by way of taxes.

- The project provides employment to 25 people.
- The project is an encouraging sign to prove that we have good business environments and we have investors who have confidence in their country. Tanzania so much so that they are ready to invest such large sums of investment despite the odds of the sector in question.

14.0 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.

APPENDIX I**FARM ACCESS COMPANY LIMITED PROJECTED PROFIT AND LOSS STATEMENT US\$**

	1	2	3	4	5
Revenue -Industrial textiles	1,250,000	1,375,000	1,512,500	1,663,750	1,830,125
Total Cost	750,000	825,000	907,500	998,250	1,098,075
Profit before Depreciation &Interest	500,000	550,000	605,000	665,500	732,050
Interest	32,000	24,000	16,000	8,000	-
Depreciation	16,500	16,500	16,500	16,500	16,500
Gross Profit	451,500	509,500	572,500	641,000	715,550
Tax (30%)	135,450	152,850	171,750	192,300	214,665
Profit After Tax	316,050	356,650	400,750	448,700	500,885
Accumulated Profit	316,050	672,700	1,073,450	1,522,150	2,023,035

APPENDIX II

FARM ACCESS COMPANY LIMITED PROJECTED CASH FLOWS US\$

SOURCES:		1	2	3	4	5
Profit before interest and depreciation	-	500,000	550,000	605,000	665,500	732,050
Equity	600,000					
Loan	400,000					
Total Sources	1,000,000	500,000	550,000	605,000	665,500	732,050
Applications:						
Capital expenditure	725,000	-	-	-	-	-
working Capital &Others	275,000					
Cash	-	364,550	397,150	433,250	473,200	517,385
Tax	-	135,450	152,850	171,750	192,300	214,665
Sub total	1,000,000	500,000	550,000	605,000	665,500	732,050
Total applications	1,000,000	500,000	550,000	605,000	665,500	732,050
Accumulated cash		364,550	761,700	1,194,950	1,668,150	2,185,535

FARM ACCESS COMPANY LIMITED PROJECTED BALANCE SHEET US\$

<u>Fixed Assets</u>		1	2	3	4	5
Opening balance	-	725,000	708,500	692,000	675,500	659,000
Total Long-term Assets	-	725,000	708,500	692,000	675,500	659,000
Less depreciation	-	385,000	385,000	385,000	385,000	385,000
Closing balance	-	16,500	16,500	16,500	16,500	16,500
Working capital	275,000	275,000	275,000	275,000	275,000	275,000
Accumulated cash	-	364,550	761,700	1,194,950	1,668,150	2,185,535
Total assets	275,000	656,050	1,053,200	1,486,450	1,959,650	2,477,035
Financed by						
Equity	600,000	600,000	600,000	600,000	600,000	600,000
Accumulated profit	-	316,050	672,700	1,073,450	1,522,150	2,023,035
Total equity	600,000	916,050	1,272,700	1,673,450	2,122,150	2,623,035
Long term loan	400,000	300,000	200,000	100,000	-	-
Total debts	400,000	300,000	200,000	100,000	-	-
Total equity and debts	1,000,000	1,216,050	1,472,700	1,773,450	2,122,150	2,623,035

FARM ACCESS COMPANY LIMITED PROJECTED DEPRECIATION SCHEDULE US\$

NAME OF ASSETS	1	2	3	4	5
Land And Buildings	250,000	245,000	240,000	235,000	230,000
Machinery, Tools & Equipment	400,000	396,000	392,000	388,000	384,000
Motor Vehicles	70,000	63,000	56,000	49,000	42,000
Furniture & Fixtures	5,000	4,500	4,000	3,500	3,000
Total	725,000	708,500	692,000	675,500	659,000
DEPRECIATION	1	2	3	4	5
Land and buildings	5,000	5,000	5,000	5,000	5,000
Machinery tools & Equipment	4,000	4,000	4,000	4,000	4,000
Motor Vehicles	7,000	7,000	7,000	7,000	7,000
Furniture & Fixtures	500	500	500	500	500
ANNUAL DEPRECIATION	16,500	16,500	16,500	16,500	16,500

FARM ACCESS COMPANY LIMITED PROJECTED LONG TERM LOAN REPAYMENT

Year	Principle	Loan Interest (8%)	Total Amount Paid	Loan Balance
1	100,000	32,000.00	132,000.00	400,000.00
2	100,000	24,000.00	124,000.00	300,000.00
3	100,000	16,000.00	116,000.00	200,000.00
4	100,000	8,000.00	108,000.00	100,000.00

