



NINE HILLS
TANZANIA LTD

BUSINESS PLAN

NINE HILLS TANZANIA
LIMITED 2025

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Executive Summary

Nine Hills Tanzania Limited, a subsidiary of the Sakku Group established in 2015, is a leading large-scale poultry farming enterprise dedicated to supplying high-quality eggs across Tanzania. Currently managing a flock of over 300,000 chickens, the company leverages an innovative in-house poultry system based on the battery cage method to ensure optimal efficiency, hygiene, and disease control. Operating with a “Farm-to-Table” philosophy, Nine Hills guarantees freshness and superior quality in its products.

In response to Tanzania’s growing population—projected to reach approximately 77.8 million by 2030 and the consequent persistent shortage of locally produced eggs, Nine Hills is undertaking a strategic expansion to increase egg production capacity, reduce reliance on imports, and bolster national food security.

The expansion involves establishing a fully integrated commercial poultry farm on a 202-acre site in Chamakweza Village, Chalinze District, Pwani Region. This location offers optimal farming conditions and logistical advantages. Upon completion, the new facility will manage approximately 68,000 chick and grower birds, and 200,000 layer birds, with each layer expected to produce an average of six eggs per week. This capacity will significantly boost annual egg production volumes. Secondary revenue will be generated from organic manure and culled bird sales. The infrastructure includes purpose-built sheds, feed processing and storage warehouses, modern egg packaging facilities, staff housing, and automated feeding and watering systems. The project will be implemented over 12 months, covering site preparation, construction, equipment installation, staffing, and production ramp-up.

The total capital investment for this expansion is estimated at TZS 7.71 billion (excludes land), financed through a combination of promoter equity (22.15%) and bank term loans, yielding a debt-to-equity ratio of approximately 3.51. At full capacity, the farm is projected to generate annual sales revenue of TZS 13.53 billion. Capacity utilization is expected to rise from 28% in 2025 to full utilization by 2027, maintaining this level through 2032. Financial forecasts indicate a strong return on investment with an IRR of 32%, an average Debt Service Coverage Ratio of 2.29, and a payback period of five years. The project is projected to deliver positive net margins from its second year onward.

Beyond its commercial objectives, Nine Hills Tanzania Limited is committed to advancing Tanzania’s national food security agenda by reducing import dependence and promoting sustainable local production. The company has a proven track record of community engagement, including vocational training for over 200 local youth, local infrastructure support, nutrition programs, and donations of menstrual hygiene kits to female students. Currently employing over 130 locals, the farm aims to sustain and expand rural employment opportunities. Recognizing risks such as weather delays, biosecurity challenges, and supply chain disruptions, Nine Hills has implemented comprehensive mitigation strategies to ensure successful project delivery and ongoing operations.

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Introduction

Nine Hills Tanzania Limited, a subsidiary of the Sakku Group, was established in 2015 and has grown into one of the large-scale poultry farms in the country. With a current capacity of over 300,000 chickens, each producing an average of 350 eggs per lifecycle, Nine Hills plays a significant role in meeting the nation's demand for high-quality eggs. Our Farm-to-Table approach ensures that eggs reach consumers with unmatched quality and freshness.

This level of efficiency and consistency is made possible by our in-house innovative poultry system, which is built around the battery cage system. In this system, hens are housed in stacked, wire-mesh cages within a controlled environment. Each cage is equipped with automated systems for feeding, watering, and egg collection, allowing for optimal production efficiency, hygiene, and disease control. By closely monitoring each bird and minimizing stress, we ensure high productivity while maintaining strict animal welfare standards.

Tanzania's poultry sector currently presents a significant opportunity due to a persistent shortfall in the supply of locally produced eggs. To address this market gap and strengthen its position as a leading egg producer, Nine Hills Tanzania Limited is undertaking a strategic expansion through the development of a new, high-capacity poultry farm. This facility is designed to substantially increase the company's production capabilities and support long-term growth in alignment with national food security goals.

The farm will operate with a structured bird population distributed across brooder, grower, and layer stages. At full capacity, the farm will house approximately, 68,000 chicks and grower birds, and 200,000 layer birds. From the layer birds alone, the facility is expected to achieve an output of six eggs per bird per week, which will result in a significant boost in annual egg production volume.

In addition to eggs, the farm will also produce organic manure as a by-product, supporting environmentally sustainable practices and offering additional value to the agricultural sector. The estimated weekly manure output is 0.26 kilograms per brooder bird, 0.46 kilograms per grower bird, and 0.49 kilograms per layer bird.

Financially, the new farm is projected to generate a maximum annual sales revenue of TZS 13.53 billion once operating at full capacity. The ramp-up in production will follow a planned utilization curve, beginning with 28 percent utilization in 2025, rising to 97 percent in 2026, and reaching 100 percent from 2027 onward through 2032.

This investment not only enhances Nine Hills' ability to meet current market demand but also positions the company to respond effectively to future consumption needs, especially as Tanzania's population is expected to reach 177.8 million by 2030. By expanding domestic egg production, Nine Hills will contribute to reducing the country's reliance on imports and support the national agenda of achieving greater food self-sufficiency and security.

Nine Hills Tanzania Limited is committed to creating meaningful community impact alongside business growth. Through our CSR initiatives, we have trained over 200 local youth from educational institutions in vocational and agricultural skills, supported improvements to local road infrastructure, and provided nutritious meals. We have also donated menstrual hygiene kits to over 300 female students, promoting health and gender equality.

Additionally, the farm employs over 130 locals and continues to support traditional poultry farming practices to sustain and expand rural employment. These efforts reflect our commitment to inclusive growth and long-term community development.

¹ <https://www.statista.com/statistics/447624/total-population-of-tanzania/>

Aim

The main aim of investing in a new farm is to significantly increase egg production capacity to meet growing national demand, reduce reliance on imports, and contribute to Tanzania's long-term food security and self-sufficiency goals.

Project Description and Background

Tanzania is currently facing a significant deficit in local egg production amid rapid population growth, which is projected to reach approximately 77.8 million by 2030. This surge in population drives increased demand for affordable and accessible protein sources such as eggs, creating a pressing need to scale up domestic production. In response, the government has emphasized national food security and self-sufficiency, making investment in commercial poultry farming both timely and strategic.

The Nine Hills Tanzania Limited Expansion Project is designed as a large-scale, fully integrated commercial poultry farming operation focused on meeting this growing market demand through high-volume egg production. The project is situated on a 202-acre site in Chamakweza Village, Chalinze District, Pwani Region, strategically selected for its favourable farming conditions and access to key logistics.

The farm will manage birds through their entire lifecycle, operating with batch sizes of approximately 52,598 brooder birds, 51,020 grower birds, and 50,000 layer birds. This structured system allows for controlled, efficient production cycles with a focus on maintaining optimal bird health and productivity. Each layer bird is expected to produce an average of six eggs per week, translating into substantial weekly egg output. Additionally, the project leverages secondary revenue streams from the sale of manure a valuable agricultural input and culled birds, further enhancing the project's financial viability.

The infrastructure investment is comprehensive, including purpose-built sheds tailored for brooding, growing, and laying stages to ensure bird welfare and productivity. The farm also features a feed processing and raw material storage warehouse, modern egg storage and packaging facilities, staff housing, administrative offices, and essential utilities such as bore wells for water supply, perimeter fencing for security, and backup power generators. Advanced equipment like automated feeding and watering systems, cold storage units, and a paper trays manufacturing unit ensure operational efficiency and quality control throughout the production cycle.

The total capital investment required for the project is estimated at TZS 7.71 billion (excludes land). Financing will be sourced through a mix of promoter equity, which accounts for 22.15% of the capital, and a bank term loan, with a resulting debt-to-equity ratio of approximately 3.51. The farm is projected to achieve a maximum annual sales capacity of TZS 13.53 billion. Capacity utilization is forecasted to start at 28% in the first year (2025), ramp up to 97% by the second year, and reach full utilization by 2027, maintaining steady production through 2032.

Financial projections reflect a robust return on investment, with an Internal Rate of Return (IRR) of 32%, a Debt Service Coverage Ratio (DSCR) of 2.29, and an anticipated payback period of five years. Operational assumptions carefully consider key factors such as feed consumption rates, mortality and culling percentages, labour and administrative costs, and overheads, ensuring realistic and sustainable business planning. The project is expected to generate positive net margins starting in its second year, underscoring its profitability and long-term sustainability.

Beyond commercial success, the project aligns with national priorities by enhancing Tanzania's food security, reducing dependence on imported eggs, and contributing to rural economic development. It will create meaningful employment opportunities for local communities, support agricultural value chains, and promote sustainable farming practices, making it a valuable agribusiness investment with far-reaching social and economic benefits.

Poultry Market in Tanzania

Industry Overview

²The poultry industry in Tanzania is among the fastest-growing sectors in the country's agricultural landscape. Recent years have seen significant expansion fueled by rising demand for poultry meat and eggs, advancements in breeding technologies, and increasing consumer awareness of poultry products as affordable, high-quality sources of protein.

Egg production, in particular, remains a vital component of this growth. Despite the large national flock estimated at over 70 million chickens with about 40 million indigenous breeds the sector is yet to fully meet domestic demand, highlighting substantial opportunities for expansion, especially in commercial layer farming.

Indigenous and Improved Layer Breeds

Tanzania's indigenous chicken breeds, including Kroiler, Kuchi, Kishingo, Sukuma, Kinyafuzi, and Kiduchu, are widely kept due to their adaptability and disease resistance. However, these breeds have relatively low egg production, averaging 40-60 eggs per hen annually under traditional free-range management.

In contrast, improved and exotic layer breeds utilized in semi-intensive and intensive production systems can achieve significantly higher productivity, with egg yields ranging from 150 eggs per hen per year in improved systems to up to 270 eggs per hen annually in well-managed commercial cage systems.

Production Systems and Productivity

- **Traditional Systems:** Characterized by indigenous breeds raised in free-range settings with minimal inputs, resulting in low and inconsistent egg yields.
- **Semi-Intensive Systems:** Incorporate improved breeds with supplemental feeding and basic health management, achieving moderate egg production increases.
- **Intensive Cage Systems:** Utilize exotic layer breeds housed in controlled environments, optimized for nutrition and health, producing the highest egg yields and consistent egg quality.

Market Demand and Growth Potential

Egg consumption in Tanzania has been steadily rising, reaching 2.34 kg per capita in 2021, up from 1.44 kg in 2019. Despite this upward trend, per capita consumption remains below recommended levels, indicating room for growth. The increasing urban population and rising incomes continue to drive demand for eggs as an accessible source of protein.

² <https://research.csiro.au/livegaps/findings/livestock-production/poultry-production-in-tanzania/> <https://www.helqilibrary.com/indicators/egg-consumption-per-capita/tanzania/>
<https://www.agroberichtenbuitenland.nl/landeninformatie/tanzania/achtergrond/studies--factsheets/poultry-factsheet-tanzania>
<https://kilimokwanza.org/tanzanias-poultry-industry-significant-growth-and-promising-future/>
<https://poultrynews.africa/index.php/2024/07/29/the-tanzanian-poultry-industrys-battle-for-survival/>
<https://thefarmersjournal.com/tanzanias-poultry-industry-fights-back-overcoming-cheap-imports-and-illegal-trade/>
<https://kilimokwanza.org/national-poultry-industry-faces-234000-tons-of-white-meat-deficit-by-2032-deputy-minister-calls-for-strategic-investment/>

Challenges

Despite strong growth, the Tanzanian poultry sector faces several challenges:

- **Competition from Cheap Imports:** Imported poultry products, especially eggs, threaten the competitiveness of local producers.
- **Regulatory Enforcement Gaps:** Weak enforcement of quality and safety standards impedes market development.
- **Supply Capacity Risks:** Without scaling up production capacity, Tanzania risks future supply deficits as demand grows.
- **Disease and Health Management:** Endemic diseases such as Newcastle disease cause significant production losses.
- **Feed Cost and Availability:** Feed accounts for up to 70% of production costs, with high prices and inconsistent supply limiting profitability.

Socio-Economic Impact

Poultry farming engages over half of Tanzanian households and is particularly empowering for women and youth by providing accessible income and employment opportunities. The sector contributes significantly to rural livelihoods, food security, and poverty reduction, cementing its importance beyond commercial value.

Opportunities for Commercial Layer Production

- **Adoption of Modern Cage Systems:** Enables enhanced productivity, bird welfare, and egg quality control.
- **Improved Layer Genetics:** Use of high-performing layer breeds adapted to local conditions can boost yields.
- **Feed Innovation:** Developing affordable, quality feeds sourced locally to reduce costs and improve laying performance.
- **Disease Control:** Strengthening vaccination and biosecurity measures to reduce mortality and improve flock health.

Outlook

With strategic investments in genetics, housing infrastructure, nutrition, and health management, Tanzania's layer chicken and egg production sector is well-positioned to meet increasing domestic demand, reduce import dependence, and generate significant economic returns.

Current Operations

Nine Hills Tanzania Limited has an established operational base in Tanzania's poultry industry, providing a proven foundation for the proposed expansion.

Company Profile and Location

Nine Hills Tanzania Limited was incorporated on March 16, 2015, and currently operates a fully functional poultry farm located in the Mbweni - Malindi area, Kinondoni Municipality, Dar es Salaam. The farm is strategically positioned to supply eggs efficiently to both urban and regional markets.

Operational Capacity and Facilities

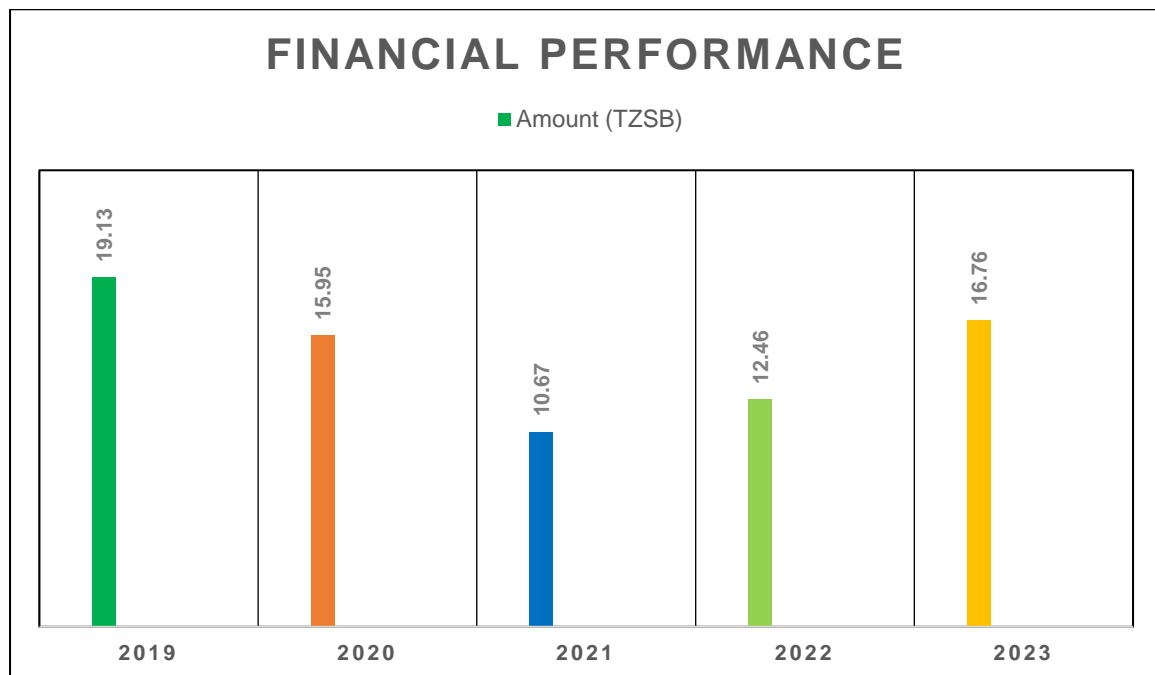
The existing farm operates with a capacity of 300,000 chickens and is equipped with modern farming infrastructure and imported machinery. This has enabled consistent production levels and ensured product quality aligned with market expectations.

Market Presence and Impact

Nine Hills Tanzania Limited plays a vital role in supplying high-quality table eggs to a wide customer base across Dar es Salaam and other regions. Its operations have significantly reduced the country's reliance on imported eggs and contributed to establishing a stable domestic supply chain.

Financial Performance

The company has demonstrated consistent financial growth, with notable turnover over the past five years:



This track record reflects operational stability and market acceptance.

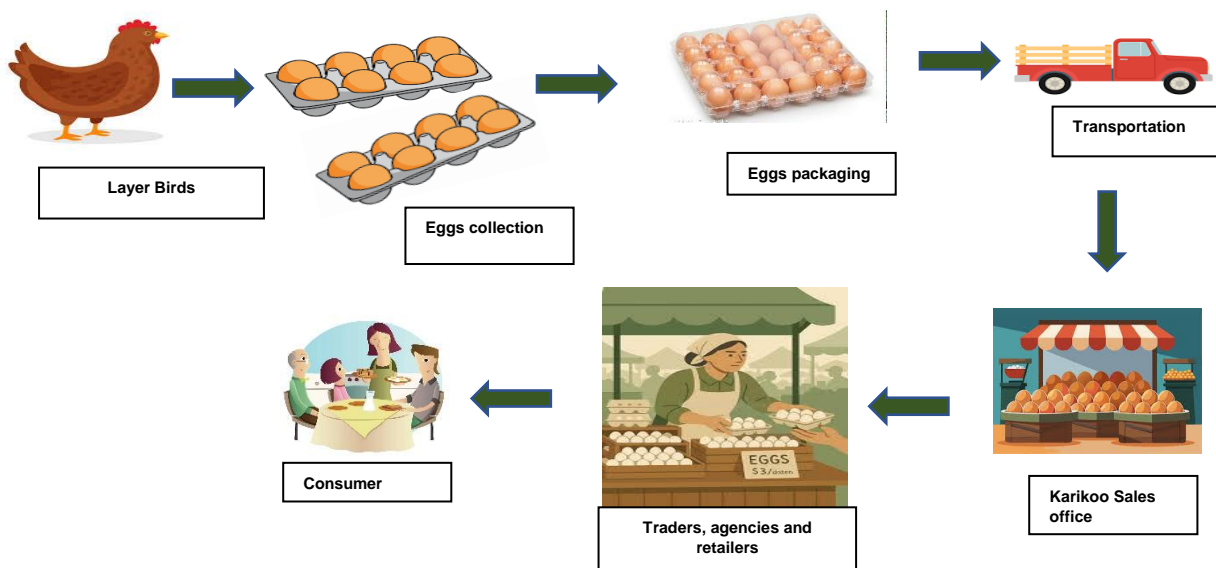
Financial Strength and Expansion Readiness

Nine Hills Tanzania Limited maintains strong banking relationships with CRDB Bank and Bank of India Tanzania Ltd. As part of its contribution to the project, the company has already acquired 202 acres of land in Chamakweza Village, Chalinze District, Pwani Region, at a cost of TZS 1,414,000,000 (equivalent to TZS 7 million per acre), financed entirely through internally generated funds. This substantial upfront investment reflects the company's firm financial commitment to the success of the project. The land acquisition forms a major portion of the company's total capital contribution, which amounts to Tanzania Shillings one billion six hundred and thirty-two million forty-three thousand (TZS 1,632,043,000). The remaining funds will be directed toward project development and implementation.

Current Sales Model

Nine Hills Tanzania Limited operates as a high-capacity, vertically integrated poultry enterprise, currently managing over 300,000 chickens at our farm located in Mbwani–Malindi, Dar es Salaam. Our primary product—high-quality table eggs—is distributed across multiple regional and export markets, including Dar es Salaam, Zanzibar, and the Comoros Islands.

Our business is supported by a mature, diversified, and loyal customer base, and our distribution model is strategically built to ensure market reach, efficiency, and sustained revenue. With the support of this loan, we aim to strengthen logistics, expand our sales network, and scale up our delivery capacity to meet rising market demand.



From the Farm to the Table Centric model

Sales Model Overview

The poultry sales model defines how we process, package, deliver, and sell eggs to end-users. It encompasses:



Overview of the Sales Model (Processes)

This integrated model influences operational workflows, cost structures, and ultimately the pricing strategy, ensuring that we offer competitive rates without compromising product quality or service consistency.

Existing Customer Base and Market Segments

Nine Hills Tanzania Limited has developed a broad and segmented client base, enabling market diversification and minimizing dependency risks:

1. Traders (55%)

These are regional buyers who purchase eggs in bulk and distribute them to local markets and vendors. This segment represents our largest customer group, offering high volume but requiring consistent supply and logistical reliability.

2. Agencies (40%)

Local agencies and appointed buyers account for 40% of our customer base. These clients typically operate under long-term purchase arrangements, providing stable and predictable revenue streams.

3. Retailers (5%)

This includes local groceries, egg stalls, and mini-marts across Dar es Salaam and Zanzibar.

4. Export Clients (5%)

Eggs are exported to the Comoros Islands, a growing market with favourable trade dynamics.

Monthly Sales Breakdown by Top 9 Customers

The table presents the monthly egg sales volumes for our top nine customers over the year, highlighting their individual contributions to the total annual sales of 821,197 units. This detailed data helps us track buying patterns and optimize supply management.

S.No	Customer Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Grand Total
1	Talib	21,800	11,400	29,370	14,080	11,160	14,520	7,600	3,800	6,920	3,140	6,920	11,400	142,110
2	Wahida	15,100	6,000	28,690	12,500	9,000	7,500	9,200	3,100	15,000	12,000	6,000	9,120	133,210
3	Abdul-Magome ni	13,300	10,700	26,500	7,200	10,100	3,200	8,800	10,100	7,700	9,600	6,300	10,500	124,000
4	Yassir	12,920	15,570	12,620	3,300	13,160	6,620	6,550	9,320	3,200	6,600	12,600	9,240	111,700
5	Helena	12,100	7,900	11,600	9,000	5,400	7,700	4,200	6,100	9,000	9,900	6,700	8,500	98,100
6	Ali Ibrahim	6,200	8,120	21,460	8,500	6,000	9,000	9,600	9,850	3,240	6,000	3,000	6,000	96,970
7	Aktz Industries Ltd	7,500	6,700	5,300	3,600	3,500	3,200	3,700	2,900	2,700	3,200	2,400	2,600	47,300
8	Nasoro-Mtwara	4,900	3,500	9,700	2,700	1,900	2,000	2,300	1,500	1,800	1,700	600	1,400	34,000
9	John Mussa	4,414	4,704	5,589	4,659	3,663	1,739	1,497	1,888	1,966	1,250	1,119	1,319	33,807
Grand Total		98,234	74,594	150,829	65,539	63,883	55,479	53,447	48,558	51,526	53,390	45,639	60,079	821,197

Sales Trends and Growth Opportunities

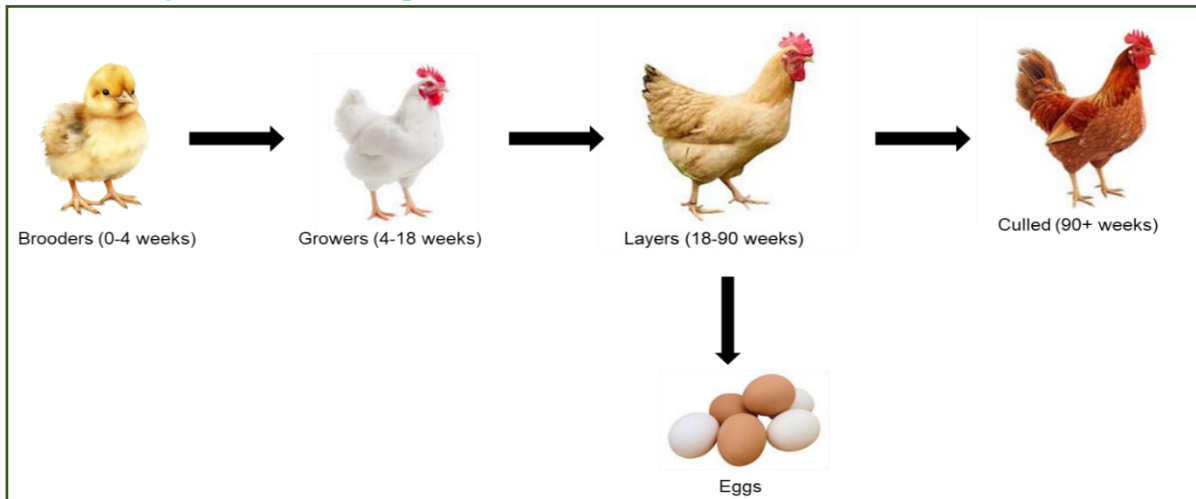
Our sales data shows clear trends we can build on. March has the highest sales, indicating strong seasonal demand that we can prepare for each year. The top three customers make up nearly half of our sales, showing stable and loyal relationships.

Looking forward, our growth plans include:

- **Expanding Retail Sales:** Increase sales to local groceries and mini-marts in growing urban areas to diversify our customer base.

- **Improving Logistics:** Strengthen our supply chain to ensure reliable deliveries, especially for our large trader customers.
- **Building Customer Loyalty:** Work closely with customers who buy irregularly to encourage more consistent purchases.

Lifecycle Management at Nine Hills



1. Brooder Phase (Week 0–4)

This critical early phase involves raising Day-Old Chicks in a controlled environment to develop immunity and healthy growth foundations.

Key Activities:

- Climate-controlled housing with regulated temperature, lighting, and ventilation
- High-protein starter feed and constant access to clean water
- Vaccination schedules and rigorous biosecurity measures
- Daily health monitoring to track development and early detection of issues



2. Growing Phase (Week 5–17)

In this phase, chicks' transition to pullets. The focus is on building a strong skeletal structure, improving immunity, and conditioning the birds for optimal laying performance.

Key Activities:

- Nutritional support with balanced grower feed
- Disease prevention
- Environmental management for continued growth and comfort
- Preparation for transfer to layer housing

3. Layer Phase (Week 18–80)

This is our core production phase, where mature hens lay eggs. Hens are housed in layer units equipped with automation systems for efficiency and welfare.

Key Activities:

- Calcium-enriched layer feed to ensure shell strength
- Automated egg collection, feeding, and manure management systems
- Daily egg quality control and cleanliness protocols
- Regular flock inspections and performance monitoring

4. Egg Production & Distribution (Week 18–80)

Eggs collected during the laying phase are immediately processed for distribution. Our logistics system ensures freshness and market responsiveness.

Key Activities:

- Multi-daily egg collection via traditional methods
- Grading, sorting, and packaging by size
- Daily distribution to preserve freshness

Distribution Reach:

From our farms in Mbwani–Malindi to our central hub in Kariakoo, we supply markets across Dar es Salaam, Zanzibar, and the Comoros through our distribution channels.



Distribution Cycle

5. Culling & Transition (Week 90+)

After completing their productive egg-laying cycle, birds are culled and sold in the market as spent layers. This ensures efficient flock management while generating additional revenue.

Key Activities:

- Identification and removal of post-productive birds
- Sale of spent layers to local markets
- Introduction of new flocks to maintain consistent egg production



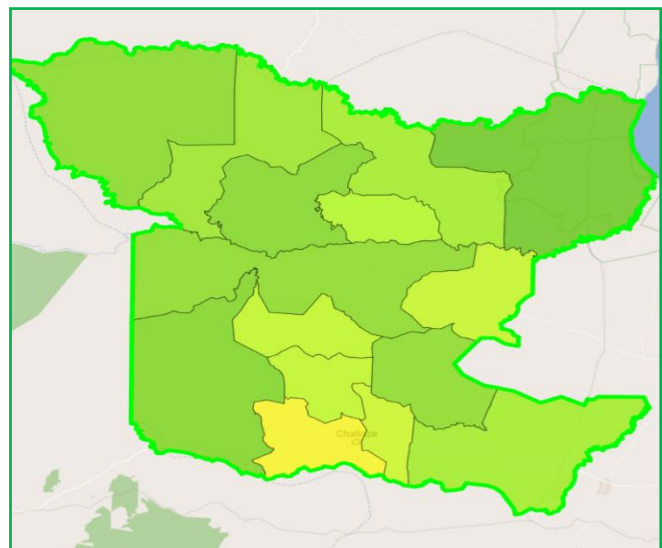
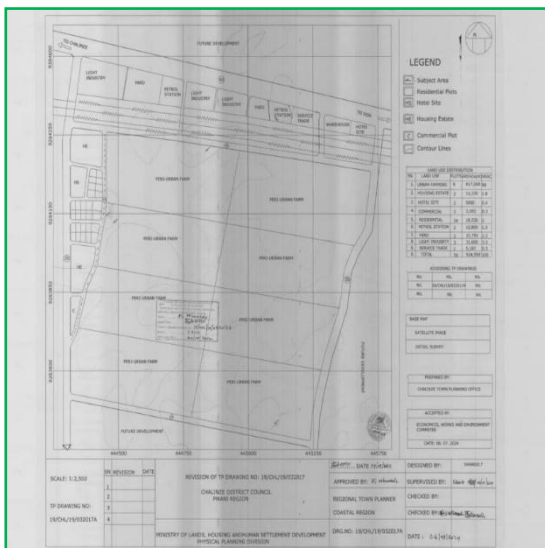
Project location

The project is located on a 202-acre site in Chamakweza Village, Chalinza District, within the Pwani Region of Tanzania. This rural location offers ample space necessary for large-scale poultry farming operations.

The site was chosen for its size and suitability for an integrated poultry farm, providing room for brooding, growing, and laying facilities, as well as supporting infrastructure. Its location within Pwani Region provides proximity to regional markets, essential for efficient distribution.

Advantages of this location include the availability of a large, contiguous land parcel that supports scalable operations and the opportunity to develop customized infrastructure such as internal roads, drainage, and landscaping to optimize farm functionality. The rural setting also reduces the risk of disease spread common in more densely farmed areas.

Road access within the farm will be enhanced through the development of internal roads, improving movement between different operational areas. The location's position within the district provides connectivity to regional transport networks suitable for input supply and product distribution.



Chamakweza Village at Chalinze District

Project Implementation Plan

The successful execution of the poultry farm project is structured over a 12-month implementation period, segmented into five strategic phases. This timeline ensures the efficient development of infrastructure, installation of equipment, recruitment of personnel, and commencement of operations, all aligned with industry standards and local conditions in Chamakweza Village, Chalinze District, Pwani Region, Tanzania.

Phase 1: Site Preparation and Land Development (Months 1–2)

The project will begin with comprehensive land development activities on the 202-acre site, which include:

- Clearing, leveling, and landscaping of the entire site.
- Construction of internal access roads.
- Installation of drainage and sewerage systems.

- Borewell drilling and casing for water supply.
- Erection of external and internal fencing with a main security gate.

Outcome: The site will be prepared and secured for construction and utility installation.

Phase 2: Construction of Buildings and Utilities Installation (Months 3–6)

During this phase, the core civil infrastructure of the farm will be established. Structures to be completed include:

- Chicks and Grower Shed (for 68,000 birds)
- Layer Shed (for 200,000 birds)
- Office Block, Staff Quarters, and Canteen
- Three sets of Washrooms, a Security Room, and an Incinerator Room
- Warehouse 1: Feed Processing and Raw Material Storage
- Warehouse 2: Egg Storage, Paper Tray Manufacturing, and General Stores
- Utilities to be installed include:
 - Electrical wiring and general electrical installations.
 - Plumbing and internal water distribution systems.
 - Diesel Generator Set (100 KVA) for backup power.

Outcome: Completion of critical farm buildings and full integration of utility infrastructure.

Phase 3: Equipment Procurement and Installation (Months 6–9)

This phase focuses on the delivery, installation, and commissioning of essential farm equipment and machinery:

- Installation of 20 pump sets, connected to overhead water tanks.
- Deployment of sprinklers and foggers across all sheds.
- Setup of feed machinery in Warehouse 1.
- Installation of a weighbridge, refrigerator units, and weighing machines.
- Deployment of Chick & Grower Cages (68,000 units) and Layer Cages (200,000 units).
- Installation of furniture, tools, material handling equipment, canteen equipment, and computer systems with CCTV.

Outcome: All physical and operational infrastructure is fully installed and tested.

Phase 4: Staffing, Training, and Operational Testing (Months 9–10)

- A total of 88 personnel will be recruited and trained during this period, including:
- 4 Expatriate Technical Experts
- 20 Supervisors
- 10 Administrative Staff
- 4 Security Guards
- 50 General Workers

Key training areas include poultry health and hygiene, cage management, feed operations, egg handling, and safety procedures.

Outcome: A fully trained workforce and a tested operational system prepared for live production.

Phase 5: Production Ramp-Up and Initial Operations (Months 11–12)

The final phase involves the introduction of chicks and full commencement of farm operations.

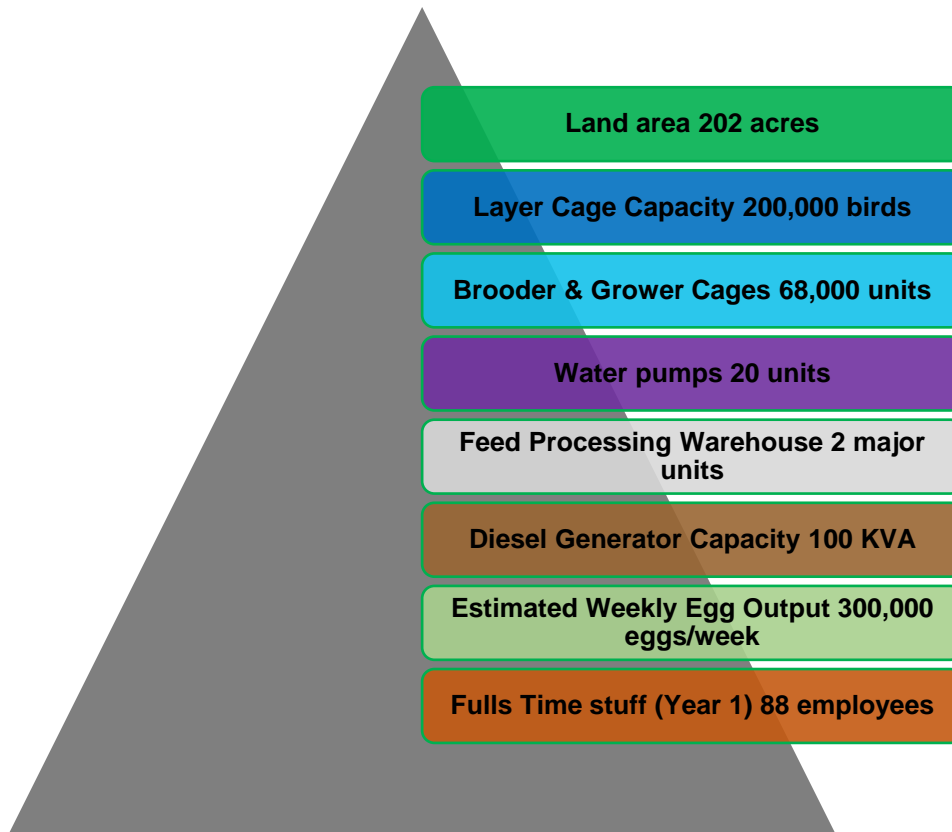
Operational Batch Assumptions:

Initial batch: 52,598 chicks with a 3% brooder mortality rate.

Category	Details
Initial Stock	52,598 chicks
Brooder Mortality Rate	3% (approx. 1,578 chicks)
Feed Consumption	<ul style="list-style-type: none"> • Brooding (0–8 weeks) • Growing (9–20 weeks) • Laying (21–72 weeks)
Egg Production	<ul style="list-style-type: none"> • Starts at Week 21 • Output: 6 eggs per bird per week
Mortality Rates	<ul style="list-style-type: none"> • Growers: 2% • Layers: 3% • Culled Birds: 47,500 (5% loss assumed)
Manure Generation & Sales	<ul style="list-style-type: none"> • Brooding • Growing • Laying

Outcome: Farm transitions into full-scale operational status with egg and manure output contributing to revenue.

Key Infrastructure and Operational Metrics



Risks and Challenges

While the project has been carefully planned to ensure timely and efficient implementation, several risks and challenges may arise during the execution and operational phases. These risks are outlined below, along with potential mitigation strategies where applicable:

1. Weather-Related Delays

- **Risk:** Prolonged rainfall or extreme weather conditions may delay construction, particularly during site preparation, roadworks, and the erection of civil structures.
- **Impact:** Delays in project timelines, increased construction costs, and extended implementation period.

Mitigation:

- Schedule heavy construction during dry seasons.
- Use weather-resistant materials and fast-curing concrete.
- Maintain buffer time in the project schedule.

2. Soil Quality and Drainage Issues

- **Risk:** Inadequate soil conditions or poor drainage may hinder construction and affect farm operations, such as causing waterlogging in poultry sheds.
- **Impact:** Structural instability, reduced hygiene, and increased mortality rates among birds due to wet litter.

Mitigation:

- Conduct thorough geotechnical and hydrological surveys before site development.
- Implement soil treatment and reinforcement measures.
- Design elevated and well-drained poultry housing.

3. Biosecurity Threats and Disease Outbreaks

- **Risk:** Infectious diseases could spread rapidly within the flock.
- **Impact:** Mass mortality, loss of productivity, and financial loss.

Mitigation:

- Establish strict biosecurity protocols.
- Implement routine vaccinations and veterinary health checks.
- Maintain isolation zones and sanitation procedures.

4. Supply Chain Disruptions

- **Risk:** Delays in the delivery of equipment, feed ingredients, or veterinary supplies due to logistics issues or global supply chain disruptions.
- **Impact:** Operational downtime, increased costs, or production delays.

Mitigation:

- Establish multiple supplier relationships.
- Procure critical materials well in advance.
- Maintain minimum inventory thresholds for key supplies.

5. Power and Water Supply Interruptions

- **Risk:** Interruptions in utility services may affect lighting, water availability, and environmental control systems in the poultry houses.
- **Impact:** Heat stress, dehydration, reduced productivity, or bird mortality.

Mitigation:

- Install a backup diesel generator (100 KVA already included in the plan).
- Include water storage systems (overhead tanks) with 2–3 days' capacity.

6. Regulatory and Environmental Compliance

- **Risk:** Delays or non-compliance with environmental regulations, land use laws, or animal welfare standards.
- **Impact:** Penalties, project stoppage, or reputational damage.

Mitigation:

- Engage with local authorities early and regularly.
- Obtain all permits and approvals in a timely manner.
- Adhere strictly to national poultry and environmental regulations.

7. Market Price Volatility

- **Risk:** Fluctuations in the prices of feed, eggs, or culled birds can impact profitability.
- **Impact:** Unpredictable revenue, lower margins.

Mitigation:

- Enter into forward contracts with buyers and feed suppliers where possible.
- Diversify revenue streams (e.g., manure sales, tray manufacturing).

8. Human Resource Challenges

- **Risk:** Difficulty in recruiting or retaining skilled labor, especially for specialized roles such as veterinary care or machinery operation.
- **Impact:** Reduced efficiency and increased training costs.

Mitigation:

- Offer competitive compensation and benefits.
- Provide on-site training and upskilling programs.
- Engage local communities to build long-term workforce loyalty.

Financial Plan

This financial plan outlines the complete cost structure and projected revenues for the proposed poultry project. It includes detailed breakdowns of capital investment, operational costs, and anticipated income, based on internal estimates.

Total Project Cost Breakdown

The total project investment includes all capital expenditures required to establish and operate a fully integrated poultry farm. This encompasses land acquisition, infrastructure development, building construction, plant and equipment, as well as operational expenses such as salaries, raw materials, utilities, and administrative overheads. The costs have been carefully estimated based on internal projections and practical assumptions aligned with the project's scale and output goals.

Category	Sub-category	Item	Amount (TZS)	
I. Block Capital	A. Land & Site Development	Land (202 Acres)	1,414,000,000	
		Land Development	300,000,000	
		Total Land & Site Development	1,714,000,000	
	B. Building & Other Civil Works	Brooder Shed	236,000,000	
		Grower Shed	236,000,000	
		Layer Shed	1,440,000,000	
		Office and staff Quarters and Canteen	134,000,000	
		Wash rooms 3 sets, security room, incinerator room	80,000,000	
		Feed Processing and Feed Raw material storage Warehouse (1)	864,000,000	
		Eggs storage, General stores, Paper Trays Manufacturing (2)	800,000,000	
		External/Internal fencing with gate	108,000,000	
		Bore Well with casing pipe	30,000,000	
		Total Building & Other Civil Works	3,928,000,000	
		C. Plant & Machinery	Pump Set (20 Nos.)	9,000,000
			Pipelines	92,424,240
	Overhead Tank		50,000,000	
	Feed Machineries		468,000,000	
	Sprinklers & Foggers		47,118,240	
	D.G. Set (100 KVA)		65,000,000	
	Refrigerator		9,000,000	
	Weighbridge		112,000,000	
	Packing, Forwarding, Transportation, Insurance (5%)		42,627,124	
	Total Plant & Machinery		895,169,604	
	D. Electrical Installation	Electrical Installations	226,530,000	
		Packing, Forwarding, Transportation etc. (5%)	11,326,500	
		Total Electrical Installation	237,856,500	
	E. Misc. Fixed Assets	Deep Litter Equipments and Cages (Chick & Grower)	442,000,000	
		Layer Cages	1,700,000,000	
		Weighing Machine	3,000,000	
		Tools & Tackles, Material Handling, Misc. Equipments	300,000	
		Furnitures & fixtures	3,000,000	

		Computer System with CC TV	5,400,000
		Canteen Equipments	3,000,000
		Total Misc. Fixed Assets	2,156,700,000
	F. Provision for Contingencies	0	0
		SUBTOTAL BLOCK CAPITAL	8,931,726,104
II. Preliminary & Pre-Operative Expenses	A. Preliminary Expenses	Company Formation Expenses	0
		Fees for Project Report	0
		Total Preliminary Expenses	0
	B. Pre-Operative Expenses	Up Front Fees/Processing Exp.	30,025,000
		Travelling & Conveyance	1,200,000
		Salary & Administrative Expenses	1,500,000
		Miscellaneous Expenses	600,000
		Documentation Expenses	900,000
		Interest During Implementation Period	210,000,000
		Start Up Expenses	0
		Total Pre-Operative Expenses	244,225,000
SUBTOTAL PRELIMINARY & PRE-OPERATIVE EXPENSES		244,225,000	
III. Margin for Working Capital		(25% of Current Assets based on 1st year capacity utilization)	245,092,000
		GRAND TOTAL PROJECT COST (INCLUDING LAND)	9,421,043,104

Estimated Revenue

The projected revenue is based on anticipated production volumes and market prices for eggs, cull birds, and manure. Estimates take into account phased capacity utilization starting at 28% in the first year and reaching full capacity by the third year. Egg production is the primary income stream, supported by secondary revenue from by-products. These projections are based on internal assumptions and existing poultry operations.

Year	Revenue Component	Details / Basis	Amount (TZS)
2025	Sale of Eggs	210 TZS/egg x 6 eggs/week/bird x 28% capacity	3,748,500,000
	Sale of Manure	9.90 TZS/Kg; based on projected waste output per bird	291,090,000
	Sale of Cull Birds	Not applicable in year 1	0
	Total Revenue (2025)		4,039,590,000
2026	Sale of Eggs	97% capacity utilization	12,841,500,000
	Sale of Cull Birds	2,100 TZS per bird; end-of-lay cull rate	299,250,000
	Sale of Manure	Same as 2025 estimate	291,090,000
	Total Revenue (2026)		13,431,840,000
2027+	Sale of Eggs	100% capacity reached and maintained	13,104,000,000
	Sale of Cull Birds	Same basis as 2026	399,000,000
	Sale of Manure	Remains constant	291,090,000
	Total Revenue (2027+)		13,794,090,000

Means of Finance

This section details how the total project cost will be financed. The funding structure includes contributions from promoters and a term loan from a bank. The debt-equity ratio and bank exposure figures indicate the project's financing mix and leverage.

Source	Details	Amount (TZS)	% of Total Cost
Promoters' Contribution	Equity infusion by promoters	1,707,043,000	22.15%
Term Loan (Bank)	Loan amount from bank	6,000,000,000	77.85%
Total Project Cost		7,707,043,000	100%
Debt Equity Ratio	Term loan / Promoters' contribution	3.51	
Total Bank Exposure	Term loan + Cash Credit	6,669,300,000	

Working Capital Assessment

The project requires working capital to support day-to-day operations, covering inventories, receivables, and expenses. A portion of the working capital is financed by promoters, with the rest funded through a working capital loan (cash credit). The working capital calculation is based on the first-year capacity utilization.

Item	Details	Amount (TZS)	Contribution (%)
Current Assets			
Raw Materials	1 month stock, 25% promoter	273,494,000	25% promoter
Work-in-Progress (W-I-P)	Inventory value, 25% promoter	597,010,000	25% promoter
Finished Goods	0.75 months stock, 25% promoter	31,500,000	25% promoter
Receivables	0.25 months, 25% promoter	78,094,000	25% promoter
Expenses (Lump Sum)	100% promoter contribution	100,000	100% promoter
Total Current Assets		980,198,000	
Current Liabilities			
Raw Materials Credit	0.25 months credit	65,776,000	
Statutory Expenses	Lump sum	30,000	
Total Current Liabilities		65,806,000	
Net Working Capital Required	Current Assets - Liabilities	914,392,000	
Margin for WC	25% of current assets	245,050,000	Promoter contribution
Working Capital Loan	Net WC - Margin	669,342,000	Bank finance

Projected Profitability (Profit After Tax)

The project's profitability is forecasted over several years, reflecting initial losses during the start up phase, followed by steady profit growth as capacity utilization improves.

Year	Profit After Tax (PAT) (TZS)
2025	-394,789,000
2026	1,223,958,000
2027	1,475,800,000
2028	1,675,500,000
2029	1,842,019,000
2030	1,978,472,000
2031	2,086,047,000
2032	2,163,329,000

Note: No dividends are projected to be paid during this period.

Interest and Repayment Schedule

The term loan and working capital loan have distinct repayment and interest schedules. The term loan interest decreases as principal is repaid over the years. The working capital loan interest remains constant.

Year	Term Loan Principal Repayment (TZS)	Term Loan Interest (TZS)	WC Loan Interest (TZS)	Total Outflow (TZS)
2025	0	157,150,000	93,702,000	250,852,000
2026	272,727,000	786,800,000	93,702,000	1,153,229,000
2027	1,090,909,000	743,846,000	93,702,000	1,928,457,000
2028	1,090,909,000	591,118,000	93,702,000	1,775,729,000
2029	1,090,909,000	438,391,000	93,702,000	1,623,002,000
2030	1,090,909,000	285,664,000	93,702,000	1,470,275,000
2031	1,090,909,000	132,936,000	93,702,000	1,317,547,000
2032	272,727,000	9,370,000	93,702,000	375,799,000

Projected Fund Flow Statement

The fund flow statement illustrates the inflows and outflows of funds throughout the project period. It captures sources like promoters' equity, loans, and operational cash inflows, as well as applications such as capital expenditure, working capital changes, loan repayments, and interest payments. The closing cash balance reflects the project's liquidity position each year.

Year	Fund from Operations (TZS)	Sources of Funds (TZS)	Applications of Funds (TZS)	Closing Balance (TZS)
2025	89,539,000	7,031,689,000	6,704,436,000	327,253,000
2026	3,834,704,000	5,337,995,000	5,744,503,000	-79,256,000
2027	3,918,249,000	3,921,704,000	2,512,210,000	1,330,238,000
2028	3,864,059,000	3,867,687,000	3,931,274,000	1,266,651,000
2029	3,799,531,000	3,803,340,000	3,153,010,000	1,916,980,000
2030	3,721,443,000	3,725,443,000	3,261,302,000	2,381,121,000
2031	3,625,413,000	3,629,612,000	3,156,679,000	2,854,053,000
2032	3,533,741,000	3,538,150,000	3,449,491,000	2,942,712,000

Note: Figures are simplified; the actual statement includes detailed inflows and outflows.

Projected Balance Sheet

The balance sheet provides a snapshot of the company's financial position over time, outlining its assets, liabilities, and equity. The projection includes steady growth in retained earnings and decreasing loan balances due to repayments.

Year	Paid-Up Capital (TZS)	Retained Earnings (TZS)	Secured Loans (TZS)	Current Liabilities (TZS)	Total Equity & Liabilities (TZS)
2025	1,707,043,000	-394,789,000	4,896,573,000	338,533,000	6,547,361,000
2026	1,707,043,000	829,169,000	5,305,664,000	1,707,333,000	9,549,209,000
2027	1,707,043,000	2,304,969,000	4,214,754,000	1,945,396,000	10,172,163,000
2028	1,707,043,000	3,980,469,000	3,123,845,000	2,038,326,000	10,849,684,000
2029	1,707,043,000	5,822,489,000	2,032,936,000	2,116,598,000	11,679,066,000
2030	1,707,043,000	7,800,960,000	942,027,000	2,181,617,000	12,631,647,000
2031	1,707,043,000	9,887,007,000	669,300,000	1,415,739,000	13,679,089,000
2032	1,707,043,000	12,050,336,000	669,300,000	1,181,981,000	15,608,660,000

Year	Net Fixed Assets (TZS)	Current Assets (TZS)	Total Assets (TZS)
2025	4,995,685,000	1,551,676,000	6,547,361,000
2026	7,358,457,000	2,190,752,000	9,549,209,000
2027	6,350,327,000	3,821,836,000	10,172,163,000
2028	5,532,661,000	5,317,023,000	10,849,684,000
2029	4,867,779,000	6,811,287,000	11,679,066,000
2030	4,325,729,000	8,305,918,000	12,631,647,000
2031	3,882,661,000	9,796,427,000	13,679,089,000
2032	3,519,542,000	12,089,118,000	15,608,660,000

Projected Break-Even Analysis

The break-even analysis indicates the sales volume at which the project covers all its costs, both fixed and variable. Early years show operating below break-even, but steady improvement is projected as the business scales.

Year	Capacity Utilization (%)	Projected Sales (TZS)	Variable Cost (TZS)	Fixed Cost (TZS)	Break-Even Sales (TZS)	BEP as % of Sales (%)
2025	28%	3,777,609,000	3,646,710,000	525,688,000	15,170,795,000	401.60%
2026	97%	13,169,859,000	9,213,136,000	2,185,438,000	7,274,179,000	55.23%
2027	100%	13,532,109,000	9,469,208,000	1,927,156,000	6,418,686,000	47.43%
2028	100%	13,532,109,000	9,494,055,000	1,613,307,000	5,406,428,000	39.95%
2029	100%	13,532,109,000	9,520,223,000	1,346,156,000	4,540,591,000	33.55%
2030	100%	13,532,109,000	9,547,787,000	1,121,121,000	3,807,708,000	28.14%
2031	100%	13,532,109,000	9,576,825,000	936,403,000	3,203,692,000	23.67%
2032	100%	13,532,109,000	9,579,144,000	822,241,000	2,814,763,000	20.80%

Financial Indicators

Key financial metrics demonstrate the project's viability, with a strong internal rate of return and manageable debt servicing.

Indicator	Value
Internal Rate of Return (IRR)	32%
Payback Period	5 years
Average Debt Service Coverage Ratio (DSCR)	2.29
DSCR (2025)	0.57
DSCR (2026)	3.22
DSCR (2032)	9.10
Security Margin (%)	Starts at 10%, grows to 100% by 2032
Asset Coverage Ratio	1.11 (2025), growing to 14.24 by 2031

Sensitivity Analyses (on DSCR)

The project's financial resilience is tested against changes in sales and expenditure:

Scenario	Average DSCR	Initial DSCR (2025)	Remarks
Sales reduced by 7.55%	1.71	-1.24	DSCR improves over time
Expenditures increased by 6.52%	1.70	-1.06	DSCR remains above 1 after initial years

Summary

The business plan for Nine Hills Tanzania Limited is established for a large-scale layer bird farming operation in Chamakweza Village, Chalinza District, Pwani Region, Tanzania, covering a total area of 202 acres. The proposed project is technically and financially viable, with a total estimated cost of TZS 9.421 billion

Key Highlights:

Site and Infrastructure

- The project includes significant land development investments amounting to TZS 1,714,000,000, covering landscaping, internal roads, sewage, and drainage systems. Building and civil works, totalling TZS 3,928,000,000, will provide brooder, grower, and layer sheds, office facilities, sanitation blocks, security infrastructure, incinerator rooms, and two warehouses for feed processing and egg storage.

Equipment and Machinery

- A total of TZS 895,169,604 is allocated for plant and machinery, including essential systems such as pump sets, pipelines, overhead tanks, feed machinery, sprinklers and foggers, a 100 KVA diesel generator, refrigeration units, and a weighbridge. Electrical installation costs amount to TZS 237,856,500.

Poultry Housing Systems

- The project includes both deep litter and cage systems, with 68,000 chick and grower cages valued at TZS 442,000,000 and 200,000 layer cages at TZS 1,700,000,000.

Operational Assumptions

- Detailed operational assumptions include batch sizes (e.g., 52,598 brooder birds, 50,000 layer birds) and mortality rates (3% for brooders and layers). Production expectations include 6 eggs per bird per week, with detailed assumptions for feed consumption, manure output (0.49 Kg/Bird/Week for layers), and costs of chicks and medicines.

Financial Projections

- The project is to be financed through TZS 1.707043 billion in promoters' equity and TZS 60,000.00 Lacs in bank term loans, resulting in a Debt-to-Equity Ratio of 3.51. Financial projections show an Internal Rate of Return (IRR) of 32% and a Payback Period of 5 years. Detailed financial statements include profit and loss, cash flow, and balance sheets for the years 2025 to 2032, along with sensitivity analysis for sales downturns and expenditure increases, assessing their impact on the Debt Service Coverage Ratio (DSCR).

Human Resources

- The farm will employ 88 staff members, including expatriate experts, supervisors, administrative personnel, security guards, and general workers. A detailed salary and wage structure have been developed.

Next Steps

To successfully transition from planning to execution, the following critical steps are recommended:

Secure Financing

- Finalize and obtain financial commitments for both the promoters' equity contribution and the term loan from the bank

Regulatory Compliance and Permitting

- Initiate applications for all necessary permits and approvals, including environmental impact assessments, construction and operational licenses, and health and safety certifications required by Tanzanian authorities.

Procurement and Vendor Management

- Begin the procurement process for all listed assets, land development materials, construction inputs, machinery, electrical systems, and poultry cages. Vendor identification, contract negotiation, and delivery scheduling should be a top priority.

Site Development and Construction

- Launch physical development activities, including site preparation, roadwork, sewage and drainage installation, and the full construction of sheds, offices, and warehouses.

Installation and Commissioning

- Install and commission all major equipment and systems (e.g., feed processing machinery, water systems, DG sets, refrigeration units) to ensure operational readiness.

Recruitment and Training

- Hire all required personnel according to the human resources plan. Implement comprehensive training programs to ensure staff are well-prepared to operate the facility efficiently and to international standards.

Operational Rollout

- Commence phased operations, including the introduction of brooder, grower, and layer batches, feed production, egg collection, manure management, and market distribution.

Monitoring and Performance Review

- Establish a regular monitoring and review process to compare actual performance with projected financial and operational benchmarks. Make timely adjustments to strategy, operations, or finances as needed to ensure sustained profitability and return on investment.