

MEAT ABATTOIR FACILITIES INVESTMENT PROJECT (MAFCO) PROPOSAL

Location: Tanga, Tanzania

Investment Owner: Muzdalifah Abattoir and Food Processing Company Ltd (MAFCO)

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1.0 Executive Summary

Muzdalifah Abattoir and Food Processing Company Ltd (MAFCO) is seeking financing to establish a modern, export-oriented abattoir facility in Tanga, Tanzania. The proposed capital investment of **USD 20.9 million** will enable the company to install advanced processing lines capable of handling sheep, goats, cattle, and camels, producing high-quality chilled carcasses, frozen boneless meat, processed offal, and value-added by-products.

Tanzania's livestock sector already constitutes a significant national asset. According to the 2019–2020 national livestock census, there are approximately **33.9 million cattle**, **24.5 million goats**, and **8.5 million sheep** held by smallholder farmers (FAO, 2020). Despite this large resource base, productivity remains low, largely due to traditional production systems with limited infrastructure for slaughtering, processing, cold-chain logistics, and quality control (FAO, 2020).

Export trends illustrate strong demand for Tanzanian meat in Middle Eastern countries. In the 2023/24 fiscal year, Tanzania exported approximately **13,745 metric tonnes** of meat, generating **USD 56.6 million**, with over **95% of exports directed to countries in**

the Middle East. Key importers include Qatar, Oman, the UAE, and Saudi Arabia (The Citizen, 2024). These figures reflect both rising export capacity and increasing interest in Tanzanian red meat, especially goat and sheep products. Goat meat alone accounted for roughly **65%** of export shipments in recent reporting periods (Food Business MEA, 2024).

Given the above, there is a clear gap in infrastructure needed to meet international sanitary, phytosanitary, and halal certification standards demanded by these export markets. Without such compliance, many exporters face barriers such as market rejection, high inspection costs abroad, or the inability to access high-value markets. The **MAFCO** project is designed to incorporate rigorous hygiene systems, traceability, cold-chain storage, and certification protocols to satisfy both religious (halal) certification and international food safety requirements. In so doing, it aims to strengthen Tanzania's position in the global meat trade, increase producer incomes, reduce post-slaughter losses, and improve food safety and product quality domestically.

2.0 Financial Feasibility

The Muzdalifah Abattoir and Food Processing Company Ltd (MAFCO) project demonstrates strong financial viability based on projected capital requirements, cash flow performance, and market-driven profitability indicators.

The **total investment requirement** is estimated at **USD 20.9 million**, which encompasses land acquisition, civil works, quarantine and feedlot facilities, processing lines, supportive infrastructure, hygiene systems, logistics, and fleet. This capital structure has been designed to ensure the facility operates at international sanitary, phytosanitary, and halal certification standards, thereby securing access to lucrative export markets in the Middle East, North Africa, and Asia.

2.1 Key Financial Metrics

- **Payback Period:** The project is projected to recover its total investment within three years (3) of operation, demonstrating rapid capital recovery and low financial risk for investors.

- **Profit Margin:** With a targeted net profit margin of approximately **30%**, the facility is expected to generate robust returns, supported by high-value exports of chilled carcasses, frozen boneless meat, offal, and by-products. **Payback Period:** The project is expected to recover its total investment within three years of operation, demonstrating quick capital recovery and low financial risk for investors.
- **Internal Rate of Return (IRR):** Estimated at **15%**, the IRR surpasses many regional agribusiness investment benchmarks, signifying strong long-term sustainability and competitiveness.
- **Implementation Period:** The facility will be fully operational within **18–24 months**, including design, construction, installation of equipment, testing, and accreditation for international markets. Revenue generation is expected to commence within two years, with full capacity utilization by the third year

3.0 Investment Vision and Strategic Objectives

The Muzdalifah Abattoir and Food Processing Company Ltd (MAFCO) seeks to establish Tanzania as a **regional hub for high-quality meat exports** by leveraging its vast livestock resources and aligning with international standards for meat processing and trade. The overarching vision is to transform the livestock sector from predominantly subsistence-level production into a **modern, export-oriented value chain** that contributes to industrialization, foreign exchange earnings, and rural livelihoods.

To realize this vision, the project will focus on four strategic pillars:

1. Modern Slaughtering and Processing Facilities

The project will construct and operate a technologically advanced abattoir complex equipped with automated slaughter lines for small ruminants (sheep and goats) and large livestock (cattle and camels). These facilities will enable efficient, large-scale processing, improve carcass yields, and reduce post-slaughter losses while ensuring compliance with halal and international sanitary standards.

2. Export-Standard Hygiene and Traceability Systems

Compliance with international meat market requirements is central to the project. The abattoir will integrate stringent hygiene protocols, Hazard Analysis and Critical Control Point (HACCP) systems, and digital traceability mechanisms to guarantee food safety, product authenticity, and supply chain transparency. This will enhance the competitiveness of Tanzanian meat in global markets and reduce the risks of export rejection.

3. Value Addition through Processing and Logistics

Beyond slaughtering, the project prioritizes **value addition** by establishing deboning, packaging, freezing, and cold-chain logistics infrastructure. These facilities will extend product shelf life, improve quality preservation, and allow MAFCO to meet diverse consumer preferences in regional and international markets. The emphasis on processed and packaged products will also capture higher price margins compared to unprocessed carcasses.

4. Utilization of By-products for Profit Maximization

In line with sustainable agribusiness practices, the project will optimize the use of by-products such as hides, skins, blood, bones, and offal. These will be processed into secondary products, including leather, bone meal, tallow, and pet food ingredients, creating additional revenue streams while minimizing waste. This integrated approach will enhance profitability, environmental sustainability, and the competitiveness of the enterprise.

Collectively, these strategic objectives align with Tanzania's national development agenda and export diversification strategies, while responding to growing global demand for safe, high-quality, and traceable meat products. By bridging the infrastructure gap in meat processing and adopting modern systems, MAFCO aims not only to serve international markets but also to strengthen domestic food security and farmer incomes through reliable market linkages.

4.0 Project Facilities

4.1 Feedlots and Quarantine Facilities

The feedlot and quarantine facilities will form the first stage of the abattoir's operational chain, providing secure and organized holding areas for incoming livestock. The facility is designed to accommodate up to **36,000 sheep and goats** and **4,000 cattle and camels per month**, allowing for effective animal management and disease monitoring. Quarantine protocols will ensure that only healthy animals enter the slaughtering process, minimizing the risk of contamination and supporting compliance with international sanitary and phytosanitary standards. Proper nutrition, water supply, and veterinary care will be provided to maintain livestock quality, which directly impacts carcass yield and product quality for both domestic and export markets.

4.2 Slaughtering Facilities

The abattoir will feature advanced slaughtering lines capable of processing **1,200 sheep and goats** and **150–175 cattle or camels per day**. These lines will be designed for efficiency, hygiene, and animal welfare, incorporating automated or semi-automated systems to maintain consistent throughput while reducing labor intensity and post-slaughter losses. Separate lines for small and large livestock will ensure optimized workflows and prevent cross-contamination. Integration with pre-slaughter inspection and post-slaughter quality checks will guarantee that all carcasses meet international export standards.

4.3 Processing Facilities

The processing facilities will include a **deboning line with a capacity of 5 tons per day**, enabling precise separation of meat from bones for value-added products. The facility will also incorporate **cold storage units with a capacity of 250–300 tons**, ensuring that chilled and frozen products maintain optimal quality during storage and before shipment. An **offal cleaning unit capable of handling 2 tons per day** will allow for the hygienic processing of secondary products, maximizing revenue streams from by-products such

as organ meats and other edible components. These processing capabilities will support the production of both bulk export products and packaged consumer-ready meat.

4.4 Supportive Infrastructure

The abattoir will be supported by robust auxiliary facilities to ensure smooth operations. This includes an **auto fleet and on-site workshop** for transportation of livestock and finished products, **pre-fabricated specialized buildings** for storage and operational flexibility, and **administrative offices** for efficient management and coordination of production, logistics, and compliance functions. Comprehensive **hygiene and sanitation units** will be installed throughout the complex to meet HACCP, halal, and other international food safety standards, ensuring product integrity and export readiness. Together, these supportive facilities will integrate with core operations to maintain efficiency, regulatory compliance, and high-quality output.

5.0 Market Analysis

5.1 Domestic Market

Tanzania's per capita meat consumption is estimated at approximately 13 kilograms per year, which is significantly below the African continental average. This relatively low consumption level highlights the substantial growth potential for the domestic meat industry, particularly as demand for high-quality and value-added products continues to expand. The gap between current consumption and regional averages suggests opportunities for both increased production and improved distribution of meat products to meet the needs of a growing population.

The rising demand is further fueled by urbanization and increasing household incomes, which are shifting consumer preferences toward hygienic, safe, and conveniently packaged meat products. Urban households are increasingly seeking products that comply with food safety standards and offer ease of preparation, creating a strong market incentive for modern abattoirs and processing facilities. This trend not only supports

higher domestic sales but also enhances the export potential of Tanzanian meat, as internationally compliant products can reach premium markets abroad.

5.2 Export Market Opportunities

5.2.1 Middle East Demand for Halal Red Meat

The Middle East, particularly countries such as Saudi Arabia, the UAE, and Qatar, represents a significant market for halal-certified red meat. In 2024, the Middle East halal food market was valued at approximately USD 238.9 billion and is projected to reach USD 388.4 billion by 2033, growing at a compound annual growth rate (CAGR) of 5.55% (Market Data Forecast, 2024). This growth is driven by rising disposable incomes, urbanization, and strong consumer preference for halal-certified products. For instance, Saudi Arabia's halal meat market is expected to grow significantly in the coming decade, reflecting increasing demand for both fresh and processed meat products (Cognitive Market Research, 2024). The increasing influence of digital media on consumer preferences, especially among younger generations, further supports the adoption of halal-certified products in these markets (BCC Research, 2024).

5.2.2 Regional Trade Opportunities in East and Central Africa

East and Central Africa offer emerging opportunities for regional trade in meat products. Countries such as Kenya, Uganda, and Burundi are actively expanding their livestock and meat export capabilities. Regional integration initiatives, particularly within the East African Community (EAC), have enhanced trade and transport infrastructure, creating favorable conditions for cross-border meat exports (ECDPM, 2023). Projections indicate that the African meat market will grow from USD 63.0 billion in 2024 to USD 108.2 billion by 2033, driven by rising urban populations, higher disposable incomes, and a growing preference for protein-rich diets (Market Data Forecast, 2024). Tanzania's strategic location within this framework positions it to take advantage of these expanding markets, providing opportunities for both domestic and regional sales.

5.2.3 Logistical Advantage of Tanzania's Indian Ocean Ports

Tanzania's proximity to key Indian Ocean ports, particularly Tanga and Dar es Salaam, provides a substantial logistical advantage for meat exports. The Port of Dar es Salaam handles the majority of Tanzania's international trade, serving as a critical gateway for the country's export products (Trade & Investment Tanzania, 2023). Recent upgrades at Tanga Port have improved efficiency, reduced transit times, and lowered operational costs relative to competing regional ports. Additionally, the development of the standard-gauge railway connecting Dar es Salaam to central Tanzania and neighboring countries such as Burundi and the Democratic Republic of Congo is expected to enhance the transportation of livestock and meat products. This integrated transport network will reduce logistical bottlenecks, improve supply chain reliability, and strengthen Tanzania's position as a competitive meat exporter in both regional and international markets.

6.0 Competitive Advantage

Tanzania is home to one of Africa's largest livestock populations, with over **33.9 million cattle, 24.5 million goats, and 8.5 million sheep** (FAO, 2020). This abundant livestock base provides a strong foundation for meat production, offering a reliable and consistent supply of raw materials for both domestic consumption and export. The diversity of livestock species, including cattle, goats, sheep, and camels, enables the country to meet varying market demands while supporting value-added processing and by-product utilization.

Moreover, Tanzania benefits from **lower production costs** compared to regional competitors such as Kenya and Ethiopia. Lower input costs, including feed, labor, and land, enhance the competitiveness of Tanzanian meat products in both domestic and international markets. Reduced operational expenses allow for more attractive pricing while maintaining profit margins, supporting both smallholder farmers and large-scale agribusiness investors.

Tanzania's **strategic location** further strengthens its potential as a key player in the regional and international meat trade. Proximity to Indian Ocean ports, including Tanga

and Dar es Salaam, provides direct access to major export destinations in the Middle East, North Africa, and Asia. Additionally, the country's location within the East African Community (EAC) enables efficient regional trade with neighboring countries such as Kenya, Uganda, and Burundi. This combination of abundant livestock, cost advantages, and logistical accessibility positions Tanzania as a competitive hub for meat exports in the region.

7.0 Financial Projections

Table 1: Capital Investment Breakdown (USD)

Sn	Description	Estimated Cost (USD)
1	Consultations	150,000
2	Document + admins + governmental duties	150,000
3	Financial fees	250,000
4	Land acquisition	1,000,000
5	Civil works	2,500,000
6	Feedlots & quarantine	2,000,000
7	Special buildings	1,650,000
8	Processing equipment	7,000,000
9	Supportive units	1,850,000
10	Hygiene systems	250,000
11	Auto fleet	3,000,000
12	Logistics	250,000
13	Erections	350,000
14	Others	500,000
Total		20,900,000

8.0 Operating Assumptions

The operational capacity of the MAFCO abattoir is based on processing approximately **150 cattle and 1,000 goats or sheep per day**, reflecting the facility's design specifications for both small and large livestock. The plant is expected to operate **300 days per year**, allowing for scheduled maintenance, staff training, and public holidays without compromising production targets. These assumptions form the basis for financial projections, revenue estimates, and supply chain planning, ensuring that the facility can consistently meet both domestic and export market demand while maintaining high standards of efficiency and product quality.

8.1 Average selling price:

The projected revenue from **cattle carcasses** represents the primary income stream for the Muzdalifah Abattoir and Food Processing Company Ltd (MAFCO). Each processed cattle carcass is expected to generate approximately **USD 1,200**, reflecting both the high quality of Tanzanian beef and the facility's adherence to international hygiene and processing standards. This pricing structure positions the project competitively in export markets such as the Middle East, North Africa, and East Africa, where demand for premium, halal-certified beef continues to rise.

In addition to cattle, **small ruminants** such as goats and sheep contribute significantly to revenue generation. Each goat or sheep carcass is projected to yield around **USD 120**, providing a reliable source of income from livestock that is more readily available and adaptable to local production systems. By efficiently processing large volumes of sheep and goats, the facility can meet both domestic and regional market demands, further diversifying revenue streams and reducing dependency on a single product category.

Beyond primary meat products, the facility will capitalize on **offals, hides, and other by-products**, which are expected to generate an additional **~15% of total revenue**. This includes organ meats, bones, blood, and leather, which can be processed, packaged, and sold to specialized markets or further processed into value-added products. Optimizing the use of by-products not only enhances profitability but also aligns with

sustainable production practices, minimizes waste, and contributes to the overall economic and environmental efficiency of the abattoir.

9.0 Projected Financials (USD)

Table 2: Projected Finances (For 5 years)

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	18.5m	22.0m	26.0m	29.0m	32.5m
Operating Costs	13.0m	15.0m	17.5m	19.0m	21.0m
EBITDA	5.5m	7.0m	8.5m	10.0m	11.5m
Net Profit	3.0m	4.2m	5.5m	6.8m	8.0m

Table 3: Payback Periods and Profit

No	Description	Period (±)	Ratio (±)
1	Pay Back	36 months	-
2	IRR	-	0.5
3	Profit %	-	30%

10.0 Risk Analysis

10.1 Market Risks & Mitigation Strategy

10.1.1 Fluctuation in meat prices

Fluctuations in meat prices pose a potential financial risk for the MAFCO abattoir, as volatile pricing can impact profit margins and cash flow stability.

To mitigate this risk, the facility will adopt a **diversified marketing strategy**, targeting both domestic and export markets. By balancing sales between local consumers, regional

East and Central African markets, and high-value international destinations such as the Middle East, the company can reduce dependence on any single market and stabilize revenues. This approach allows MAFCO to adjust pricing strategies in response to market trends while maintaining consistent operational profitability and competitiveness.

10.1.2 Operational Risks & Mitigation Strategies

Item	Year 1	Year 2	Year 3	Year 4
Revenue	18.5m	22.0m	28.0m	29.0m
Net Profit	3.0m	4.2m	5.5m	6.8m

Livestock disease outbreaks represent a significant operational risk for the MAFCO abattoir, as they can compromise animal health, reduce carcass quality, and disrupt supply chains.

To mitigate this risk, the facility will implement **robust quarantine facilities** and enforce stringent veterinary protocols for all incoming livestock. Animals will be inspected and held in quarantine before entering the processing lines, allowing for early detection of infectious diseases and ensuring that only healthy livestock are processed. These measures will help protect both domestic and export markets while maintaining product quality and consumer confidence.

Financial Risks

Financial exposure, particularly due to **currency fluctuations**, is another critical risk given the project's reliance on export markets. Changes in exchange rates could affect revenue when foreign currency earnings are converted into Tanzanian shillings, potentially impacting profit margins.

To address this, MAFCO plans to **maintain export contracts denominated in USD**, which will stabilize revenue streams and reduce currency-related uncertainty. Additional measures, such as forward contracts and hedging strategies, may also be employed to safeguard financial performance.

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Regulatory Risks

Compliance with international standards, including **Halal certification, HACCP, and ISO 22000**, is essential for accessing high-value export markets. Regulatory non-compliance could result in export restrictions, penalties, or reputational damage.

To mitigate this risk, MAFCO will engage early with relevant authorities and certification bodies to ensure timely **accreditation and ongoing compliance**. Regular internal audits and training programs will further support adherence to all regulatory requirements, enhancing operational reliability and market trust.

11.0 Implementation Plan

Phase 1 (0–6 Months): Land Acquisition, Designs, and Permits

The initial phase of the project will focus on securing the required land for the abattoir and associated facilities, estimated at a minimum of **200,000 square meters**. During this period, detailed architectural and engineering designs will be developed to ensure compliance with international standards for hygiene, slaughtering, processing, and storage. Additionally, all necessary permits and approvals from government authorities, including environmental clearances and construction licenses, will be obtained. This phase establishes the legal and logistical foundation for the project and ensures that subsequent activities can proceed without regulatory delays.

Phase 2 (6–18 Months): Construction and Procurement of Equipment

The second phase will involve the physical construction of the abattoir complex, including feedlots, slaughtering lines, processing units, cold storage, administrative offices, and supportive infrastructure such as workshops and fleet facilities. Simultaneously, the procurement of modern processing equipment, such as automated slaughter lines, deboning machines, cold storage systems, and offal processing units, will be completed. Project management will ensure that construction and equipment procurement adhere to

the highest quality standards, minimizing operational risks and ensuring timely completion within the planned schedule.

Phase 3 (18–24 Months): Installation, Staff Training, and Trial Runs

Following construction and equipment procurement, the abattoir will enter the installation phase, where all machinery and processing lines will be assembled and tested. Comprehensive staff recruitment and training programs will be conducted to ensure that personnel are proficient in operational protocols, food safety standards, and maintenance procedures. Trial runs will be performed to identify and rectify operational inefficiencies, verify equipment functionality, and optimize workflows. This phase is critical for ensuring the facility is fully prepared to operate at optimal capacity.

Phase 4 (24–30 Months): Certification and Export Licensing

During the fourth phase, the facility will undergo certification processes required for international trade, including **Halal certification**, **ISO 22000**, and **HACCP compliance**. Export licensing procedures will also be completed to enable shipments to key target markets in the Middle East, North Africa, and East Africa. This phase ensures that all legal, regulatory, and quality standards are met, positioning the project for full-scale commercial operations while enhancing market credibility and consumer trust.

Phase 5 (Month 30 Onwards): Full Commercial Operations

Once certification and licensing are completed, the abattoir will commence **full-scale commercial operations**, processing livestock for both domestic consumption and export markets. Operations will include continuous slaughtering, meat processing, cold storage, and distribution to targeted markets. Ongoing performance monitoring, quality control, and process optimization will be conducted to maintain operational efficiency, maximize product quality, and achieve projected revenue and profitability targets. This final phase marks the transition from project implementation to sustainable, revenue-generating operations.

12.0 Pre-Recommendations

Strategic Partnerships

The success of the Muzdalifah Abattoir and Food Processing Company Ltd (MAFCO) project will depend significantly on forming strategic partnerships with **international meat traders and logistics companies**. Collaborating with established export partners will provide access to new markets, facilitate bulk orders, and ensure that products meet the specific requirements of target regions such as the Middle East, North Africa, and East Africa. Partnerships with logistics firms will enhance supply chain efficiency, reduce transit times, and maintain product quality through robust cold-chain management, ensuring competitiveness in both domestic and export markets.

Concessional Financing

To optimize project financing and reduce the overall **cost of capital**, it is recommended to seek concessional loans, development grants, and blended financing arrangements. Such financing mechanisms, often offered by development banks, export credit agencies, and government-backed investment programs, provide favorable interest rates and extended repayment terms. Accessing concessional financing will lower financial risk, improve project feasibility, and attract private sector co-investors by demonstrating prudent financial planning and reduced capital intensity.

Regulatory Engagement

Close engagement with regulatory authorities is essential to secure timely **certification, licensing, and accreditation**. Proactive coordination with agencies responsible for halal certification, ISO standards, HACCP compliance, and export licensing will ensure that the abattoir meets international requirements without delays. Early and continuous dialogue with regulators will also facilitate inspections, support the adoption of best practices, and build long-term trust, which is critical for sustaining export operations and maintaining compliance across multiple jurisdictions.

Environmental and Social Impact Assessment

Before full-scale operations, commissioning a **detailed Environmental and Social Impact Assessment (ESIA)** is recommended to evaluate potential environmental, social, and health impacts of the project. The ESIA will guide mitigation strategies for waste management, water and energy usage, noise pollution, and community engagement. It will also help secure environmental permits and align the project with international sustainability standards, enhancing its credibility with investors, partners, and regulatory authorities. By proactively addressing environmental and social risks, MAFCO will strengthen its reputation as a responsible and sustainable agribusiness enterprise.

13.0 Conclusion

The Muzdalifah Abattoir and Food Processing Company Ltd (MAFCO) project is a significant investment opportunity aimed at transforming Tanzania's abundant livestock resources into high-value products for domestic and international markets. By establishing a modern, export-oriented abattoir facility, the project addresses critical gaps in the meat processing infrastructure while enhancing product quality, safety, and compliance with international standards such as Halal, HACCP, and ISO certification.

With an estimated investment of USD 20.9 million, the project is projected to have a payback period of approximately three years, an internal rate of return (IRR) of around 15%, and profit margins of about 30%. Demand from Tanzania's growing urban population and access to regional and international markets, especially in the Middle East and neighboring African countries, bolster its financial viability.

Additionally, MAFCO is expected to create around 250 jobs, support over 1,000 livestock farmers, and promote sustainable agricultural growth. Its commitment to environmentally responsible practices and adherence to food safety standards enhances its alignment with global sustainability goals, making it attractive to both public and private investors.

14.0 Reference

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