



ABOUT THE COMPANY

OVERVIEW

IDEAL CHICKS LIMITED is a privately owned Tanzanian company, legally registered under the Companies Act of the United Republic of Tanzania. The company was established in the year 2000 and is incorporated under registration number 39521. Since its inception, IDEAL CHICKS LIMITED has grown to become a recognized player in the poultry farming and agribusiness sector, with operations not only in Tanzania but also extending to several neighbouring countries in East and Central Africa.

LEGAL STATUS

As a fully incorporated and legally compliant entity, IDEAL CHICKS LIMITED operates in accordance with the regulatory frameworks set forth by Tanzanian company and agricultural laws. The company maintains high standards of corporate governance and transparency, ensuring adherence to all statutory and regulatory obligations.

CORE BUSINESS ACTIVITIES

The primary focus of IDEAL CHICKS LIMITED is the raising of poultry and production of poultry-related products. The company engages in a wide range of activities within the poultry value chain, including:

- Breeding and hatching of high-quality chicks
- Rearing of broiler and layer chickens
- Production and distribution of poultry meat and eggs
- Manufacture and supply of poultry feed
- Sale of poultry farming equipment and veterinary supplies
- Offering technical support and training to local poultry farmers

IDEAL CHICKS LIMITED is committed to enhancing food security and supporting local economies by providing affordable, high-protein poultry products and by promoting sustainable poultry farming practices.

Market Presence

Over the years, IDEAL CHICKS LIMITED has built a strong reputation for quality, reliability, and professionalism. The company serves a diverse clientele base, including wholesalers, retailers, supermarkets, institutions, and individual farmers across Tanzania. Its strategic expansion has also enabled the company to establish a presence in neighboring countries such as Malawi, Mozambique, Kenya, Uganda, Rwanda, Burundi, Democratic Republic of Congo etc.

VISION

To become a leading and innovative poultry agribusiness in Africa, delivering high-quality poultry products and services that meet international standards.

MISSION

To sustainably produce and supply poultry products while empowering local communities, supporting small-scale farmers, and contributing to the region's economic development through agribusiness.

VALUES

- Integrity – We operate with honesty and transparency in all our dealings.
- Quality – We are committed to producing safe and nutritious poultry products.
- Innovation – We invest in modern farming technologies and continuous improvement.
- Sustainability – We promote environmentally friendly and socially responsible practices.
- Customer Focus – We strive to exceed customer expectations through excellent service.

BUSINESS PLAN FOR BROILER HATCHERY

ABOUT THE BUSINESS

INTRODUCTION



Tanzania is a moderately populated country having predominantly agricultural economy. Almost every part of our country is suitable for poultry farming. During the past few decades poultry industry have gained enormous potential in Tanzania. The Government of Tanzania has been giving thrust for the development of poultry industry. Development of poultry industries may further be accelerated, if improved varieties of layers/broilers are made available to the poultry farmers which could ensure fast growth, maximum feed to meat/egg conversion and low mortality among the poultry birds. Therefore, it is essential that hatcheries should set up.

In the modern nomenclature of poultry industry, the term hatchery covers the sector which is engaged in production and supply of one-day old chicks by artificial incubation. A hatchery can be a part of a breeding farm or it can be a franchiser or sub-franchiser for producing parent and day-old chicks of broilers or layers. The term hatchery can be extended to an organization which does not maintain any breed stock (mating stocks) but only procures hatching eggs for producing (supplying) day old chicks.

MARKET POTENTIAL

Changes in life style and food habits of consumers, improvement in standards of living etc. have resulted into increase in per capita consumption of egg and poultry meats but per capital consumption of these commodities in our country is still far below than of developed countries showing enormous potential/scope for poultry development. Increasing number of poultry farms in different areas has emphasized that hatcheries should be set up in potential areas. In Tanzania there are few numbers of large commercial hatcheries are available, however unable to meet the present demand of day-old chicks of broilers and layers. It said that these hatcheries set up so far are not adequate to meet the increased demand of one day old chicks of broilers or layer poultry birds which show good scope for hatcheries.

EXECUTIVE INCOME SUMMARY

For The Pre operating time and for the period of one year after start the Production process

Total Project Cost	:	20,866,858,675	TZS
Loan	:	16,500,000,000	TZS
Total Assets	:	14,556,765,000	TZS
Working Capital Need	:	5,675,858,000	TZS
Annual Sales	:	4,271,875,000	TZS
Pre-Operating Cost	:	7,598,635,000	TZS
Annual Direct Materials Cost	:	2,315,763,108	TZS
Annual Direct Labour Cost	:	1,234,800,400	TZS
Annual Production Overhead Cost	:	752,000,000	TZS
Annual Marketing Cost	:	180,000,000	TZS
Annual Management & Administration Cost	:	250,000,00	TZS
Annual Gross Profit	:		TZS
Annual Depreciation	:		TZS
Annual Net Profit	:		TZS
Rate of Net profit before tax	:		
Rate of Return	:		

DESCRIPTION OF THE PRODUCT

Main product – Processed chicken meat

Other Products – Commercial table eggs, commercial broiler day old chicks

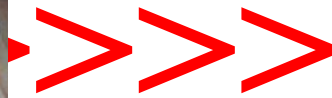
Also, processing chicken manure into organic fertiizers.

1.1. Competitive Analysis of Product

If we consider day old chicks' demand and supply, the present supply unable to meet the existing demand. How ever due to high demand factor no marketing competition.



Present Demand



Existing Supply

1.2. Main Customers

Customer	Type of Product
Local society, hotels, restaurants, supermarkets, butchers, retail shops and others	Processed meet
Existing Poultry Farmers and New Farmers by contract farming	Day Old chicks (Pullets)
Local society, hotels, restaurants, supermarkets, retail shops and others	Commercial table eggs
Local society, hotels, restaurants, supermarkets, butchers, retail shops and others	Commercial broilers (grillers)
Wide varieties of Farmers	Organic fertilizer from chicken manure

1.3. Total Demand

There is an increasing demand for day old chicks and for other products

1.4. Market Share

Can capture the part of untouched market share

1.5. Comparisons of Competitors' Selling Prices

Products	Our Prices	Competitors Prices (L. Rs)
Day Old chicks	Our Prices are set according to the competitors prices	97 (layer) per chick
Unfertile Eggs, Under weight or Double York Eggs		10per egg
Disposals		.50 per 1 kg
Culled Birds(Parents)		200 per 1 kg live weight
Poultry Litter		45 per bag

1.6. Sales Forecast

Products	Current			Proposed		
	Annual Sales Quantity	Unit Price TZS	Annual Income TZS	Annual Sales Quantity	Unit Price TZS(Average)	Annual Income TZS
Day Old chicks				145,019	97.00	14,066,843.00
Unfertile Eggs, Under weight or Double York Eggs				20,127	10.00	201,270.00
Disposals				1,881Kg	2.00/Kg	3,762.00
Total Annual Sales						14,271,875.00

Sales Forecast in Monthly Basis

: Annexure 01

1.7. Marketing Strategy

Feature	Existing	Proposed
Present of products	N/A	Quality will be good comparatively Others
Price of products	N/A	Price will be comparatively Others
Distribution Measures	N/A	According to buyer's requirement
Promotional Measures	N/A	Contacting persons and institutions, Contacting large scale poultry farmers,

1.8. Annual Marketing Expenses

Expenses Item	Cost (LKR)	
	Existing	Proposed
Promotional Expenses		18,000.00
Annual Marketing Expenses	-	18,000.00

Marketing Expenses in Monthly Basis (LKR)

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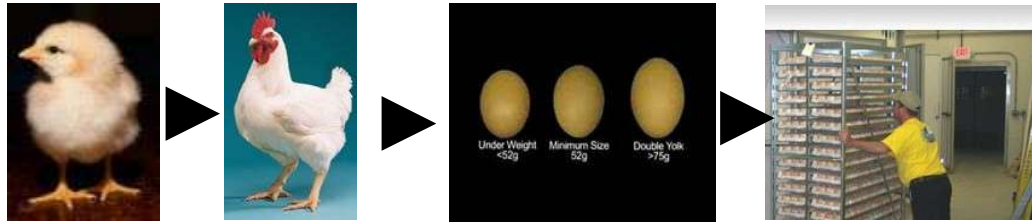
Annexure 02

1.9. Marketing Fixed Assets

No marketing fixed assets

Production Plan for broiler hatchery

1.10. Production Process



4 Batches varying ages

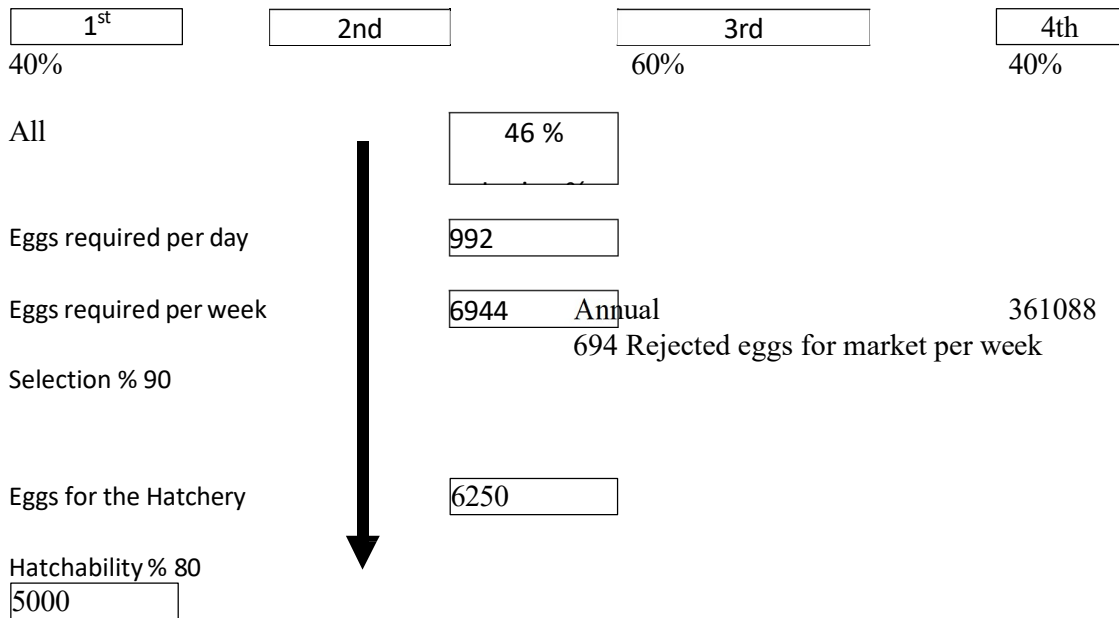
Patent
Chicks

720 / Batch	1 Batch	720
	Grover	
	3 batches	2160
	Layers	

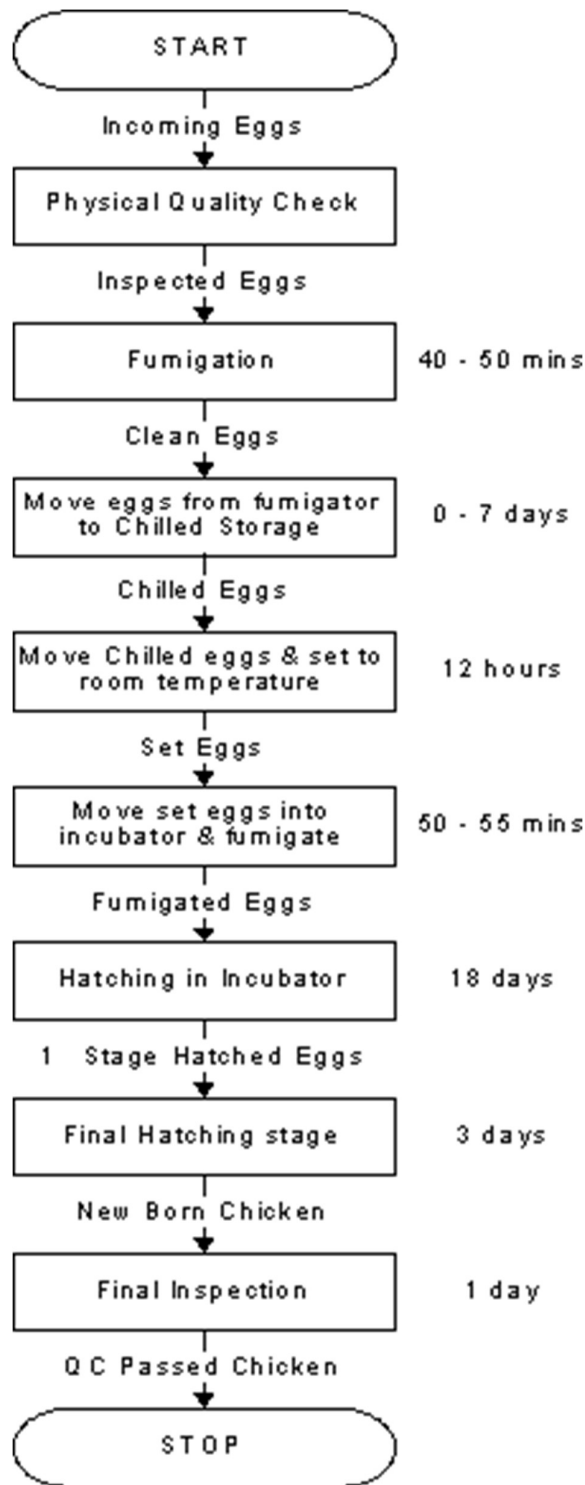


Batch
Grover

3 batches Layers



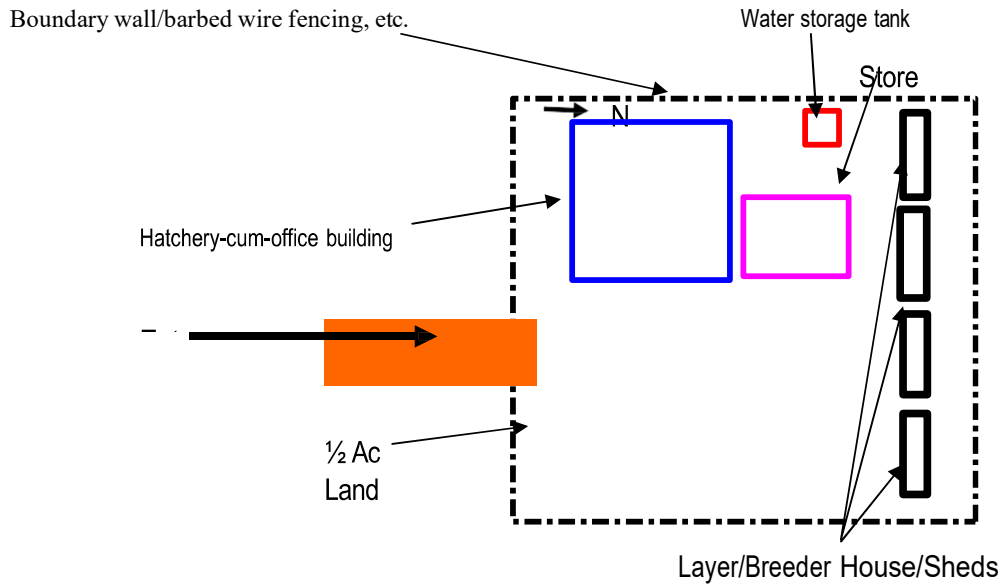
Inside Hatchery



1.11. Production fixed Assets

Property	Value (TZS)	Depreciation %	Annual Depreciation
1/2 Ac land	2,000,000.00	0%	-
Boundary wall/barbed wire fencing, etc.	80,000.00	10%	8,000
Water storage tank	30,000.00	10%	3,000
Layer/Breeder House/Sheds 4ft2/bird	1,800,000.00	10%	180,000
Hatchery-cum-office building + .Store 4000 ft2	2,000,000.00	5%	100,000
Hatchery Unit (Egg Hatcher, Egg setter, Electric egg tester	3,000,000.00	5%	150,000
Egg weighing scale (1-100 gram cap.)	20,000.00	10%	2,000
Misc. items like buckets, trays, baskets etc.	20,000.00	50%	10,000
Generator (10 KVA)	300,000.00	10%	30,000
Electric De-beaker	15,000.00	20%	3,000
Feeder, waterer and brooder	60,000.00	50%	-
Weighing balance	25,000.00	5%	1,250
Veterinary clinic instruments/equipment	10,000.00	100%	10,000
Refrigerator	60,000.00	10%	6,000
Air conditioner	80,000.00	20%	16,000
Total	9,500,000.00		519,250

1.12. Plant Layout



1.13. Annual Direct Materials Expenses

Raw Material	Existing			Proposed		
	Quantity	Price per 1 LKR	Total Value LKR	Quantity	Price per 1 LKR(Average)	Total Value LKR
Eggs Fro parents			0	201,414	22.00	4,431,108.00
Parent stock chicks			0	2,160	500.00	1,080,000.00
Chick Box			0	1,680	150.00	252,000.00
Annual Direct Materials Expenses			0.00	205,254		5,763,108.00

Monthly Direct Materials Usage : Annexure 03

1.14. Annual Direct Labor requirement & Expenses

Description	Existing				Proposed			
	No of Emplo's'	Monthly Salary	EPF + ETF 15%	Total Annual Expenses LKR	No of Emplo's' (Average)	Monthly Salary (Average)	EPF + ETF 15% (Average)	Total Annual Expenses LKR
Hatchery Manager					1	20,000.00	3,000	276,000
Operator					1	12,000.00	1,800	165,600
Skilled worker					1	10,000.00	1,500	138,000
Unskilled workers					2	8,000.00	2,400	220,800
Direct Labour								800,400

Monthly Direct Labour Expenses (LKR) : Annexure 04

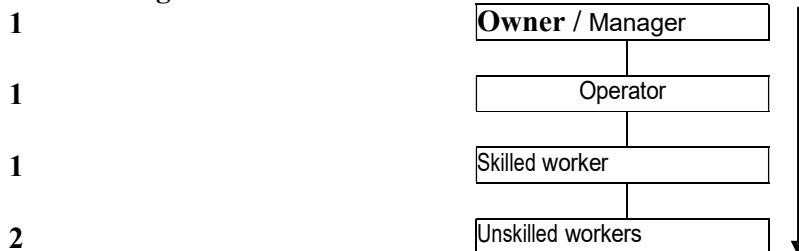
1.15. Annual Production Overhead Expenses

Expenses Item	Cost (LKR)	
	Existing	Proposed
Electricity		240,000
Cleaning		12,000
Total Overhead Expenses		252,000

Monthly Production Overhead Expenses (LKR) : Annexure 05

2. Organization & Management Plan for broiler hatchery

2.1. Organizational Structure



2.2. Pre-Operating Activities in Gant Chart

Months	Project preparation	Site selection, acquisition of land and development etc.	Sanction of loan	Construction of poultry sheds	Sanction of electric power and telephone connection	Procurement of parent stock chicks	Construction of hatchery building and other civil works	Procurement of machinery and equipments	Electrification & installation of Machinery	Recruitment of Staff and labor	Trial Run	Commercial production
1	█											
2		█	█									
3			█	█								
4				█	█		█					
5						█	█	█				
6								█				
7									█			
8										█		
9											█	
10												█

Pre-Operating Expenses

Pre-Operating Activity	Expenses Amount (LKR)
Preliminary and Pre-operative Expenses like Legal Expenses, Establishment Cost, Travelling, Start up Expenses, Consultancy Fees, Interest during Construction, Trial Run Expenses etc.	75000
Other Fixed Expenses for Purchase of About 720 Nos Day-old Parent Stock chicks and Feeding Charge up to Laying Stage	
Chicks	360000
Feed	200000
Total	635000

2.3. Management & Administration Cost

Administration Activities	Annual Cost (LKR)	
	Existing	Propose
Telephone charge		12,000
Stationery		1,000
Welfare		10,000
Total Administration Cost	-	23,000

Monthly Management & Administration
Cost(LKR)

:

Annexure 06

2.4. Administration and Management Fixed Assets and Equipment

Property	Value (LKR)	Depreciation %	Annual Depreciation
Office equipments/furniture	50,000	10%	5,000
Telephone 01	6,000	20%	1,200
Total	56,000		6,200

3. Financial Plan for broiler hatchery

3.1. Project Cost (Equity Requirement)

Cost Item	Existing		Proposed		Total Cost
	Owner's Contribution	Loan	Owner's Contribution	Loan	
<u>Fixed Assets</u>					
1/2 Ac land				2,000,000	2,000,000
Boundary wall/barbed wire fencing, etc.			80,000		80,000
Water storage tank			30,000		30,000
Layer/Breeder House/Sheds 4ft2/bird			1,800,000		1,800,000
Hatchery-cum-office building + .Store 4000 ft2				2,000,000	2,000,000
Hatchery Unit (Egg Hatcher, Egg setter, Electric egg tester				3,000,000	3,000,000
Egg weighing scale (1-100 gram cap.)			20,000		20,000
Misc. items like buckets, trays, baskets etc.			20,000		20,000
Generator (10 KVA)			300,000		300,000
Electric Deb-eaker			15,000		15,000
Feeder, waterer and brooder			60,000		60,000
Weighing balance			25,000		25,000
Veterinary clinic instruments/equipment			10,000		10,000
Refrigerator			60,000		60,000
Office equipments/furniture			50,000		50,000
Telephone 01			6,000		6,000
Air conditioner			80,000		80,000
Fixed Assets Total (a)			2,556,000	7,000,000	9,556,000
<u>Pre Operative Expenses</u>					
Preliminary and Pre-operative Expenses like Legal Expenses, Establishment Cost, Travelling, Start up Expenses, Consultancy Fees, Interest during Construction, Trial Run Expenses etc.			75,000		75,000

Expenses for Purchase of About 720 Nos Day-old Parent Stock chicks and Feeding Charge up to Laying Stage			560,000		560,000
Total Pre Operative Expenses (b)	-	-	635,000	-	635,000
<u>Working Capital Expenditure</u>					
Purchase of About 720 Nos Day-old Parent Stock chicks			360,000		360,000
Eggs From parents			203,742		203,742
Chick Box			21,000		21,000
Labour Expenses			66700.00		66700.00
Electricity Cleaning			20000.00		20000.00
Telephone charge			1000.00		1000.00
Stationery			1000.00		1000.00
Welfare			83.00		83.00
Promotional Expenses			833.00		833.00
			1500.00		1500.00
Total working Capital Expenditure(c)	-	-	675,858	-	675,858
Total Project Cost a + b + c	-	-	3,866,858	7,000,000	10,866,858
Investment Contribution %	0.00%	0.00%	35.58%	64.42%	100.00%

Working Capital

Working Capital calculated for the 1st month after operation.

3.2. Profitability forecast

Item	Pre operating time	Proposed
		1st Year
Sales		14,271,875
Less : Return		
Actual Sales		14,271,875
Less : BTT 1%		142,719
Net Sales A		14,129,156
Material Stock at start of the year		-
Material Purchasing		5,763,108
		5,763,108
Material Stock at End of the year		
Cost of used Direct Materials B		5,763,108
Direct Labour Cost C		800,400
Primary Expenses (B+C) D		6,563,508
Production Overhead Cost E		252,000
(D+E) F		6,815,508
Working Process at Start of the year		-
		6,815,508
Working Process at End of the year		
Production Cost G		6,815,508
Finish Goods at start of the year		-
		6,815,508
Finish Goods at End of the year		
Cost of Sales Goods H		6,815,508
Gross Profit (A - H) I		7,313,648
Annual Marketing Expenses		18,000
Annual Administration & Management Expenses		23,000
Total Marketing and Admin. Expenses J		41,000
Profit Before Interest & Depreciation (I - J) K		7,272,648
Pre-Operation Expenses		317,500
Annual Depreciation		525,450
Interest		798,000
Total Interest and Depreciation L		1,640,950
Net Profit Before Tax (K - L)		5,631,698
Income Tax 25 %		1,407,925
Net Profit after Tax		4,223,774

3.3. Cash Flow Statement

Description	Pre-Operation	Proposed (LKR) 1st Year
Cash Inflow		
Client Contribution	3,866,858	
/Loan	7,000,000	
Sales Income (Net)		14,129,156
B / F		-
Total Cash Inflow	10,866,858	14,129,156
Cash Outflow		
1/2 Ac land	2,000,000	
Boundary wall/barbed wire fencing, etc.	80,000	
Water storage tank	30,000	
Layer/Breeder House/Sheds 4ft2/bird	1,800,000	
Hatchery-cum-office building + .Store 4000 ft2	2,000,000	
Hatchery Unit (Egg Hatcher,Egg setter, Electric egg tester	3,000,000	
Egg weighing scale (1-100 gram cap.)	20,000	
Misc. items like buckets, trays, baskets etc.	20,000	
Generator (10 KVA)	300,000	
Electric Deb-eaker	15,000	
Feeder, waterer and brooder	60,000	
Weighing balance	25,000	
Veterinary clinic instruments/equipment	10,000	
Refrigerator	60,000	
Telephone 01	6,000	
Air conditioner	80,000	
Office equipments/furniture	50,000	
total	9,556,000	
Pre-Operating Expenses	635,000	
Direct Material Expenses		5,763,108
Direct Labour Expenses		800,400
Production Overhead Expenses		252,000
Marketing Expenses		18,000
Management & Administration Expenses		23,000
Income Tax 25 %		
Total working Capital Expenditure(c)	675,858	
Annual Installment of loan (A)		700,000
Annual Interest of loan (B)		798,000
Total Cash Outflow	10,866,858	8,354,508
Closing Cash Balance	-	5,774,648

3.4. Financial Analysis

$$\begin{aligned} \text{Rate of Net profit before tax} &= \frac{\text{Net profit before tax}}{\text{Net Sales}} \times 100 \\ &= \frac{5,631,698}{14,129,156} \times 100 = \mathbf{39.86\%} \end{aligned}$$

$$\begin{aligned} \text{Rate of Investment} &= \frac{\text{Net profit before tax}}{\text{Total Project Cost}} \times 100 \\ &= \frac{5,631,698}{10,866,858} \times 100 = \mathbf{51.82\%} \end{aligned}$$

Annexure 01

Sales Forecast in Monthly Basis (No of Pkt and Value in LKR)

Products/Service	Month 01	Month 02	Month 03	Month 04	Month 05	Month 06	Month 07	Month 08	Month 09	Month 10	Month 11	Month 12
Day Old chicks	6,668	6,668	6,668	6,668	8,335	13,336	13,336	13,336	13,336	16,668	20,000	20,000
Unit Price	97.00	97.00	97.00	97.00	97.00	97.00	97.00	97.00	97.00	97.00	97.00	97.00
Value	646,796	646,796	646,796	646,796	808,495	1,293,592	1,293,592	1,293,592	1,293,592	1,616,796	1,940,000	1,940,000
Unfertile Eggs, Under weight or Double York Eggs					1,157	1,851	1,851	1,851	1,851	2,314	2,776	2,776
Unit Price	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Value	9,250	9,250	9,250	9,250	11,570	18,510	18,510	18,510	18,510	23,140	27,760	27,760
Disposals	86	86	86	86	108	173	173	173	173	217	260	260
Unit Price	2	2	2	2	2	2	2	2	2	2	2	2
Value	172	172	172	172	216	346	346	346	346	434	520	520
Total Value	656,218	656,218	656,218	656,218	820,281	1,312,448	1,312,448	1,312,448	1,312,448	1,640,370	1,968,280	1,968,280

Annexure 02

Marketing Expenses in Monthly Basis (LKR)

Expenses Item	Month 01	Month 02	Month 03	Month 04	Month 05	Month 06	Month 07	Month 08	Month 09	Month 10	Month 11	Month 12
Promotional Expenses	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Total	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500

Annexure 03

Monthly Direct Materials Usage

Raw Material	Month 01	Month 02	Month 03	Month 04	Month 05	Month 06	Month 07	Month 08	Month 09	Month 10	Month 11	Month 12
Eggs From parents	9261	9261	9261	9261	11576	18522	18522	18522	18522	23150	27778	27778
Unit Price	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
Expenses	203,742	203,742	203,742	203,742	254,672	407,484	407,484	407,484	407,484	509,300	611,116	611,116
Parent stock chicks	720				720					720		

