

TANBREED POULTRY LIMITED
BUSINESS PLAN FOR THE ESTABLISHMENT OF A CHICKEN
PROCESSING PLANT PROJECT.

OCTOBER, 2025

EXECUTIVE SUMMARY

Company & Project concept.

Tanbreed Poultry Limited is limited Company incorporated in Tanzania under the Company act of 2002. The Company was incorporated 17th July, 2007, and bears Certificate of Incorporation No. 61206. The Company belongs to agriculture sector and specifically the poultry sector.

Company Objectives, Tanbreed Poultry Limited is legally formed to fulfil the following objectives. To carry out the poultry farming and processing, including producing chicken feed.

Purpose of feasibility report: This document is prepared to serve the purpose as a feasibility study for Tanbreed Poultry Limited for her chicken processing Project as well as to be submitted to TISEZA for an award of TISEZA Certificate of Incentives.

The project promoters, the project will be managed and operated by Tanbreed Poultry Limited . The Company is owned by:

Tanbreed Limited holding 19 shares

Duncan Sifunah holding 1 share

Company Legality, the legal certificates and documents such as Memorandum and Article of Association, certificate of incorporation, justify that Tanbreed Poultry Limited will be operating within the ambit of the law of the Land.

Project Organization Structure, the management of Tanbreed Poultry Limited constituted by the following organization set up:- Board of Directors, who are responsible on the management on the entire operations of the Company.

Investment Structure, the project is estimated to cost USD 23 million

Project will be financed by commercial borrowings

BASIC INFORMATION

Name of company:	Tanbreed Poultry Limited
Address:	P.O. Box 1378 Morogoro
Telephone:	+255 22 2627218
Project Location	Bagamoyo, Pwani Region
Certificate of Incorporation no.	61206
Sector	Agriculture
Sub sector	Poultry
Total Cost of estimated Investment.	USD 23 million
Directors	i. Orson Frances Taylor ii. Richard Arthur Stuart Keeley iii. Duncan Wechuli Sifunah iv. Kester Paul Lyaruu v. Nelson Ismail Kikolea

1. **PROJECT OBJECTIVES**

Tanbreed Poultry Limited is legally formed to fulfil the following objectives, to carry out poultry business, specifically establishing a chicken processing plant. The company plans to build a processing plant to process 16,000 rising to 48,000 chicken per day.

1.1 **Key Region Objective / Strategy:**

To establish a modern, efficient, and sustainable chicken processing plant that ensures consistent supply of high-quality poultry products to meet local and regional market demand while enhancing food security and supporting smallholder poultry farmers.

2. **LOCATION OF THE PROJECT**

Tanbreed Poultry Limited will conduct this project on Plot Number 36, Block “G”, Sanzale, Bagamoyo Urban Area.

3. **INVESTOR PROFILE/PROJECT PROMOTERS**

Name	Nationality	Shares%
Tanbreed Limited	Mauritius	50%
Duncan Sifunah	Kenyan	50%

4. **INVESTMENT COSTS**

The total investment cost is US Dollars (\$) 23 million. The Investment Financing Plan is as follows;

The Investment Breakdown is as follows in USD \$

Year 1

Land purchase	\$1,000,000
Equipment	\$500,000
TOTAL -	\$1,500,000.

Year 2

Civils/Equipment/Buildings	\$10,000,000
TOTAL -	\$10,000,000

Year 3

Equipment (processing/refrigeration etc)	\$10,000,000
TOTAL -	\$10,000,000.

Year 4

Equipment upgrades	\$500,000
TOTAL -	\$500,000.

Year 5

Equipment upgrades	\$500,000
TOTAL -	\$500,000.

Year 6

Equipment upgrades	\$500,000
TOTAL -	\$500,000.

4.1 Financial and Economic Analysis

The projection for financial statements was based on the following assumption: -

- The implementation of the project will cost US Dollars (\$) 23 million

The capital expenditure will spread over a period of the six years

- Implementation cost take into consideration inflation rate/influx.

4.2 Financial Statement of Project

The financial projection is based on the assumption that the prices of input and output are accurately estimated over the project useful lifetime that is five - ten years. However be cause of unforeseen events in the future, the prices of these inputs and outputs will be adjusted accordingly in order to maintain objective of the company, that is maximizing next profit and in the cause of time to ensure customer satisfaction by providing the right product service at the right price and time. Expenditure items are as shown in the financial statements. They include all major costs items plus depreciation changes and financial charges. They are also listed under annual costs in the financial statements.

4.3 Projected Cash Flow Statement

The business has a positive net cash flow estimating that the project can be implemented. But also this guarantees the Company to meet its entire obligation.

4.4 Projected Profit and Loss Amount

The computations of the company projected profit and loss account show a respectable turnover. The export business of plant-material is good, as it can be seen; the projected profit and loss of statement of the company is strong and sound. Hence the company is expected the following taxes; - Skilled Development Levy, Insurance, Land Rent Tax, PAYEE, NSSF & Corporate Tax.

4.5 Projected Balance sheet

The projected current assets and current capabilities estimates that the company financial status is strong. As the result we expect the company to meet all its financial and administrative transaction without difficulties.

5. MARKETS OVERVIEW

Why Chicken Consumption in Tanzania Will Triple (2025–2036)

Demographic Dynamics

- Young population: Over 60% under age 25, entering peak protein demand years.
- Population growth: Rising from ~65 million today to 90+ million by 2036.
- Middle Class: Rising from 5.6 million today to 10 million by 2036

Income Growth & Middle-Class Expansion

- Rising incomes supported by GDP growth, industrialisation, and natural resources.
- Middle class doubling by 2035, lifting per-capita protein consumption.
- Urbanisation: shifting toward 50% urban by 2035, with higher reliance on processed and frozen poultry.

Chicken as the Protein of Choice

- Affordability: Chicken is now the cheapest protein per kg, below beef, goat, or fish.

- Accessibility: Reliable supply chains and processing capacity support consistent delivery.
- Cultural acceptance: Chicken is consumed nationwide, across all religious and regional groups.

Infrastructure & Industrial Catalysts

- Mega projects (LNG, EACOP, gas): create higher-wage employment, driving protein consumption.
- Hospitality/QSR growth: Expanding restaurant and fast-food chains accelerate urban demand.
- Cold chain investment: Ensures all-season availability, removing supply constraints.

Quantifying the Shift

- Middle class: Expands from ~5.3 million (2024/25) to ~10 million (2035/36).
- Per-capita consumption: Rises from ~2.3 kg to ~3.5 kg annually.
- Impact: More consumers + higher consumption per person → formal chicken market triples in size by 2036.

Market Growth Outlook

- The formal poultry market is expected to expand from 12,275 tons in 2024/25 to 35,203 tons in 2035, a CAGR -10%.
- This represents a near tripling of national formal demand within the period.

Our Growth

- Tanbreed's volumes will rise from 5,401 tons in 2024/25 to 18,596 tons in 2035/36, a CAGR of ~12%.
- Annual throughput increases from 3.6 million birds (2024/25) to 12.5 million birds (2035/36).

Daily kill demand expands from 16,000 birds/day (2025/26) to 48,000birds/day (2035/36).

6. ECONOMIC SWOT ANALYSIS

Strengths

- Strategic location & access: Close to Dar es Salaam (~1–1.5 hrs by road) for inputs, skilled labor, cold-chain links, and large retail/HORECA demand; proximity to Zanzibar routes for inter-island sales.
- Growing local demand: Rapid urbanization in Coast Region/Dar drives steady consumption of affordable animal protein (chicken favored over red meat on price and convenience).
- Supply potential: Established smallholder and medium broiler farms in Pwani/Morogoro/Kibaha corridors enable contract farming and steady bird inflow.
- Cost advantages: Competitive labor costs and land availability versus urban Dar; potential tax/permit facilitation via local investment promotion.
- By-product monetization: Feathers, blood, and offal can be rendered into feather/blood meal; viscera for biogas/compost—improves margins and ESG profile.

Weaknesses:

- Cold-chain gaps: Limited refrigerated transport and last-mile cold storage increase spoilage risk and working capital needs.
- Utilities reliability: Grid power fluctuations and occasional water constraints raise capex (gensets, boreholes, storage) and opex.
- Input price volatility: Maize/soy feed costs and day-old chick supply swings impact live-bird prices and margin stability.
- Working capital intensity: Inventory (packaging, spare parts), farmer payments, and receivables tighten cash cycles.
- Skills & compliance capacity: Need for strong systems and trained staff; initial learning curve and certification timelines.

Opportunities:

- Market formalization: Shift from wet markets to chilled/frozen, portioned cuts and value-added (marinated, breaded) products; supermarket/private-label supply.
- Institutional & HORECA channels: Hotels, restaurants, schools, hospitals, mining camps; contract volumes with predictable cash flows.
- Regional sales: Access to Zanzibar, EAC markets, and coastal towns; potential for halal-certified exports if standards met.
- Circular economy & energy: Waste-to-energy (biogas), water reuse, and rendering reduce disposal costs and create new revenue streams; attractive for impact investors.
- Digital route-to-market: B2B order apps and D2C delivery in Dar/coast improve demand visibility and price realization.

Threats:

- Disease outbreaks: Newcastle/AI events can disrupt supply and trigger movement controls; requires strict biosecurity and diversified sourcing.
- Policy & regulatory shifts: Sudden changes in VAT/excise, import restrictions, or inspection regimes; multi-agency compliance (meat inspection, standards, food/drug authority).
- Currency & inflation risk: TZS depreciation raises costs for equipment, vaccines, packaging; fuel price swings impact logistics.
- Competition: Established processors in Dar and informal slaughterers competing on price; price wars during supply gluts.
- Infrastructure bottlenecks: Road congestion to Dar cold stores/ports; occasional ferry/logistics disruptions to islands.

7. INDUSTRY SWOT ANALYSIS**Strengths:**

- Rising Protein Demand: Rapid population growth and increasing urban incomes have created sustained demand for affordable animal protein. Chicken remains the most accessible and culturally acceptable option.

- Growing Poultry Farming Base: Expansion of smallholder and medium-scale poultry farms across Pwani, Morogoro, and Dodoma provides a reliable raw material base for processors.
- Favorable Government Policy: Tanzania's industrialization agenda and agriculture value-chain focus support agro-processing investments through tax incentives and industrial parks.
- Regional Trade Potential: Access to EAC and SADC markets, with lower tariffs and logistics links via Dar es Salaam Port, gives processors a gateway to regional exports.
- Job Creation & Rural Linkages: Poultry processing offers inclusive growth — creating employment for youth and women in farming, logistics, and retail segments.

Weaknesses:

- Underdeveloped Cold Chain: Limited cold storage and refrigerated transport infrastructure constrain quality assurance and market reach, especially in upcountry areas.
- High Input Costs: Feed ingredients (maize, soy, fishmeal) and energy costs drive up production expenses, reducing competitiveness.
- Low Technological Adoption: Many small processors operate below global standards, restricting entry into formal retail and export markets.
- Informal Market Dominance: Over 70% of chicken sold through live-bird or roadside slaughter reduces formal processors' market share and price competitiveness.
- Finance and Working Capital Constraints: Limited access to affordable credit for modern equipment, cold-chain infrastructure, and farmer integration programs.

Opportunities:

- Market Formalization & Modern Retail: Supermarkets, quick-service restaurants (QSRs), and hotel chains are expanding, demanding reliable, hygienic processed poultry.
- Value-Added Products: Rising middle-class appetite for convenience foods opens opportunities for ready-to-cook or ready-to-eat products (fillets, nuggets, sausages).
- Halal and Export Certification: With proper standards, Tanzanian processors can tap into lucrative regional and Gulf halal markets.
- Feed Industry Integration: Backward integration into feed production and hatcheries can stabilize costs and improve margins.
- Green & Circular Economy Models: Processing waste can be converted into biogas, fertilizer, or animal feed inputs — improving sustainability and profitability.

Threats:

- Disease Outbreaks: Avian Influenza or Newcastle Disease outbreaks can disrupt supply chains and market confidence.
- Imported Poultry Products: Frozen chicken parts from Brazil or Europe may undercut local processors if trade controls or standards enforcement weaken.
- Macroeconomic Instability: Currency depreciation and inflation raise the cost of imported machinery, packaging, and feed additives.
- Policy Uncertainty: Shifting taxation, inspection regimes, or import bans can alter market dynamics unpredictably.

8. MARKET SUPPLY AND MARKET SHARE

Source	Approx. Share	Description
Smallholder farms	broiler ~50–55%	Scattered farms (100–2,000 birds/cycle) across Pwani, Morogoro, and Dar regions. Sell live birds to local markets or traders.

Source	Approx. Share	Description
Medium commercial farms	~30%	Integrated farms with hatcheries and limited on-site processing (e.g., Interchick, Tanbro, Mkuza). Focus on Dar market.
Large processors/imports	~10–15%	Few fully automated plants supply supermarkets, hotels, and restaurants. Imports (mainly frozen cuts) fill supply gaps.

Supply Gaps

- The formal processing capacity in Tanzania is under 50% of demand for chilled/frozen chicken.
- Bagamoyo’s strategic location near Dar es Salaam and Morogoro farm zones offers easy access to both live birds and major consumer markets.
- Potential exists for 10,000–15,000 birds/day capacity without oversaturating the market.

8.1 Main players from the region and their sizes

The Tanzanian poultry processing industry is concentrated, with a handful of operators supplying the majority of formal-sector chicken. Estimated 2025 market shares are as follows:

- **Interchick – 46%**
The sector’s dominant integrated producer with strong control over breeding, hatchery output, feed milling, processing, and distribution. Its scale and brand equity shape national pricing and quality benchmarks.
- **Phoenix/Fresh Choice – 17%**
A major processor with growing reach in both fresh and value-added chicken. Phoenix leverages an expanding farmer network and an increasingly efficient distribution model.

- **Hill – 15%**
A mid-sized but influential processor with strong ties to independent growers. Hill competes on reliability and cost efficiency, particularly in urban and peri-urban markets.
 - **Kiliagro – 9%**
A rising integrated operator improving capacity and market penetration, particularly among mid-income consumer segments.
 - **Frostan – 5%**
A niche participant focused on chilled and frozen products. Its strength lies in stable supply to retail chains and hospitality clients.
 - **Chicken Co. – 2%**
A small but expanding processor serving select retail and horeca channels, competing primarily through proximity and flexible pricing.
 - **Other small-scale processors – 6% combined**
Numerous informal and semi-formal abattoirs supplying wet markets in Dar es Salaam and Coast Region. Individually small but collectively significant in price-sensitive segments.
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9. COMPETITOR REVIEW

Market Structure

While Interchick retains a commanding position, the remainder of the industry is fragmented across several medium-sized processors and a long tail of small abattoirs. These mid-tier players (Phoenix, Hill, Kiliagro, Frostan) operate with varying levels of integration and often face structural limitations—such as inconsistent broiler supply, weak cold-chain infrastructure, and higher operating costs—creating gaps in quality and reliability that are increasingly visible to consumers.

Strategic Opportunity: Bagamoyo Processing Facility

A modern processing plant in Bagamoyo can enter the market as a quality-assured, mid-priced supplier, filling the space between informal wet-market operators and high-premium brands. Its coastal location allows efficient supply to Bagamoyo, Dar es Salaam,

and Zanzibar, where demand for hygienic, traceable, and consistently priced chicken continues to grow. With the right design, the plant can outperform mid-tier competitors on cost, biosecurity, and product consistency.

Key Success Drivers

To capitalise on this market gap, the plant must focus on:

- **Reliable grower networks** – securing steady broiler inflows through well-managed contract farming and technical support.
- **Robust cold-chain execution** – ensuring temperature integrity from farm collection to final distribution, addressing a major industry weakness.
- **Efficient, right-sized processing** – delivering competitive production costs without the overheads of oversized legacy plants.
- **Clear brand positioning** – emphasising hygiene, safety, and local sourcing to differentiate from informal processors.
- **Optimised market access** – targeted distribution into retail, horeca, and wholesale segments across coastal urban centres, where demand is deepest and margins are strongest.

9. SOCIAL AND ECONOMIC IMPACT OF THE PROJECT

The proposed project will result into the following social and economic impacts:

- The proposed project in investment will provide employment to more than 650 people
- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid to the government by Tanbreed Poultry Limited .
- The Company will set up a Saccos were workers can benefit from collective purchase power and a Credit and Savings scheme.

PROJECTED INCOME & EXPENDITURE STATEMENT						
	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD	
Sales Revenue	25,361,406	29,298,828	33,659,888	38,805,803	44,282,968	

Cost of Sales	(17,414,154)	(20,444,303)	(23,766,165)	(27,644,719)	(28,674,782)
Gross Profit	7,947,252	8,854,524	9,893,723	11,161,084	15,608,186
General Administrative and Other Expenses:	-	-	-	-	-
	2,520,233	2,897,475	3,308,115	3,784,992	4,304,665
Depreciation	-	-	-	-	-
	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Operating Profit	2,927,019	3,457,049	4,085,608	4,876,092	8,803,522
Finance Costs	(2,000,000)	(1,902,500)	(1,502,500)	(1,097,500)	(607,500)
Profit before Tax	927,019	1,554,549	2,583,108	3,778,592	8,196,022
Tax (30%)	(278,106)	(466,365)	(774,932)	(1,133,578)	(2,458,807)
Profit After Tax	648,913	1,088,184	1,808,176	2,645,014	5,737,215
PROJECTED BALANCE SHEET					
	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Fixed Assets					
Long-term Assets	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Depreciation	(2,500,000)	(5,000,000)	(7,500,000)	(10,000,000)	(12,500,000)
Total Long-term Assets	17,500,000	15,000,000	12,500,000	10,000,000	7,500,000
Current Assets					
Cash	2,416	70,153	86,709	45,111	1,788,665
Accounts Receivable	2,113,451	2,441,569	2,804,991	3,233,817	3,690,247
Stock	1,451,179	1,703,692	1,980,514	2,303,727	2,389,565
Total Current Assets	3,567,046	4,215,414	4,872,213	5,582,654	7,868,477
Total Assets	21,067,046	19,215,414	17,372,213	15,582,654	15,368,477
Current Liabilities					
Accounts Payable	1,393,132	2,453,316	2,851,940	3,317,366	3,440,974

Income taxes payable	-	-	-	-	-
Subtotal Current Liabilities	1,393,132	2,453,316	2,851,940	3,317,366	3,440,974
Long-term Liabilities	19,025,000	15,025,000	10,975,000	6,075,000	-
Long-term Loan					
Net Liabilities	20,418,132	17,478,316	13,826,940	9,392,366	3,440,974
Capital and Reserves					
Owners Contribution					
Retained Earnings	648,913	1,737,098	3,545,274	6,190,288	11,927,503
Total Capital	648,913	1,737,098	3,545,274	6,190,288	11,927,503
Total	21,067,046	19,215,414	17,372,213	15,582,654	15,368,477
	-	-	-	-	-
PROJECTED STATEMENT OF CASH FLOWS					
CASH PROVIDED BY THE FOLLOWING ACTIVITIES					
OPERATING	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Net earnings	927,019	1,554,549	2,583,108	3,778,592	8,196,022
Depreciation	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Change in working capital accounts					
Accounts receivable	(2,113,451)	(252,512)	(276,822)	(323,213)	(85,839)
Inventory	(1,451,179)	(328,118)	(363,422)	(428,826)	(456,430)
Other assets	-				
Accounts payable	1,393,132	1,060,184	398,623	465,426	123,608
Income taxes payable	(278,106)	(466,365)	(774,932)	(1,133,578)	(2,458,807)

Total	977,416	4,067,738	4,066,556	4,858,402	7,818,554
FINANCING					
Repayment of long- term loan	(975,000)	(4,000,000)	(4,050,000)	(4,900,000)	(6,075,000)
Owners Contribution					-
CHANGE IN CASH	(975,000)	(4,000,000)	(4,050,000)	(4,900,000)	(6,075,000)
CASH BEGINNING OF THE YEAR	-	2,416	70,153	86,709	45,111
CASH, END OF THE YEAR	2,416	70,153	86,709	45,111	1,788,665
OPERATING COSTS	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Depreciation	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Operating profit	2,927,019	3,457,049	4,085,608	4,876,092	8,803,522
TOTAL	5,427,019	5,957,049	6,585,608	7,376,092	11,303,522
COST INVESTMENT STRUCTURE AT FULL CAPACITY					
Current assets	USD				
Working capital	2,173,913	1,762,098	2,020,274	2,265,288	4,427,503
Opening stock	1,451,179	1,703,692	1,980,514	2,303,727	2,389,565
Account receivable	2,113,451	2,441,569	2,804,991	3,233,817	3,690,247
Property and Equipment					

Long - term assets		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Depreciation	-10%	(2,500,000)	(5,000,000)	(7,500,000)	(10,000,000)	(12,500,000)
Total Assets		17,500,000	15,000,000	12,500,000	10,000,000	7,500,000
Current Liabilities						
Account payable		1,393,132	2,453,316	2,851,940	3,317,366	3,440,974
Income tax payable						
Owner's Equity						
Cash		2,416	70,153	86,709	45,111	1,788,665
Contributed asset value		21,067,046	19,215,414	17,372,213	15,582,654	15,368,477
Less Retained Earnings		(648,913)	(1,737,098)	(3,545,274)	(6,190,288)	(11,927,503)
Total		20,420,548	17,548,470	13,913,649	9,437,477	5,229,638