**Project Concept (Slaughterhouse & Meat Processing Plant)**

Livestock production is an integral part of the economy of Tanzania. In Tanzania, more than 37% (1,745,776) households are involved in livestock farming. In rural areas of Tanzania, Livestock farming complements agriculture income by converting crop residues, agriculture byproducts and wastes into milk, meat, skin, hides, manure and many others.

However, there is a huge shortage of hygienically slaughtered animals, in country, for meat both locally and internationally. This is complimented by a change in dietary habits leading to increase in daily consumption and usage of meat as a greater proportion of daily meal.

The export growth rate, in Tanzania, is quite poor compared to local market. In the year 2006-2009, Tanzania total meat exports stood at $909,090 compared to $3.6millions locally. Considering the demand of halal meat in Middle East, gulf, Europe and USA the Meat export is expected to be a significant contributor to Tanzania foreign exchange in the years ahead.

However, lack of international benchmarked and standardized slaughter and packaging facilities in Tanzania act as a severe constraints on entering and further developing these export markets. Hence the need to open this slaughter facilities in the country is a prerequisite and is proposed by EMICA.

The proposed Slaughterhouse would be set on modern ISO certified standards acceptable to import regulations prevalent in HALAL, Europe and USA, with an aim to provide hygienic meat product. The meet products will not only be for export but to raise the standards of the local industry as well.

It is planned that, the project will be situated about 7km from Kibaha town at Mtakuja Industrial areas located in Kibaha District, Coast Region. The Plant will have a capacity to slaughter 1,000 cattle and 4,000 goats per day in 16 working hours, making it one of the largest modern slaughtering facilities in the East and Central Africa regions.

The rendering facility will have capacity to process 115-tons of raw materials and the project will create more than 400 direct jobs and about 5 million indirect employments. The project will produce meat for selling to the foreign markets which in turn will render foreign currency to the country.

In order to make this project a reality, AMICA is looking for a capital estimated at US$15.9M which is about 80% of the total project cost. The breakdown of the total proposed project cost is as illustrated in the table below:

|  |  |
| --- | --- |
| **Equipment and processing** |  **Total US$** |
| land for Lairage | 750,000.00 |
| Site preparation and development  | 850,000.00 |
| Civil works, structures and buildings-import  | 350,000.00 |
| Civil works, structures and buildings-local  | 2,400,000.00 |
| Processing machinery and equipment  | 3,800,000.00 |
| Auxilliary and service plant equipment  | 3,030,000.00 |
| Trucks + Trailers local  | 500,000.00 |
| Env. Prot.: rendering and Waste Water Plant  | 1,750,000.00 |
| Supervision + Training  | 680,000.00 |
| Back up of supervision/training  | 275,000.00 |
| Local Installation  | 600,000.00 |
| CIF Costs  | 600,000.00 |
| Pre-Operation /Production expenditures  | 2,727,272.73 |
| Vehicle & trucks | 363,636.36 |
| Furniture & fixture | 136,363.64 |
| SAP and Business Automation  | 35,000.00 |
| Professional fee, Market dev and training | 272,727.27 |
| Office Equipment(tractor, forklift etc) | 272,727.27 |
| Contingencies  | 313,000.00 |
| **Total Capital required** | **$19,705,727.27** |

**The realization time is calculated to 6 months as shown in the time schedule below:**

|  |  |
| --- | --- |
| **Activities** | **Month** |
|  | April | May | June | July | August | Sept | Oct | Nov | Dec |
| Agreement & MOU |   |   |  |  |  |  |  |  |   |
| Planning & Manufacturing |  |   |   |  |  |  |  |  |   |
| Civil Works |  |  |   |   |   |  |  |  |   |
| Prefabricated building |  |  |   |   |   |   |  |  |   |
| Transport + installation |  |  |  |  |   |   |  |  |   |
| Commissioning + Training |   |   |   |   |   |   |   |   |   |

**Project Economics**

All the figures in this financial model have been calculated for estimated sales of **$6,893,111.75** in the year one as net profit. The capacity utilization during year one is worked out at 50% with 10% increase in subsequent years up to the maximum capacity utilization of 100%.