

BUSINESS PLAN

For the period ____1st /January /2024 to 31st December/January/2026__

Name of Business	Promoting the use of clean energy for sustainable palm oil extraction and sales of the products locally and for export.		
Year established	2023	Registration Number	552099
Submitted by	AVI Animal Feed Tanzania		
ID Number	19920408471010000116		
Address	P.O.BOX -Kigoma ,		
Email	Moniesimeo67@gmail.com		
Mobile Number	+255 620 823718		
Website			

1. EXECUTIVE SUMMARY

Innovation in palm oil extraction is a significant shift from traditional practices, focusing on techniques, such as the use of technologies like solar energy and LPG fueled devices. This shift can lead to a revolution in the industry and new standards for success. AVI Animal Feed Tanzania in Kigoma region is focusing on modern technologies for extracting palm oil and sales of the product while contributing to the green economy in the Kigoma region.

The company's vision is to promote continuous palm tree planting across several communities in the Kigoma Region through sustainable oil extraction using cleaner energy technologies. Palm tree farming is important in Kigoma and the world over due to increased consumption and demand for the palm oil in the export market given its cholesterol free properties.

The main objective of the AVI Animal Feed Tanzania, which is a privately-owned company, is to have a significant impact on communities by encouraging them to utilize alternative sources of energy such as solar energy or LPG in the process of extracting palm oil. By doing so, the project aims to not only provide local farmers with the necessary knowledge and information regarding the extraction process, but also to ensure that sustainable practices are implemented. It is important to note that palm trees themselves are considered to be eco-friendly products, further supporting the project's overall mission. Initially, the project will focus on promoting palm oil extraction among farmers who cultivate palm trees in the Kigoma district to start with 150 farmers in the region. This strategic decision is intended to attract potential buyers and consumers who prioritize environmental sustainability and personal health, ultimately resulting in various economic benefits for the region as a whole. By aligning itself with the Millennium Sustainable Development Goals (SDG), the project effectively addresses the issue of poverty alleviation, specifically in rural areas, while also enhancing the capacity and skills of the target population through the implementation of various capacity building programs. Overall, this innovative initiative will greatly contribute to the region's ongoing efforts to foster and sustain a thriving green economy.

2. Innovation in palm oil extraction using cleaner energy technologies

The process of obtaining palm oil from palm fruits involves several steps, including washing, boiling, straining, pounding, and boiling the juice. The first step involves cleansing the fruits, then placing them in a pot and heating it for 30 minutes. After boiling, strain the water and transfer the fruit to a mortar for pounding. The pounded fruit is then scooped out in batches and transferred to a pan with hot water. Gently squeezing the juice from the kernels is crucial, and additional water can be added to extract any remaining juice. The juice is then boiled, allowing the water to evaporate. The resulting palm oil can be used in various ways, such as cooking, skincare products, and as a fuel source. The process requires patience, effort, and attention to detail, but the end product is a versatile and nutritious oil. By deviating from traditional cooking of palm nuts to extract oil and embracing innovative methods such as use of the use of solar energy and LPG fueled devices for palm oil extraction, the initiative can provide valuable insights and guidance for both established farmers and aspiring growers, in value addition of their agricultural produce. These new methods have the potential to shape the future of palm tree cultivation in Kigoma different from the current practice and contribute to the overall advancement of agricultural practices in the region and country as a whole.

3. Company Description and Management

AVI ANIMAL FEED TANZANIA was established and registered in Tanzania by the Business Registration Licensing Agency (BRELA) on the 30th August 2023, as a sole proprietorship, specializing in the noble cause of addressing the increased respiratory health problems caused by use of firewood to extract palm oil. This specific project aims to focus on cleaner energy use for processing and sale of palm oil, while simultaneously contributing to the green economy in the Kigoma region. The proprietor of AVI Animal Feed Tanzania is Ms. Monica Simeo, an expert in the field of cleaner alternative sources of energy, with a profound understanding in using them for different purposes.

The company's vision is to encourage the use of LPG and solar energy within various communities in the Kigoma Region, as opposed to the conventional traditional methods.

This presents an opportunity for Tanzania, to gain access to the regional and international markets for its palm oil products. Additionally, the global market for palm oil has expanded due to increased consumption and demand for natural products, with Tanzania in Africa experiencing rapid growth in palm tree cultivation. Based on this trend AVI Animal Feed Tanzania wants to expand the palm oil sales in Kigoma for export by 20% from the current almost nil situation in the next five years.

The mission of the AVI Animal Feed Tanzania in this project is to promote the use of cleaner energy to extract palm oil, establish valuable connections within the industry, fulfill the consumer's need for healthy and uncontaminated palm oil, enhance the ability to export to different local and foreign markets, and utilize technology for gathering data, conducting analysis, and facilitating communication. AVI Animal Feed Tanzania is driven by the principles of integrity, reliability, commitment, involving all stakeholders, and working together as a team while pursuing our mission.

4. MY BUSINESS IDEA

Sustainable Palm oil production using cleaner energy technologies in Kigoma region

In the region of Kigoma, our company wants to see a strong drive to sustainable palm oil extraction, which involves the utilization of cleaner energy technologies to extract palm oil. These cleaner energy technologies are to be used in order to minimize the respiratory health problems impact of palm oil production using firewood, a move that will be carried out in a more sustainable manner. By using cleaner energy technologies, such as solar power and liquefied petroleum gas devices, the palm oil production process will become more energy-efficient and less reliant on firewood. This shift towards cleaner energy technologies not only will help to reduce greenhouse gas emissions, but also contribute to the overall goal of achieving a more sustainable and environmentally-friendly palm oil industry in Kigoma region.

OBJECTIVES:

- 1) Environmental Conservation;
 - i. Reduce deforestation and carbon emission associated with firewood use.
 - ii. Transition to cleaner energy sources for a more sustainable palm oil extraction process.
 - 2) Health Improvement;
 - i. Minimize health risks of the farmers and nearby communities by eliminating harmful emissions from traditional palm oil extraction methods of using firewood as energy source.
 - 3) Renewable Energy Integration;
 - i. Explore and implement the use of solar and wind energy for power palm oil extraction processes.
- .The project proposes a two-fold approach;

1)TRANSITION TO PLG:

- i. Introduce modern palm oil extraction machinery designed to run on LPG
- ii. Provide training to local farmers and workers on the use of LPG equipment.
- iii. Establish LPG distribution points within the palm oil production areas.

2)Renewable Energy Integration

- i. Install solar panels and wind turbines to generate electricity for palm oil extraction.
- ii. Develop energy storage solutions to ensure continuous operation during periods of low renewable energy production.
- iii. Implement efficient energy management systems to optimize the use of renewable resources.

4.1 Business Idea Description

Name of Business	Promoting the sustainable palm oil extraction in the Kigoma Region through use of cleaner energy technologies and sales of palm oil products locally and for export.	Year Established:2023
Type of Business	Manufacturer: Agribusiness Service Operator: AVI Animal Feed Tanzania Wholesaler: AVI Animal Feed Tanzania Other:	
The business produces/provides the following products/service	Palm oil, which is highly sought after by individuals within the local market for their consumption needs, as well as holding a prominent position within the export market, thereby establishing itself as an indispensable component of the agricultural industry, has become an integral and essential aspect of the agricultural industry due to its widespread usage and significance in both domestic and international markets. The byproducts, which are commonly known as palm kernels, are extensively used in the process of soap making, where these kernels play a pivotal role in enhancing the quality and effectiveness of the soap produced.	
Products and services respond to the needs for:	Health food in form of palm oil which is cholesterol free that is conveniently delivered to both local and foreign market customers in an eco-friendly manner.	
The business ensures its production and selling processes are green by:	Farming palm trees and using efficient oil extraction methods for local and international markets. The selling processes are optimized with environmentally friendly practices, aligning with green initiatives and reducing environmental impact. Sustainable strategies include using cleaner energy technologies, minimizing waste, and promoting recycling. This approach prioritizes environmental responsibility, corporate social responsibility, and ethical business practices, demonstrating a forward-thinking approach to preserving the planet for future generations.	
The customers are:	Local and international markets that are crucial for the global economy, serving as platforms for the exchange of goods, services, and resources. Local markets are geographically specific, while international markets involve transactions between countries. Both markets create opportunities for businesses and individuals to engage in economic activities.	
The business sells to customers in the following ways	AVI Animal Feed Tanzania will sell its services to influence the surrounding communities to use cleaner energy technologies while extracting palm oil from the palm nuts. The objective is to leverage the existing of local palm trees production to secure external markets for the palm oil produced in Kigoma. To expedite the initiative, AVI Animal Feed Tanzania will use effective project management, and environmentally-friendly practices. The company's primary focus will be to offer services to farmers who are ready to buy our services that will offer them a high return on their investment.	
The business satisfies the following needs for the customers and the environment	Palm oil plays a crucial role in fulfilling the needs of consumers who are actively seeking this exceptionally processed and purified form of palm oil to be used for their dietary needs, while simultaneously considering the impact it has on the environment and its sustainability.	
I plan to grow my business in the following ways	By increasing efforts made to influence a small number of farmers to start with in adopting cleaner energy technologies, but as time goes on, more and more farmers will come to realize the numerous benefits that these technologies offer, particularly in the production of high value palm oil.	
Other important information to know is:	The Kigoma region in Tanzania, possesses a myriad of environmental and geographical features, such as its fertile soil, abundant rainfall, and optimal temperature, all of which create the ideal conditions for the cultivation of palm trees and the production of high-quality palm oil	

4.2 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none">● Plenty of palm trees grown by farmers in the region● Close to local customers of pure palm oil● Fertile land for palm tree cultivation● Available agricultural Extension Services	<ul style="list-style-type: none">● Poor understanding of the needs of the export market● Lack of knowledge on cleaner technologies to process the palm oil● Lack of adequate funding procure machinery for cleaner energy sources to process the palm oil● Low market awareness on the value of agricultural products produced in country
Opportunities	Threats
<ul style="list-style-type: none">● Good understanding of the local market for palm oil● Investment in cleaner energy technologies for processing the palm oil● Potential for export market for the palm oil produced in the region	<ul style="list-style-type: none">● Variations in currency● Better supplies of the products from other countries such as Malaysia or west African states etc.● Various crop diseases of the palm trees in the region● Bad weather in country

5. MARKET ANALYSIS

Palm oil is the most widely consumed Edible Oil in Tanzania and its consumption is expected to further grow. It can be found in supermarkets and corner stores across the country. Palm oil, usually in form of Refined Palm Oil, is sold at a price point that is accessible to the majority of Tanzania consumers. According to recent reliable data, Tanzania imported 7,780 tons of Crude and Processed Palm Oil from Malaysia in June 2023. The retail price range in US dollars for palm oil is between \$ 0.45 and \$0.60 per kilogram.

The main local source of palm oil in Tanzania is Kigoma region where palm trees date back to the 1920s. Kigoma region accounts for over 65% of palm oil produced in the country, the remaining 35% comes from Kyela district, Mbeya region. During 2018/19 agricultural season for example, oil palm production was mainly recorded from five regions of mainland Tanzania. A total of 25,773 operators were engaged in oil palm production. The total area planted with oil palm was 9,742 ha of which 7,717 ha were harvested (79.2 percent of planted area with palm trees in the country).

Palm oil production in the Kigoma region, despite its historical significance and potential for economic growth, has faced a multitude of challenges and impediments throughout the span of the last hundred years, resulting in a notable decrease in its output compared to earlier periods. These challenges encompass a range of issues, including low levels of productivity, a lack of consistent investment, and the inefficiencies of market functions, ultimately resulting in private investors abandoning their farms due to the unpredictability of returns. It is precisely at this juncture that AVI Animal Feed Tanzania aims to exert its influence on farmers in Kigoma, urging them to adopt cleaner energy technologies and methods to produce high-value palm oil. In light of the competitive nature of the business, AVI Animal Feed Tanzania has devised a comprehensive marketing strategy that revolves around providing top quality service, offering fair and affordable rates to customers, and, of course, skillfully promoting their services.

5.1 Market Segments

The target audience for the promotion and education of the benefits of palm oil extraction services will primarily consist of local farmers residing in the Kigoma region, with a particular focus on women who predominantly engage in the practice of cooking palm nuts utilizing the traditional method of firewood, which unfortunately poses significant health risks such as respiratory health problems.

5.2 Competitors

The main competitors are countries that produce palm oil for export such as Malaysia. These are competitors at the export market while other regions in Tanzania that grow the palm trees such as Kyela in Mbeya and others are the competitors in the local market.

Market Analysis Template

Our Products	Our customers	When and how often does the customer, segment buy our services	Our Price	What Customers like about our products and services	Who are our competitors and facts about them
Product 1:	Palm tree farmers	At the time of processing the palm nuts	USD 1 per hour	Our services are available in vicinity	Other palm oil producing countries such as Malaysia

The target market for use of cleaner energy technologies to extract palm oil are the local farmers who surround us.

6. MARKETING PLAN

The marketing mix strategy that we will implement for our services will involve a holistic and all-encompassing approach that covers a wide range of components aimed at promoting and selling our services. This comprehensive approach will focus on raising awareness about the use of cleaner energy technologies specifically in the extraction of palm oil. By utilizing various marketing techniques and tactics, we will strive to create a strong presence and visibility in the market, effectively reaching our target audience and communicating the benefits of adopting cleaner energy practices in the palm oil industry. We understand the importance of educating consumers and stakeholders about the advantages of utilizing sustainable and environmentally friendly methods for palm oil extraction, and our marketing mix will reflect this commitment by incorporating strategies that emphasize the positive impact of cleaner energy technologies on both the environment and the overall quality of palm oil products. Through a combination of advertising, public relations, promotions, and direct marketing efforts, we aim to not only generate awareness but also encourage the adoption and usage of cleaner energy technologies in the palm oil sector. This approach will help us establish ourselves as a trusted and reliable provider of sustainable energy solutions, for sustainable palm oil production, ultimately contributing to the overall growth and success of our business.

Overall Marketing Strategy:

The major objective of AVI Animal Feed Tanzania in this regard is to communicate the benefits of its products being offered. The approaches being undertaken will include the following:

- ▣The AVI Animal Feed Tanzania management advertises the business services in the print and electronic media
- ▣The AVI Animal Feed Tanzania will conduct advertising campaigns as a marketing strategy for the farmers.
- ▣Encouraging referrals by making use of former clients who made business previously as advertisers to bring in new clients.

The establishment of effective public relations between clients and employees of AVI Animal Feed Tanzania will facilitate the achievement of this objective. The company will need to excel in its staffing practices in order to accomplish this. The employees must possess a friendly and helpful conduct, as well as a keen attention to detail and strong organizational skills. These qualities will contribute to enhancing the reputation of AVI Animal Feed Tanzania and its services.

7. PRODUCTION AND SALES PLAN

Palm oil extraction using cleaner energy sources can only be possible if we encourage the community to embrace quality palm oil products as a path towards the green Cover.

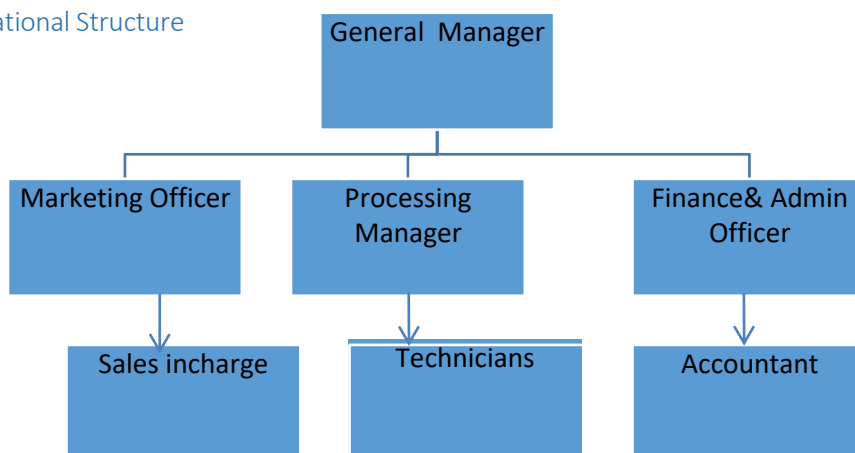
AVI Animal Feed Tanzania will partner with local farmers who wish to add value for their products in order to provide them with high-value markets for their palm oil. The company will provide comprehensive training on cleaner energy technologies use. The company will aim to serve 150 farmers in each quarter of the year.

8. ORGANIZATION AND REGULATORY COMPLIANCE

The high levels of investment and operating capital required in the service of the first 150 palm oil producers, along with the intensive nature of production of palm oil requires a high degree of management; and attention must be paid to monitoring the health of the business. At the AVI Animal Feed Tanzania we will have two types of labor categories required i.e. skilled and semi-skilled or unskilled. Skilled labor will include, among others, technicians of various skills and a Processing Manager. AVI Animal Feed Tanzania will employ staff of profound experiences in their areas of expertise, namely one Production Manager, one Chief Technician one Finance and Administrative Officer, one Marketing Officer and other personnel.

Below is an organogram showing management and AVI Animal Feed Tanzania employees are structured.

8.1 Our Organizational Structure



Tasks and Responsibilities	Responsible person and Position	Relevant Skills and experience
1. Have a general understanding of the day to day activities related to palm oil extraction 2. Give clear direction and strategies on how to implement the project, 3. Monitor the performance of all the direct staff under him/her; coach, direct, and where necessary take disciplinary actions.	General Manager	Graduate from an Agricultural University/Institution
1. Responsible for the palm oil crops farming activities	Processing Manager	At least a University degree/Diploma in seed oil

in the farm. 2. Provide technical expertise on the palm oil production channels to ensure that targets are met. 3. Produce a seasonal forecast plan for palm oil extraction		extraction
1. Responsible for all accounting issues related to AVI Animal Feed Tanzania farm. 2. Record and maintain all financial reports on day to day basis. 3. Apply the purchase and general store keeping structure and if not in existence, propose the structure, get it approved and put into practice. 4. Prepare the income and expenditure report and submit the same to the General Manager on weekly basis.	Finance and Administrative Officer:	At least a Bachelor's degree in Business Administration
1. Responsible for developing, implementing and executing strategic marketing plans for AVI Animal Feed Tanzania in order to attract potential customers and retain existing ones	Marketing Officer	At least a bachelor's degree in Marketing

The rest are the supporting staff to the above responsible staff. AVI Animal Feed Tanzania as a sole proprietor company will pay 20% personal tax to the government. AVI Animal Feed Tanzania will of course need a trading licence.

8.2 Legal responsibilities and Insurance

The following Taxes Apply to the Business: 1. <u>Trading licence</u> 2. _____ 3. _____	The business is currently paying the following taxes: 1. <u>Personal income</u> 2. <u>Trading licence-annual</u> 3. _____
--	---

The following regulations apply to the employees: 1. HR policy _____ 2. Social benefits _____ 3. Workers Compensation Fund _____	The business is observing the following regulation for employees: 1. HR policy _____ 2. _____ 3. _____
The following licenses and permits apply: 1. _____ licenses from Municipal 2. _____ Tax clearance 	Business has the following licenses and Permits: 1. Trading _____ 2. _____
The business is insured for the following: 1. Theft _____ 2. Fire _____ 3. _____	Other legal responsibilities of the business: 1. _____ 2. _____ 3. _____

General comments on legal compliance of the business

AVI Animal Feed Tanzania is a legally registered sole proprietor company with registration No. 552099 issued on the 30th August 2023

AVI Animal Feed Tanzania pays personal taxes to the government and can obtain any legal trading licence from the business it wants to get into. It is legally bound to sue or be sued

9. COSTING AND PRICING

AVI Animal Feed Tanzania will charge competitively priced awareness creation services. The selling strategy is to index the pricing against the well-known and existing services prices in Kigoma. In general, it is usually fairly easy to compete in all business in terms of prices, but AVI Animal Feed Tanzania will not structure its pricing to drive away its customers or cripple its project. What will set us apart are the provision of quality services. The project will charge \$1 per hour of service.

10. FINANCIAL PLANNING

10.1 Sales Plan

There is only one source of income from the project namely awareness creation on the use of cleaner energy technologies to extract palm oil from palm nuts.

Sales Income from awareness creation on use of cleaner energy technologies	USD
No of farmers introduced to cleaner energy technologies per quarter of a year	150
No of hours attended per farmer per week	2
No of weeks for palm oil extraction in a year	12
Price per hour in usd	1
Total Annual palm oil extraction services in USD	3,600

10.2 Profit Plan

The AVI Animal Feed Tanzania palm oil extraction services profit plan aims to optimize financial performance, increase profitability, and drive business growth. Key strategies include revenue diversification, operational cost analysis, and advanced technology use. The plan also includes a detailed analysis of the palm oil market, identifying trends and future demand for production and marketing strategies. It also addresses social and environmental issues, focusing on sustainable agricultural practices and corporate social responsibility, ensuring the well-being of employees, local communities, and the environment.

10.3 Cashflow Plan

A Cash Flow Plan is a forecast of how much cash our company will expect to come into and go out of our business each month. It helps us to make sure our business does not run out of cash. This is because our business sometimes does not receive cash for sales. Some clients might have payment terms. In some instances, our business might need to make advance payments e.g. Licenses etc. When we invest in equipment our business might need to pay large sums of money.

11. REQUIRED CAPITAL AND SOURCES OF CAPITAL

In this aspect the project will need LPG fueled devices and solar energy equipment for demonstrating to farmers and ultimately sell them off to interested farmers who realize the benefits of owning the equipment. The project shall need a working capital of at least six months to start after which period the project will start generating income from its services provision. The estimated Investment required start-up capital is as shown below:

Project Investment	
Initial Solar energy and LPG fueled devices	10,000
First six months staff salaries and operational costs	10,588
Contingency Fund	5,000
Total Investments funds needed	25,588

Our project is centered around the awareness creation on use of cleaner energy technologies to extract palm oil therefore a modest start capital as shown above is needed by the project. AVI Animal Feed Tanzania is asking for this Capital Investment of \$ 20,588 to realize its goals.

12. Conclusions and Recommendations

Through careful consideration of multiple parameters, including the social potential gain for both existing and potential palm tree farmers in Kigoma region, it is highly recommended that the promoters be provided with the requested fund. By thoroughly evaluating the various factors at play, such as market demand, financial feasibility, and community impact, it becomes evident that supporting the promoters financially will not only benefit them directly, but also have a positive ripple effect on the local economy and social fabric. Therefore, in order to foster sustainable agricultural practices and empower local farmers, it is imperative that the necessary funds be allocated to assist the project in its pursuit of palm oil extraction using cleaner energy technologies.