



B U S I N E S S P L A N

Easy Egg

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General Business Description

What business will we be in? What will we do?

Egg Processing business. Easy Egg Processing focuses on the strategy of value addition and/or Egg loss management of low demand egg produce like extra small eggs and extra large eggs through Egg white separation from the yolk to produce liquid egg products that include liquid egg white, egg white powder and separate Yolk. These products will be called EASY-EGG.

To whom will we market our products?

Easy Egg Processing will initially target a Niche market as a health promoting product to people on a diet, people with high blood pressure, people with heart disease problems, athletes who require high protein food source in their diet and the backing industries who already do egg separation and require liquid egg white and separate yolk in bulk for their production line.

Description of our industry. Is it a growth industry? What changes do we foresee in the industry, short term and long term? How will our company be poised to take advantage of them?

Liquid Egg production from other industries in the global market is a growing industry as the customers realize their health benefits and ease of use. Due to the imposed importation ban on locally available goods in Zimbabwe, the reliability of local products will increase.. Moreover this effect will rather make our company the sole supplier of Easy Egg in the nation. It will also increase pressure on our company to produce quality and state of the art goods that will not make the import deficiency impact felt in the market.

Our most important company strengths and core competencies. What factors will make the company succeed? What do we think our major competitive strengths will be? What background experience, skills, and strengths do we personally bring to this new venture?

Our company though it's at its verge of emerging will offer a totally new product in the market one which has not been seen in Zimbabwean shelves. Our strength is that we are not afraid of spreading our wings into new things and we aim to offer the best quality of the product there ever was. Our company does not only aim to be a local supplier of easy-egg but to reach out and invade the Continental market. Easy Egg is mainly based on the health promotion of our customers which will always be a major concern for every citizen to be conscious of their health, this however will be the back bone of our existence and success. It will also be based on value addition of egg breakages, low demand extra eggs and small eggs. Converting them into products with more demand based on the application. The value addition strategy is the market strategy strength to poultry egg producers for partnerships.

Easy Egg will bring a product in the market which has a global market effect and does not only influence the local market but also the supply market in the southern region and Africa as a whole. Since we are a partnership company our major competitor will be the normal eggs which our partners will be producing hence in actual fact our products will be competing against themselves in the market.

Legal form of ownership: Sole proprietor, Partnership, Corporation, Limited liability corporation (LLC)? Why have you selected this form?

Our company is a Partnership based company. As a sole company, Easy-Egg Processing does not have a poultry running business to supply the eggs for easy-egg products. Partnering with a company that already produces eggs into the market would be advantageous and would reduce capital costs and will also improve branding and acceptance of the product in the market as it would possess a brand name which consumers are familiar with and which consumers trust. Easy Egg focuses on the strategy of value addition of egg breakages and low demand egg produce like extra small eggs and extra large eggs hence partnership based on breakage and loss statics of companies would provide a greater raw material surface for the company.

Mission, Vision & Objectives

Mission statement

We aim to provide a sustainable Value Addition of Off-grades and Loss Management of Eggs from production, handling, retail up to consumption stage across the whole Nation. We are committed to producing & marketing nutritious liquid egg products at lowest costs to customers in and around Zimbabwe.

Business Goal

Egg white separation from the yolk to produce egg white products that include liquid egg white, egg white powder and separate Yolk. These products will be called EASY-EGG because they are easier to use than the normal eggs.

Easy Egg is based on value addition of egg breakages, low demand extra eggs and small eggs. Converting them into products with more demand based on the application. Easy Egg production is an Egg loss management scheme aimed at reducing egg losses through value addition of the egg loss. Easy Egg products also provide easy storage products which then reduce percentile losses through expiring of eggs.

Objectives:

Short term (current year):

- Registration of Easy Egg as an SME
- Achieve first cycle (18 months) sales of above USD \$486 000.
- Establish strategic relationships with 3 major egg producers in Zimbabwe in the first year
- Establish strategic relationships with 15-20 supermarkets in the first year
- To expand after the first financial year to double processing capacity till maximum potential is reached
- Fully functional small to medium scale egg processing plant to produce liquid egg and powdered egg.
- To penetrate the local market across all market sectors with egg off grade value addition from egg manufacturers, retailers to egg consumers including industries
- To provide ISO certified products in the market with preferred storage capacity and health benefits as desired by consumers

Medium term (next 1 – 2 years):

- To expand the value addition of egg off-grades program to several egg producers as Easy Egg partners
- To return capital injected and start recording double profit margins
- To start experiencing growth margins in demand and acceptance of the product in the market

Long term (3 years and beyond):

- To expand the program to egg processing of graded eggs to provide liquid egg and powdered egg
- To look into exporting the liquid egg and powdered egg and compete with regional suppliers of liquid and powdered egg on the basis that our eggs provide more organic nutrients due to STP measures placed by government from GMOs.
- To have a standalone Easy Egg poultry farm

Start Up Funding:**Description how we will use the intended Start Up Funding and how it will help to achieve these objectives:**

The start-up loan will serve as the initial capital for Easy Egg which will be used to purchase the egg processing machines for the small scale egg processing plant, company registration process as an SME, plant site construction, initial labour costs for a year, packaging and branding of easy egg liquid and powdered egg. The start-up loan will be the initial kick start of Easy Egg which will help Easy Egg to start operating as an SME and later on expand due to profit generation and start looking into exports.

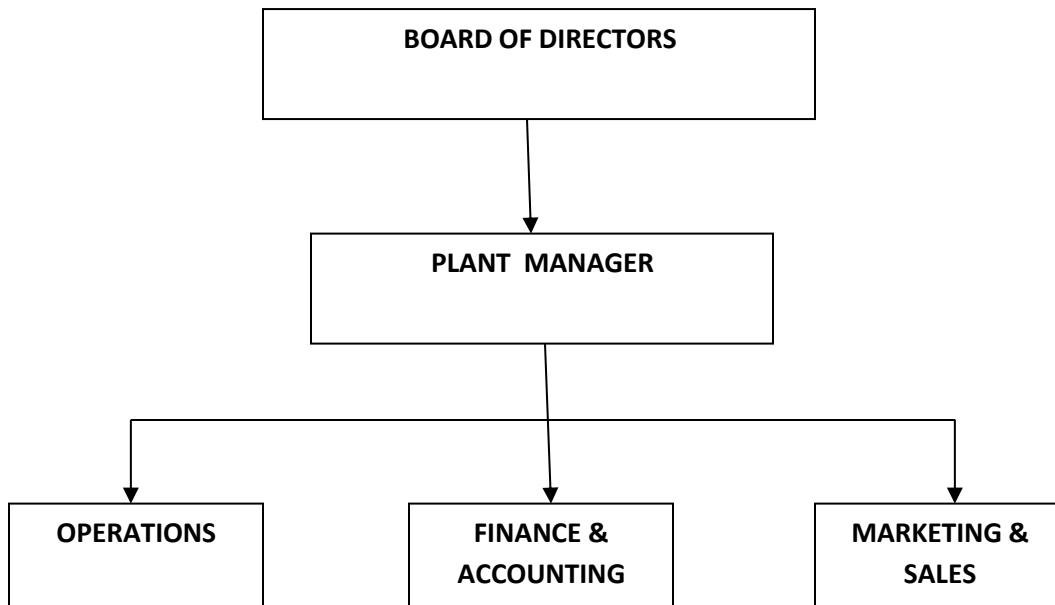
Vision Statement:

To be the leading producer of Liquid Egg in Zimbabwe

Core Values:

- **Customer satisfaction**
- **Commitment to achieving results**
- **Sustainability**
- **Corporate Social Responsibility**
- **Employment Creation**
- **Innovation**
- **Integrity**

Company Structure



Board of Directors

The board of directors' key purpose is to ensure the company's prosperity by collectively directing the company's affairs, whilst meeting the appropriate interests of the owners of the company. They determine the company's vision and mission to guide and set the pace for its current operations and future development.

Plant Manager

The duties of the Plant manager will include:

- Staff management, supervises and coordinates activities of workers engaged in all plant operations loading, processing and packaging and assigns workers to duties
- Prepares maintenance and repair schedules of facilities and equipment
- Trains new workers

- Day-to-day operational decisions
- Business planning and operations, strategic planning, business management
- Responsible for ordering and purchasing plant tools and equipment
- Whole plant planning and management

Finance & Accounting

The duties will include:

- Giving employees their salaries
- Prepare, examine, and analyze accounting records, financial statements, and other financial reports to assess accuracy, completeness, and conformance to reporting and procedural standards.
- Analyze business operations, trends, costs, revenues, financial commitments, and obligations, to project future revenues and expenses or to provide advice.
- Develop, maintain, and analyze budgets, preparing periodic reports that compare budgeted costs to actual costs.
- Compute taxes owed and prepare tax returns, ensuring compliance with payment, reporting and other tax requirements.
- Work with buyers and suppliers, costing, ordering and paying for equipment and supplies

Sales and Marketing Staff

The roles of the sales and marketing staff will include:

- Marketing and transporting of products
- Selling the company's products
- Finding new customers for the company

Operations

Our company will employ people who will be taking care of the plant operations for egg production. Other duties will include:

- Loading of eggs, plant machine operation, packaging and storage

Products and Services

Description in depth of our products or services (technical specifications, drawings, photos, sales brochures, and other bulky items).



Easy-Egg products will offer:

Liquid egg-white

Powdered egg-white

Ready-Yolk

Dry Yolk

Healthy Egg Mixture

Healthy-egg: a mixer of egg-white liquid with a low percentage of the egg Yolk to reduce fat content.

Products

In the *Products and Services* section, we will describe our products and services as we see them. Now we describe them from our customers' point of view.

Liquid egg White 1:

Description of the most important features what is important about it!

Purely egg white with no York.

Cholesterol free

Description of benefits, what the product will do for the customer

Easy to prepare and ready for use for the targeted bakery market and body builders.

Reduces labor of separating York from egg white for large scale production

Has no cholesterol content rather more protein than fat. Longer shell life.



Powdered Egg 2:

Description of the most important features what is important about it!

Easy storage and long shelf life

Easily be hydrated and used as normal fresh eggs

Description of benefits, what the product will do for the customer

These eggs are dehydrated and turned into an easy-to-store **powder**. In fact, many restaurants prefer to use **powdered eggs** over fresh **eggs**, mainly because when compared to buying fresh **eggs** in bulk, **powdered eggs** are far **cheaper** and have a much longer shelf life.



Healthy Egg mixture 3:

**Description of the most important features
what is important about it!**

Similar to a fresh egg regardless of the reduced York content

Long shelf life

**Description of benefits, what the product will
do for the customer**

Low fat (Cholesterol) content due to reduced York content in the mixture.



Ready York 4:

**Description of the most important features
what is important about it!**

Produced as per customer request

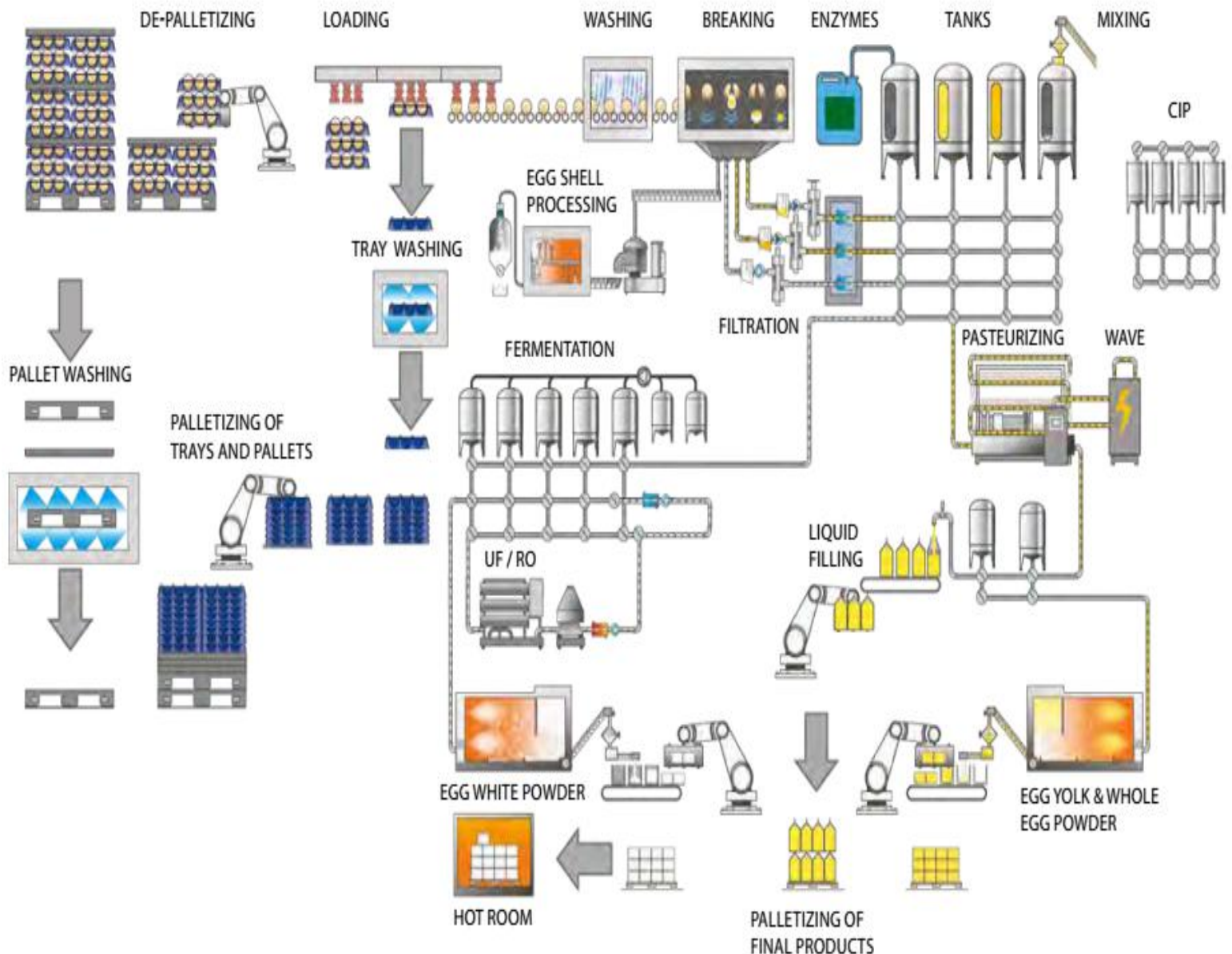
**Description of benefits, what the product will
do for the customer**

Mainly targeting Mayonesse producers who use york in creating their products.



Technical Specifications: How these products will be made.

The process of creating valuable industrial egg products requires highly specialized equipment, skilled production workers, and knowledge of market requirements.



Egg Breaking and Separation



The different sizes and qualities of eggs requires highly specialized equipment. A second requirement for today's manufacturer is separation of the yolk from the albumen. The demand for specialized egg products is increasing and the foundation for this is clean

albumen and dry yolk. Clean albumen and dry yolk with a low bacteria count are the basic ingredients for producing premium value-added products. This is true whether you are pasteurizing or spray drying your standard or specialized products.

Why Invest in an OptiBreaker PLUS?

Eggs are a high cost raw material, and in order to be competitive it is vital to extract as much as the valuable liquid as possible. This means that every single egg must be carefully broken, drained, and separated, leaving the egg shells as dry as possible.

The OptiBreaker PLUS has been developed to create the optimal solution with the highest capacity and yield in the industry. No matter the size or quality of the egg, the OptiBreaker PLUS will break the shells without cutting the egg yolks, allowing the shells to drain and separate the valuable liquid for the longest time. The result is yolk with the highest possible dry matter content and crystal clear albumen.





No Loss of Products (Higher Yield)

Due to a special design of the OptiBreaker, it is possible to reach an optimal draining time for each egg to reach a higher yield.



Automatic Cleaning System

The OptiBreaker is the only breaking machine originally developed for CIP cleaning. All internal parts of the OptiBreakers are cleaned by a large number of CIP nozzles, ensuring a perfect cleaning each time, and reduces the costs for water, chemicals and labor.



Quality of Separation

The OptiBreaker is equipped with a separation cup, which is unique in its shape and material. The albumen and yolk slide gently down into the separation cup, ensuring that the fragile yolk remains intact. This gives a high-quality and clean product.



Small Footprint

The OptiBreaker provides more capacity per square meter, as the emptying of the cups takes place during the return run of the separation cups.



Reduced Consumption

The OptiLine is optimized to consume less energy due to minimized weight of moving parts and the use of low friction bearings.



Easy Maintenance - Reduced Downtime

The OptiBreaker is designed with as few and as easily replaced mechanical parts as possible for easy maintenance and reduced downtime.



Liquid Egg Processing

The structure and composition of the eggshell forms a perfect shield to protect the liquid from getting in contact with the environment. However, once broken, it is extremely important to treat the liquid egg in a safe and hygienic way to avoid any kind of contamination. Therefore, it is extremely important that every detail of a liquid egg processing plant is carefully designed in order to produce safe and good products. Any human intervention should be reduced to the minimum to avoid mistakes and undesirable operations.

In all egg processing plants the liquid egg product must undergo the following processes:

- Filtering
- Cooling
- Storage and standardization (enzymes and ingredients)
 - Pasteurization
 - Final product storage
 - Filling
 - Packaging
- CIP for the entire lines

Liquid Raw Product

Immediately after breaking the yolk, albumen, and whole egg must be filtered and cooled. It is recommended to filter all raw products before cooling as cooling will increase the viscosity of the product making the filtration more difficult. At the same time, tests have shown that filtering immediately after breaking does not affect the bacteria count or increase the risk of contamination.



Receiving Of Products

The liquid product from the breakers is collected by gravity in special collecting vats equipped with an internal filter and a level control.

The construction has an inclined bottom, made of stainless steel and can be connected to every size egg processing plant. The finishing of the internal surface ensures an excellent cleaning of the vat, and a complete lid prevents any contamination from the external environment.

Continuous liquid level control is an alternative solution to the collecting vats and provides the following benefits:

- ✓ *If capacity is changed on the Breaker, adjustments are controlled (flow control).*
- ✓ *The level control ensures a more continuous flow, thereby improving cooling conditions.*
- ✓ *No manual cleaning is required as with the vats.*
- ✓ *The system can be placed very close to the breaker (compact design).*
- ✓ *There is a minimal risk of bacterial contamination due to a protected environment.*

Cooling of Egg Products

To keep the growth of bacteria at a minimum, the raw egg products must be cooled to a temperature below 4.0° C as quickly as possible.

Bear in mind that as long as the product is kept at room temperatures or higher, the bacteria are growing exponentially. Cooling of egg products is usually done using plate coolers that ensure a compact footprint and reduced product pressure drop along with a high cooling efficiency.

The special design of the SANOVO Plate Coolers secures a correct flow rate and an efficient cleaning in place. The automatic cooling media control is also very important for the best efficiency avoiding problems with freezing the product.

All coolers have been specially designed to keep the freezing of products to a minimum while at the same time being equipped with CIP for optimal cleaning with a minimal consumption of water.

- ✓ *High efficiency cooling*
- ✓ *Complete inspection ability*
 - ✓ *Reduced footprint*
 - ✓ *Future expansion*

Standardization of Egg Products

In the production of egg products, whether it is liquid or powders, the raw material must be standardized within defined specifications.

The purpose of standardization is to obtain the same balance between different parameters like:

- Water content/dry matter
- Fat
- Protein
- Carbohydrate
- pH

The challenge is that the raw material differs in origin, quality, and composition and that the proportion of yolk to egg white changes from batch to batch.

Egg white, egg yolk, and whole egg have different compositions when it comes to the above parameters. In an industrial production, egg white or egg yolk will never be 100% pure while the composition of whole egg will depend on the ratio between yolk and egg white. For industrial production the parameters of the final products must be defined and strictly controlled, and that is why standardization after breaking and separation is required.

Yolk

Yolk should have as high a dry matter as possible, but due to differences in raw material, production speed, etc. a standardized average needs to be set which could be 44% dry matter. The level is adjusted with either whole egg, egg white, or yolk with a different dry matter.

Whole Egg

Whole egg must be standardized to a specific dry matter content, in order to maintain the correct ratio between proteins and fat coming from yolk and egg white. The adjustment must be done with yolk or egg white.

The dry matter level is adjusted with either whole egg, egg white, or yolk with a different dry matter.



Liquid product handling

Pasteurization

After breaking the egg into whole egg or separating the yolk from the albumen, the egg must be filtered cooled and if necessary mixed with salt or sugar to match the need of the end-user. In order to maintain a superior quality and secure a long shelf life it is vital to keep this process as clean and cool as possible. With the patented automatic filter systems in combination with a specialized know how on plant design, SANOVO is able to supply installations which will meet the hygiene requirements of today as well as tomorrow. SANOVO Pasteurizers are specially designed for the egg processing industry and are available with either plate and/or tubular heat ex-changers. A gentle handling and accurate temperature control are two of the key elements that have been optimized in the pasteurizer to ensure highly efficient pasteurization and achieve a high-quality output. The challenge of pasteurizing is first of all to achieve as long a shelf life as possible while at the same time maintaining the unique product properties of the egg and supplying the specialized products which will match the needs of your customers. The product properties must be secured Irrespective of whether standard whole egg or specialized salted or sugared products are pasteurized. From the wide selection of different modules the pasteurizer is customized to match specific requirements with regard to the raw material fed to the pasteurizer and the requirements of the customer. All SANOVO pasteurizers are built in accordance with the EC rules or USDA or CFIA, depending on the country of destination.

Liquid product handling

Effective, small scale plant capable of producing pasteurized egg products of a quality equal to that of large processing facilities.

SANOVO TECHNOLOGY GROUP design and build processing solutions for some of the largest egg processing factories in the world. The pasteurization of egg products is energy consuming and requires the staff to have special training. However with the SANOVO Streamline it is now possible for small scale liquid plants to produce the same high quality of finished egg product as the large processing facilities. At the same time it only requires little training for the staff to operate the plant.

The SANOVO Streamline is ideal for small producers like layer farms or grading/packing stations that want to further process off grades into safe, convenient pasteurized egg products.

For existing egg processing plants the SANOVO Streamline is ideal as a secondary line suitable for running special products like organic products or products with enzymes or additives.

- ✓ “Plug and Go” concept for fast and simple installation
- ✓ Small footprint
- ✓ Self-cleaning, with built in CIP
- ✓ Connect to a SANOVO Breaker and Filling System



By- Products Handling



Eggshell Processing

Reduce your Cost of Waste Treatment

The egg shells from the egg breaking machines containing a minimum of liquid egg are normally considered a waste product that must be paid for, for disposal. With the right treatment of the egg shells, the cost for disposal can be avoided.

From the breaking machine the empty egg shells are conveyed to a centrifuge, separating the remaining egg liquid from the shells and reducing the size of the shells, and thereby the volume.

The recovered liquid can be used for animal feed, but also the shells can be used as fertilizer or animal feed, if they undergo a drying process for decimating of the bacteria amount and extending the possible storage time.

What factors will give us competitive advantages or disadvantages? Examples include level of quality or unique or proprietary features.

Our products will have organic nutrient content since most of Zimbabwean poultry producers are organic based and also since the government policies do not require GMO (Genetically Modified Organisms) food stock for livestock feeds. Organic products are on demand across the continent and world at large for their organic nutrient content which will make easy egg more competitive on the global market. The processing of the Easy egg mostly involves preservation for long shelf life which however does not reduce the organic content percentage. The machine proposed to be used for the egg separation process is of high quality and provides hygiene based processing.

Liquid egg whites have various health benefits. One of many major advantage liquid egg whites it does not contain any cholesterol. All of the cholesterol is present in the egg yolk. Egg whites are a rich source of folates, selenium, calcium, magnesium as well as phosphorus. The particular large protein content within egg whites will assist the entire body not simply to develop lean muscle. Moreover, it also helps to reduce weight by burning fat. One of the most versatile ingredients used in today's food production is eggs. By breaking and separating the egg, you can turn your consumer eggs into highly valuable pasteurized liquids and/or dried egg products suitable for an endless number of industrial uses.

Reasons to try liquid egg whites

1. The liquid egg whites are pee-separated from the yolks, which is a convenient way to consume egg white without any hassle of cracking eggs.
2. The liquid egg whites have 5-months shelf life at room temperature. You can store egg white in the fridge without any fuss.
3. The liquid egg whites are the purest form of the protein. It contains low carbs and fats as compared to a stranded egg.
4. They are easily absorbed in the body and none of the amino acids going to waste.

Vitamin and Mineral Content

The both liquid egg and cooked egg are rich sources of vitamins and minerals such as vitamin D, vitamin B-12, and phosphorus. There is a slight difference in the liquid egg and raw egg. For instance, one liquid egg contains 99 milligrams of phosphorus, while a cooked egg contains 86 milligram.

Operational Requirements

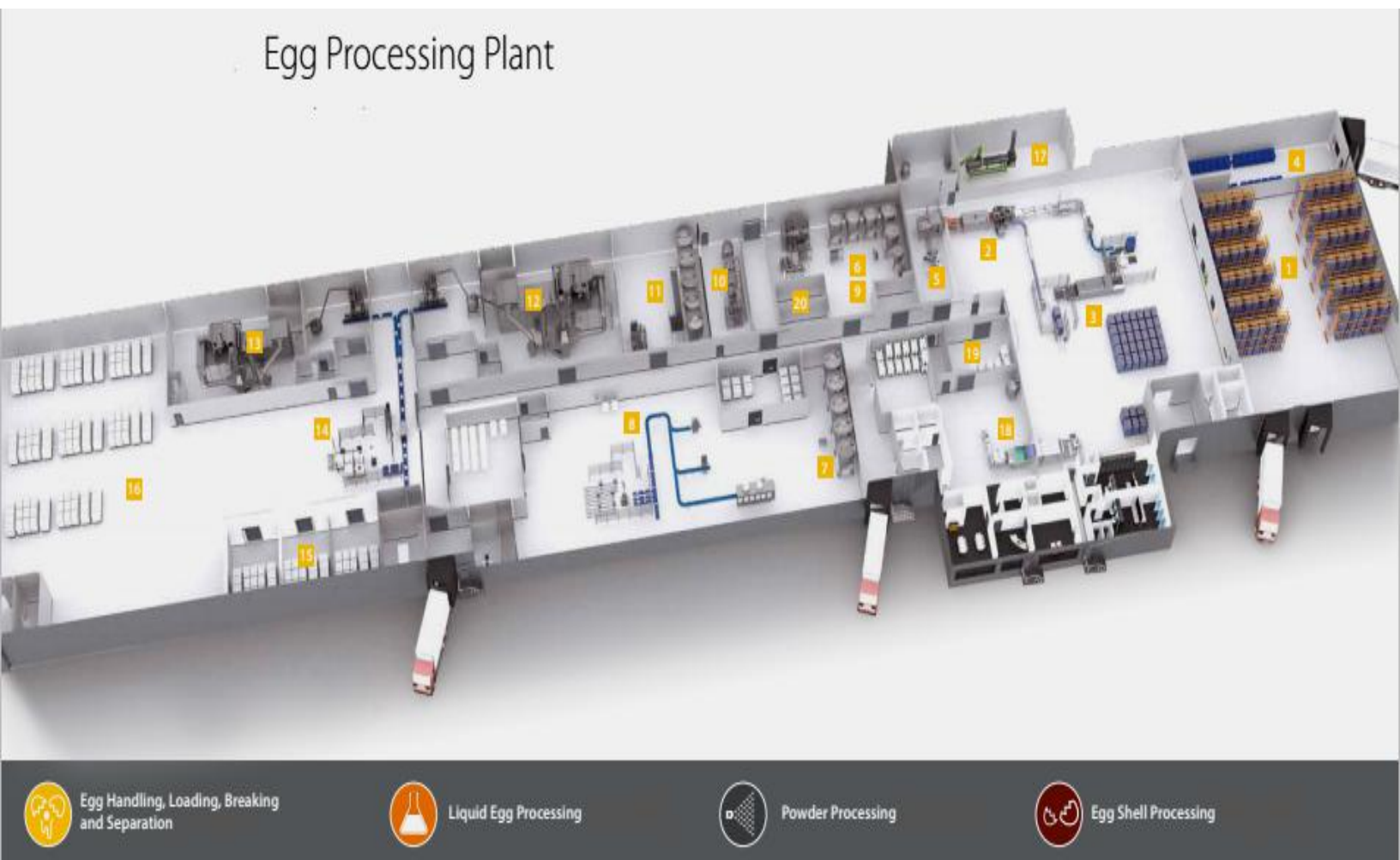
Pre-Operation Planning

Prior to the layout and plan of the Easy Egg plant it is of paramount utility for Due diligence to be done with the intended machinery supplier and other companies doing egg processing in the region and world at large. That is visiting:

- ❖ *Sanovo Group of Technologies (Machinery Supplier)*
- ❖ *Ready Egg South Africa (Large producer of Liquid Egg in South Africa)*
- ❖ *Innovo (Small Scale Egg processing company in central America using streamline technology)*

Production systems

This business plan will focus on having a compact automated plant for egg processing i.e using the streamline plant.



Systems Design

The business will require a building space that can occupy the streamline plant including storage space for processed egg products and eggs to be processed.



Location Options

NRZ Goods Shed warehouses under lease. These premises are well guarded and secure. They also charge rentals, electricity and water in the local currencies which would be an added advantage to the company. The location will make us work under professionalism.

Transportation

Our location should be road accessible for ease of transportation of raw materials and road link to the market.

Alternatives: We are planning to use rail transportation as we start to reduce transport cost and also avoid inconveniences on fuel shortages. We will device a packaging mechanism for eggs which is rail friendly with minimum to none breakages upon transit.

Infrastructure

Electricity/Gas: It is essential to establish an egg processing plant where electricity or gas is available. Electricity or gas is needed for providing light, heat and to run machinery.

Telephones/ Network Coverage: Telephone is a vital means for marketing the product to the current or potential consumers wherever they are located.

Roads: It is advisable that an egg processing plant should have good and easy access to tarred or gravelled roads for easier distribution of products. In addition, it will enable the producer to transport inputs and outputs to and from the plant.

Market: Accessibility and availability of markets within the vicinity of the project is very crucial for the success of the project.

Operational Strategy

Operational plans

Easy Egg will depend on Raw Materials which are the egg off-grades from Egg producers and Retailers. Below are the intended Raw Material suppliers which Easy Egg intends to engage for supplies or and or partnership.

Intended Supplier / Relationship 1: (Off Grade Supplier)

Organization: Egg Producers Irvines (One of the largest Egg supplier in) Zimbabwe Sable	Intended Relationship : Big Egg producers have the largest Cumulative Egg Losses when all factors are considered that is from production and handling. Large Producer of Eggs do require Egg loss management and Easy Egg intends to provide this solution through egg processing and value addition of off-grades
Service provided: Off-Grade egg supplier, supplying extra large and small eggs.	Key terms of the relationship: The intended partnership in summary includes Easy Egg receiving off-grades from Irvines at an agreed cost depending on the partnership closure terms. Easy Egg would process these eggs producing liquid egg products at agreed terms

Intended Supplier / Relationship 2:

Organization: Egg Retailers Supermarkets : OK, Pick and Pay etc Tuckshops	Intended Relationship: Egg retailers face significant losses on sales for eggs with close expiry dates. These eggs either are returned to supplier or become a loss. Easy Egg loss management scheme can reduce the losses involved by processing the eggs to offer more shelf life of the products thus value addition
Service provided: Supplying eggs with one week left of shelf life	Key terms of the relationship: Easy Egg intends to have an agreement with retailers to buy these eggs at cheaper prices as off grades or rather have an agreement of supply of these eggs with a shared profit on the value added products. The terms will depend on the retail closure agreements.

Other operational considerations:

Staff Employment and Staff compliment

Easy Egg intends to employ staff for its day to operations, packaging and plant maintenance. Easy Egg intends to make much of the work automated and air tight to avoid contamination through human interaction.

A. Number of staff Easy Egg intends to take on in the next 12-months?

Full time: 3

Part time: 2

Description of key responsibilities and skills anticipated to be given to new staff:

Responsibilities:

Plant Operator: Responsible for Plant System automatic operation from egg separation to pasteurization

Loader Handler: Responsible for egg loading to initial intake point for breaking.

Package Handler: Responsible for liquid egg packaging and stocking

Training

Sanovo Training on equipment operations after installation of plant as part of installation requirements.

Production Cycle

The production cycle will depend on the machinery capacity and availability of raw Materials. The stream line is Capable of processing 1000 eggs per hour. However for a small scale start-up we aim to process at an annual cumulative rate of 500-1000 eggs per day. Which projects to 500000 eggs processed per 18 months.

Egg Processing

The average processing rate considering the inefficiencies of the machines will be 90% . That is 90% of the egg contents will be fully recovered for usage through out the whole process of egg processing from egg separation.

Marketing Strategy



Our company will attempt to rapidly achieve awareness in Zimbabwe about its business in the first year. To be successful in this business, we should have many customers. Thus it is of great importance to have a solid marketing strategy, in order to distinguish ourselves and gain more customers. Our marketing strategy is based upon the marketing mix, which are the 4 p's of marketing, which are product (service), price, promotion and place (distribution).

Product/Service

We will sell high quality liquid eggs to our customers. Customers will be pleasantly surprised at how attentive we are in regards to their needs. The business operates on the assumption that it will do whatever is reasonably necessary to keep the customer happy. This reflects the notion that if the customer is kept happy; long-term profits are ensured. Our product besides being extracted from a loss management point of view it will also offer competition to the conventional egg in the market.

Service Comparison of liquid Egg and Conventional egg

Size/Package: *Liquid egg sizing is a weight on weight comparison to the conventional egg.*

Price Model: *The conventional egg price is based on the grading which translates to a model based on weight or grade. Liquid Egg price is based on content irregardless of grade or size of the egg.*

Customer Needs: *The conventional egg provides all customers with a combination of the yolk and the egg white irrespective of the customer intended use of the egg. Liquid Eggs provide content specifically towards the need of the customer. If the customer wants 80% yolk of the egg content per litre that's what liquid egg will provide. Liquid egg provides the direct need of the customer.*

Storage: *The conventional egg can be stored easily on the shelf but limited shelf life. Depending on the need of the customer Liquid eggs come in various forms that is plain product, preserved liquid egg for more shelf life and powdered egg.*

Price

We will try and minimize our production costs so that we can offer a more competitive price on the market. The prices of our products will be determined by the market forces, and we will not try to lower our prices below the industry's average as that will affect our profitability. By using the market's prices, all our products will be bought, so there is no need to lower our prices. We will not try to increase our prices above the industry's average, as we will lose our customers as the prices are very elastic. We will offer discounts to those who buy in bulky to gain customer loyalty. The pricing model will also depend on the agreed packaging capacities for the various products.

Pricing model

Comparison to Conventional egg:

A large egg weighs 56.7g and a medium sized egg which are the most common grade in the market weigh 49.6g. One litre of liquid egg is equivalent to 1Kg of weighted egg. The comparison will be based on the average market prices of common eggs in the local and regional market.

One medium egg (49.6g) costs an average of : \$0.15

One liter of liquid egg costs on average : \$2.00

Conversion to conventional egg size one liter liquid egg : 20 common eggs

Cost conversion liquid egg in conventional price : \$ 3

Based on the above comparison liquid eggs are cheaper than the conventional common eggs.

Products Price Model

In the *Products Price Model* section, we will describe the prices of the different products based on their quantities and intended usage.

Note: All our products will have a an Analytical Composition list of nutrients and ingredients plus conversion in comparison to the conventional egg for easy usage.

Liquid egg White 1:

Description of the most important features what is important about it!

Purely egg white with no York.

Cholesterol free

Description of quantity

The liquid egg white will be packaged in 1 L containers and 500 ml containers for domestic use.

The liquid egg white will also have industrial boxed packaging which are commonly packed in 5L plastic containers and boxed



\$1.95 per Liter

\$1 per 500 ml

\$8.75 per 5 Litre

Powdered Egg 2:

Description of the most important features what is important about it!

Easy storage and long shelf life

Easily be hydrated and used as normal fresh eggs

Description of quantity

These eggs are packages in 500g and 1kg containers for domestic usage

The powdered products also have industrial boxed packaging of 5Kg

(Pricing is based on the cost of production that is cost of drying the liquid egg)



\$2 per Kg

\$1.25 per 500g

\$9.25 per 5 kg

Healthy Egg mixture 3:

Description of the most important features what is important about it!

Similar to a fresh egg regardless of the reduced York content

Long shelf life

Description of quantities

The liquid egg white will be packaged in 1 L containers and 500 ml containers for domestic use.

The liquid egg white will also have industrial boxed packaging which are commonly packed in 5L plastic containers and boxed



\$1.85 per Litre
\$0.95 per 500ml

\$8.00 per 5 Litre

Ready York 4:

Description of the most important features what is important about it!

Produced as per customer request

Pure yolk with no egg white or lesser percentage of egg white

Description of benefits, what the product will do for the customer

The ready York will mainly have industrial boxed packaging which are commonly packed in 5L plastic containers and boxed



\$8.95 per 5 Litre

Product Price Weight Comparison

Liquid Egg Products	Conversion to conventional egg size (49.6g = 1 egg)	Conventional price/ \$ 0.15 per egg	Easy Egg product price	Price variance
500 ml	10 common eggs	\$1.50	\$1	33% price variance
1 L	20 common eggs	\$3	\$2	40 % price variance
5 L	101 common eggs	\$15.15	\$9	45% price variance
500g powder	10 common eggs	\$1.50	\$1.25	14% price variance
1 Kg powder	20 common eggs	\$3	\$2.25	20% price variance
5 Kg powder	101 common eggs	\$15.15	\$10.25	30% price variance

Liquid Egg products are a weight to weight conversion to the common table eggs. The above Product Price weight comparison reveals that on a weight to weight conversion liquid eggs and or powdered eggs are cheaper compared to the common table eggs.

Promotion**Sales and Marketing plans****How the business will be promoted?**

- Website (information only)
- Website (for e-commerce)
- Advertising (online)
- Advertising (print, radio, TV)
- Search engine marketing
- Social media
- Retail outlets
- Telesales
- Referrals
- Leaflets
- Events and exhibitions
- PR

Key promotional activities and description how they currently (or will in the future) help us meet our business objectives:

1. Health Awareness campaigns through the aid of health promoters. Our products do not only serve the purpose of loss management but also provide health benefits to consumers in comparison to the conventional egg. Through awareness we will advise the public of the advantages of low fat egg products towards prevention of obesity and heart problems which are mainly contributed by consumption of too much cholesterol.

2. Events and Exhibitions. Mainly targeting small, medium and large egg producers to define and clarify the advantages of value addition of off-grades as a loss management scheme to counter the already existing losses of 20% on average.

3. Branding for Media advertisement that is Radio, Newspapers and TV advertisement. Radio on average comparison is one of the most attended to media platform by Zimbabwean citizens. We intend to advertise Easy Egg products on the local media platforms to raise awareness of the existence of our product presenting its benefits to the general public user and industry at large.

Market Analysis

Market research - Why?

No matter how good our product and our service are, the venture cannot succeed without effective marketing. And this begins with careful, systematic research. It is very dangerous to assume that we already know about our intended market. We need to do market research to make sure we're on track. Using the business planning process as our opportunity to uncover data and to question our marketing efforts. Our time will be well spent.

Market research based on the Global Sclerotherapy status, future forecast, growth opportunity, key market and key players.

Apr 10, 2019 (Heraldkeeper via COMTEX) -- Market Study Report LLC recently introduced new title on "2019-2025 Global Egg White Protein Powder Market Report" that provides an in-depth overview of industry and competitive landscape, covering multiple market segments and elaborates market outlook and status to 2025.

The global Egg White Protein Powder market is valued at 9 million US\$ in 2017 and will reach 78 million US\$ by the end of 2025, growing at a CAGR of 31.2% during 2018-2025. The objectives of this study are to define, segment, and project the size of the Egg White Protein Powder market based on company, product type, end user and key regions. The egg white is responsible for 60% of the total weight of an egg. It is rich in functionally important proteins, such as ovalbumin, ovotransferrin, ovomucoid, ovomucin and lysozyme. Ovalbumin is responsible for more than 50% of the egg white protein share by weight. This protein, when separated from the egg white, can be used in the food and pharmaceutical industry. Ovotransferrin, which is the second most abundant protein in egg white, is used as a metal transporter, anticancer agent and antimicrobial agent whereas lysozyme is used as a food preservative. Ovalbumin, which is the most abundant protein, is used as a nutritional supplement by sports enthusiasts. Egg white has excellent heat stability and thus, can be used in various food products which require high heat sterilization. Egg white protein powder is still in its research phase and there are very few companies that offer this product. The egg white protein powder has also been commercialized as egg albumin hydro lysate and hydrolyzed egg white.

Economics

Facts about our intended industry:

- What is the total size of our market?

The market size comprises of Industry based customers like bakers, ready-food producers, pharmacies and Individual based customers who are health conscious

Approximate market size based on statistics:

The market size is depended on the rise of poultry egg production industry in Zimbabwe.

Statistics from Zimbabwe Poultry association:

Table Egg Production: The total large-scale laying stock (growing and in-lay) partially recovered from the AI-induced destocking low of 629,000 in August 2017 to 848,000 in March 2018 but was still 80% of pre-AI stock levels. In-lay stocks partially recovered from a low of 478,000 in August to reach 515,000 in March and investments in growing stocks increased significantly from 128,000 birds in December to 333,000 in March 2018. Large-scale table egg production increased from a low of 0.9 million dozen for the period August 2017 to February 2018 to 1.1 million dozen in March. Small-scale egg production is estimated to also have increased to 1.8 million dozen per month for the period December to March. Large-scale, estimated small-scale and total egg production in the first quarter was similar to that of the last quarter of 2018 but was 47%, 3% and 25% lower than the first quarter of 2017, respectively. Wholesale prices of table eggs increased from a low of \$2.86 per tray of 30 eggs in November 2016 and stabilized at \$4.50 per tray in the first quarter of 2018.

Statistics reveal the consumption of eggs in the market and the market share that egg consumption takes in the food chain.

OFF-Grades and Breakages

Wolc et al. (2012) studied eggshells defects in purebred brown-egg laying hens showing the frequency that those damages occurs and how substantial genetic variation was found in that studied population.

Table 1 – Summary statistics for eggshells defects in the studied population*.

Trait	Minimum	Mean	Maximum	SD
% broken egg	0	0.68	57.14	2.16
% Calcium deposits	0	1.23	43.59	3.13
% misshapen egg	0	0.33	25.00	1.09
% shell-less	0	0.24	92.86	1.54
% soft-shell	0	0.28	44.12	1.28

*Adapted from Wolc et al. (2012).

Statistics reveal the average general percentages of breakages and off-grades on any poultry farm as unavoidable regardless of the handling mechanism and automation. Therefore indicating the market share on all poultry farms for value addition of off-grades and breakages

- **Current demand in target market.**

Globally the demand for liquid egg is packed to rise to 31.2 percent on global scale.

Health awareness percentage in Zimbabwe increases annual for diet awareness:

FBDGS TO PROMOTE HEALTHY AND NUTRITIOUS DIET IN ZIMBABWE

Zimbabwe introduced the process of developing Food Based Dietary Guidelines (FBDGs) to promote consumption of healthy and nutritious diet in 2017. The process was led by the Ministry of Health and Ministry of Agriculture Mechanisation and Irrigation Development with financial support from the European Union (EU) and the Food and Agricultural Organisation (FAO).

The technical team had members from various government ministries and departments, UNICEF, Save the Children, WFP and academia.

“Food Based Dietary Guidelines are a set of easily-understood practical messages of recommended food combinations that can be consumed for optimal health. FBDGs are generated for use by the general public. They are country-specific and take into account each country’s food availability, diet patterns and nutrition-related health issues. They should form the basis for public food and nutrition, health and agricultural policies and nutrition education programmes to foster healthy eating habits and lifestyles. FBDGs provide evidence-based recommendations about the components of a healthy and nutritionally adequate diet. They focus on disease prevention rather than disease treatment.

The process engagement and launch is an indication that health awareness in Zimbabwe has increased impact therefore increasing the number of health aware individuals by significant percentage especially in urban areas

- Trends in target market—growth trends, trends in consumer preferences, and trends in product development.

Globally the demand for separated eggs is increasing based on their easy usage, preservation, and increased shelf life and health benefits. The more the products are used the more the consumer preferences increases. Locally the growth trends are depended on the first recipient of the products upon arrival on the market which are targeting health conscious individuals and industry. Growth rate will depend on the nutritional value registered by the standard associations to approve the nutritional content to attract consumers.

- Growth potential and opportunity for a business of our size.

Locally the products being offered are new in Zimbabwe but not in Southern Africa as South Africa has one of the largest producers of separated egg products. The product being new in Zimbabwe the business has an opportunity too in the local market and also regional competitive due to the organic content of the poultry produce in Zimbabwe.

- What barriers to entry do we face in entering this market with our new company? Some typical barriers are: High capital costs, High production costs High marketing costs, Consumer acceptance and brand recognition, Training and skills, Unique technology and patents ,Unions, Shipping costs, Tariff barriers and quotas
 - Consumer acceptance of the new product can be a greater barrier to entry. Consumers may feel the products will be expensive compared to the conventional fresh eggs. Depending on the partners engaged branding can also affect the acceptance of the products in the market.
 - The marketing strategy to poultry egg producers is dependent on the statics of breakages and low demand eggs which may not be disclosed
 - Capital costs due to the high costs of the opti-breaker machine and streamline plant, high marketing costs

- And of course, how will we overcome the barriers?

Awareness and marketing strategies will therefore be required to fully educate the consumers what the products are and their contents quantitatively and qualitatively

How could the following affect our company?

Change in technology

- * Machinery upgrades which will probably increase the operational costs and maintenance at the given time of upgrade

Change in government regulations

- * Change in government regulations can impact the competition of products locally if the statutory instruments to promote locally produced goods are raised
- * Change in government regulations can result in introduction GM (Genetically Modified) stock feeds which then weakens the competitive strength base of organic based easy egg products for high nutritional content. That can however reduce preference on the global market. Therefore Easy Egg should have a strategy on having its own poultry or to monitor organic standards of the raw material products for production of the easy egg products to guarantee the organic and nutritional content and value to satisfy our consumers.

Change in the economy

- * A positive change in the economy increases buying power of customers that is increase in production in industries leading to an increase in demand for easy egg products. That will mean expansion of business to meet demand hence the company on running business plan should in cooperate expansion plans and strategies based on the economic changes and increase in demand.
- * A negative change in the economy can affect the raw material producers that are poultry egg producers which may result in cost of egg production going up that is increasing running cost. Therefore a risk management and business insurance plan should be in place to insure that the company grows and expands and not to rely only on one countries' economy and also out sourcing strategies like export based production in the event that the local market is incapable.

Change in our industry

- * The change in industry can be a result of an increase or decrease of players in our industry. An increase will offer more competition which is good for improvement of quality of goods and services. A Decrease in players can be as a result of reduction in raw material supply or high efficiency rates in fresh egg production reducing the need of value addition of breakages and low demand eggs. The former may result in an increase in raw material price as the production will be based on usage of valuable eggs.

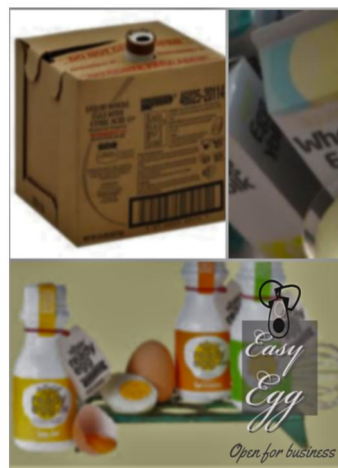
Demand

The demand for eggs in Zimbabwe is very high. Eggs are considered an alternative cheap source of proteins. Almost every household consumes boiled/fried eggs. Zimbabweans consume eggs worth over ZWL\$100 million annually. The average demand of eggs per month in Zimbabwe is about 48 million eggs, and it has been on the rise since the dollarization of the economy in 2009.

Demand Analysis

Just like how the iPad was initially advertised. The iPad features were released as a concept to the market and the market responded with interest and various opinions. This made iPad concept popular before it was even mass produced and also helped on improvements to the invention.

We will approach and provide the market with concept Easy Egg products specifying their intended features through brochures and pamphlets, animated descriptions and videos of the products. This will help us obtain the view of the market towards our product and also their expectation.



This idea is influenced by the fact that Easy Eggs are a new product in the local market and have high risks associated with their production.

The business demand analysis model selection was based on the fact that Easy Egg cannot approach the market for a detailed market research without the capacity to ensure that it can produce liquid egg products. Capacity shows the market and potential partners in the egg production industry that easy egg can provide the products to the market. Capacity also offers idea closure and a partnership stand advantage and power to bring partners on the table. The demand analysis model also gives the capacity insurer and potential investor a real on ground experience of the easy egg market search and market share before any investment or commitment is made.

Start Up

Beneficiaries of Easy Egg Processing

Easy egg processing start up process will involve agreement of start up partners involved and their roles and share in Easy Egg.

Idea Security

The start up process also involves registration of a None Disclosure Agreement document under legal guidance. This document gives Easy egg the liberty to pitch its idea and vision to potential and interested investors and partners with closure legal agreement.

Business Plan and Strategy

Easy Egg Processing will use the capacity closure business mode, plan and strategy to acquire financial support. Capacity closure business model gives us the advantages to:

1. Approach Investors providing less risk but more of real market search experience before financial closure support.
2. Approach Market (Egg producers and consumers) incapacitated with the ability to produce liquid egg products if given the go.
3. To approach potential partners with the capacity to at least buy the egg processing plant thus making ourselves the easy egg beneficiaries relevant to the partnership deal proposal.

This process also involves coming up with a start up budget for Easy Egg production.

Egg Processing

Easy egg start up involves research on how liquid egg is processed using sample similar projects done in Africa and Central Africa i.e in specific reference to Innovo Egg producing plant which uses Sanovo Technology Group streamline integrated liquid egg processing plant for small producers. It also involved engagement with Sanovo technical support on information regarding the Sanovo egg processing equipment. Research on equipment to be used and supplier based on cost effectiveness and quality production in relation to handling and hygiene.

Capacity Closure

Easy Egg start-up will pitch the value addition of Off grades idea to potential investors under a None Disclosure Agreement (NDA). The pitch's main focus is to acquire a capacity closure.

Terms conditions of Capacity closure as of section 2.2 of Easy Egg Capacity closure document:

The following terms will be defined in regard to usage in this section:

Endeavor: Potential investor or partner willing to financial fund a project given that their conditions are met.

Scheme: Refers to the after closure agreement plan

Capacity Insurer: The endeavour who agrees to the given conditions of capacity closure and signs to agree that they would provide financial support after the market approach and research process is done and their condition of profit dividends is met.

The Scheme will not become Effective and Endeavour will not be required to procure the Provision of the Scheme Consideration unless each of the following conditions precedent is Satisfied or waived:

Conditions for the benefit of Easy Egg Start-Up

- i. *Easy Egg start-up after signing the None disclosure agreement will share its vision and all its strategies to achieve its business plan.*
- ii. *Easy Egg will only refer to endeavour as the capacity insurer and not investor or partner or anything similar to the former definition*
- iii. *Share the agreed market approach statistic values, market approached in detail i.e. Name of company approached and demand for the products*
- iv. *Easy Egg will not use Endeavour as a brand name but only as capacity insurer i.e Easy Egg markets as Easy Egg with capacity insurance provided by Endeavour*

Conditions for the benefit of Endeavour

- i. *Endeavour is not allowed to share or capacitate a similar project within the agreed closure time frame.*
- ii. *No capital injection required or loss projection incurred*
- iii. *Becomes the first vision funder of Easy Egg*
- iv. *The endeavour's agreement or signing of closure is an indication of will and interest to fund after a financial agreement is done.*
- v. *Endeavour's agreement or signing is an indication of will to allow Easy Egg start_up to use Endeavour's name as the capacity insurer.*
- vi. *Upon signing the endeavour agrees to go through the market approach process as a capacity insurer*

Conditions for the benefit of Easy Egg Start-up and Endeavour

- i. *Capacity closure duration will be agreed upon involved parties but will not be more than 6 months long otherwise renewal of closure will be required with new conditions depending upon the interests of the parties involved.*
- ii. *The Scheme secures capacity closure and not funding guarantee.*
- iii. *Capacity assurance referred to on closure only involves capital amounting to the price of the streamline liquid egg production plant procurement and installation*

Partnership Closure

This process mainly targets the egg producing companies which Easy Egg will offer partnership for value addition of egg production losses that is off-grades and breakages. The partnership closure will be structured in a way that favors both parties involved that is the aim is to reach a mutual business agreement that favors egg product processes with minimal loss and easy egg production with minimal egg costs.

Easy Egg Offer:

- i. Easy Egg will offer loss management solutions at fully at its operational expenses and not interfering with egg production budget of the partner
- ii. Easy egg will offer 10% of its profits to the partner on the products sold from the loss management process
- iii. Easy Egg will cater for its own electricity bills on the loss management process unless if partner agrees otherwise that is if partner decides to process well Graded eggs into easy egg products
- iv. Easy Egg will provide transportation of its own products unless partner offers otherwise
- v. Easy Egg will be responsible for building its structure on site for its processing machines

Easy Egg Expectations on Partner:

- i. Easy Egg expects the partner to offer operational space on site (That is on egg producing farm) for loss management processes
- ii. Easy Egg expects the partner to offer brand share on agreed branding terms
- iii. Easy Egg expects partner to offer labor support with one or two operators in the loss management process.

Mutual Agreement:

The above terms are subject to negotiation between the two parties based on their interests regarding their operations. Easy Egg is willing to negotiate on better terms that suit the interest of the partner at the best interests of Easy Egg and make the partnership favorable to both parties. Partner is allowed to offer services in exchange for an increase in percentage profit share in Easy Egg at negotiable terms.

Market Approach

We will approach our core market the egg producers to have a statistical analysis of the off-grade percentage and how they handle it. This analysis will provide a clearer on ground basis for the need to apply value addition of off-grades i.e. loss management converting them into better products.

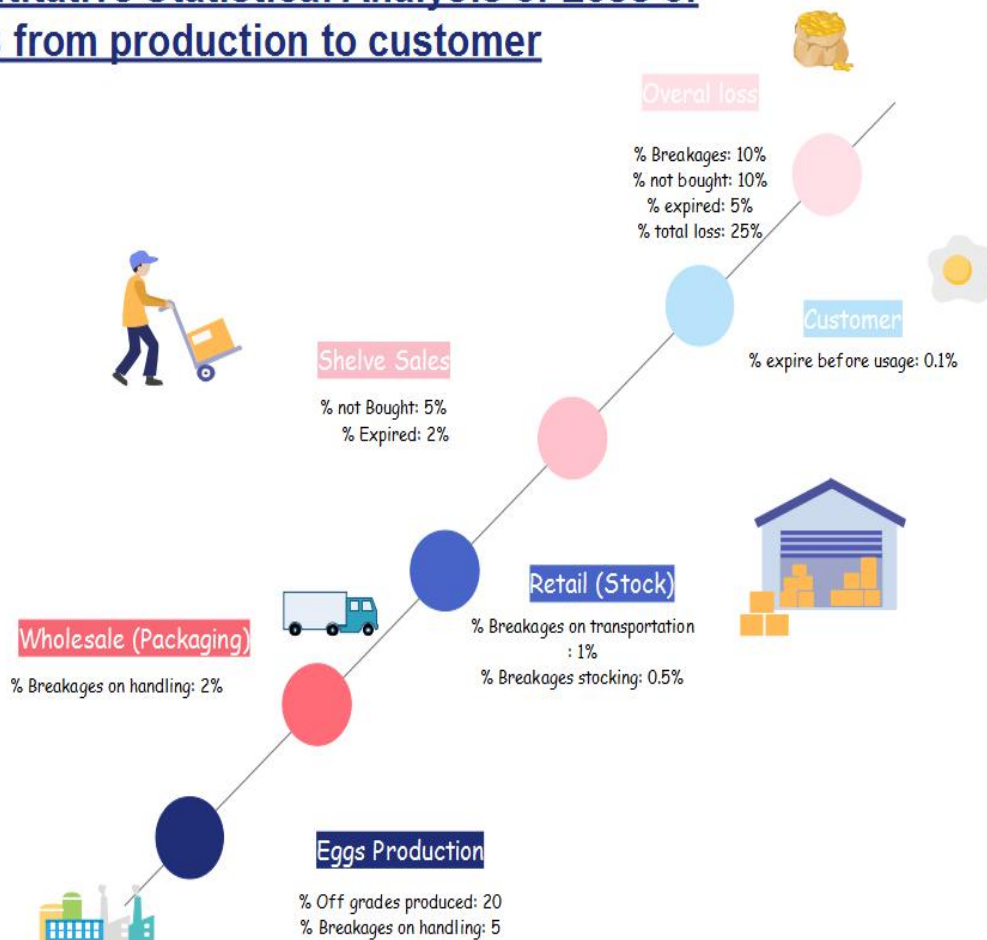
Market Strategy: Introduction of a new product or service in the Zimbabwe Egg consumption Market that doesn't exist

"Know your start-up market before production."

1. Learn Market Patterns and Trends

In our case the patterns and trends to be familiarized with are those in relation to Off grade egg production statistics, handling breakages on packaging from wholesale to customer.

• Quantitative Statistical Analysis of Loss of Eggs from production to customer



Patterns and Trends Guide**Target Market: Egg Producer**

Stages	% Off Grades	% Breakages	Management of Loss
<i>Production</i>			
Laying of eggs	_____
Collection	_____
Washing	_____
Candling	_____
	_____
<i>Wholesale</i>			
Grading	_____
Sorting and Packaging	_____
Transportation	_____
Total	%	%	Overall Comment

Source: On ground statistical data, for market research purposes only

Target Market: Egg Retailer

Stages	% Breakages	% Sold	% Expired	Management of Loss
<i>Reception</i>				
Collection	_____
Stocking of eggs	_____
Storage	_____
<i>Shelving</i>				
Sorting and Packing	_____
Stock taking	_____
Total	%	%	%	Overall Comment

Source: On ground statistical data, for market research purposes only

Target Market: Egg Depended Production line industries

Stages	% Used	% Not Used	% Expired	Management of Loss
<i>Reception</i>				
Collection			...	_____
Stocking of eggs			...	_____
Storage		_____
<i>Production</i>				
Recipe	_____
	_____
Total	%	%	%	Overall Comment

Source: On ground statistical data, for market research purposes only

Market Segmentation

3.Target customers

Demographic details:

Age:	Gender:	Income:	Types:	Target regions:
<ul style="list-style-type: none"> • 0 - 5 yrs • 6 - 12yrs • 13 - 17yrs • 18 - 30yrs • 31 - 50yrs • 51yrs + • All ages 	<ul style="list-style-type: none"> • Males • Females • All genders 	<ul style="list-style-type: none"> • \$0 - \$500,000 annually (approx) 	<ul style="list-style-type: none"> • Individuals • Egg Producers • Egg retailers 	<ul style="list-style-type: none"> • Local • National • Regional • International

Potential customers target for the first financial year?

The value addition process of egg off-grades is targeted to attract all small and medium egg producers in Zimbabwe to venture into the process to reduce their egg losses that is providing a lucrative loss management scheme for the farmers. The value addition process is also aimed at attracting egg retailers to value add eggs that are about to expire to also manage their losses.

The Easy Egg products major aim is to target all bread making industries based in Zimbabwe that is Proton, Lobels and Bakers Inn as the major bread suppliers.

Brief explanation of our target customers and any other distinguishing features, expanding on any of the areas we have already highlighted above:

Egg producers and retailers suffer inevitable and unavoidable losses in egg handling and storage hence an egg loss management scheme with value addition benefits would be an attractive alternative for the sectors.

Our target market is the industry i.e. baking industry , mayonnaise producers and this industry already does egg separation to produce various products like spongy cakes which require egg white, bread which requires powdered egg yellow, mayonnaise which requires egg yolk . Providing separated liquid eggs with favourable storage capacity will be attractive to the sectors since most of their challenges with the conventional egg ingredient are storage capacity. Easy Egg products will provide food safety since liquid eggs are pasteurized, reduces cold storage space, increases shelf life, and streamlines ingredient preparation, save time, labour and waste.

What customer need or problem does our product(s) and/or service(s) address?

Easy Egg itself is based on value addition of Egg Off-grades and losses. The introduction of these products produces an Egg loss management scheme across all egg stake holders thus reducing egg loss in the egg industry. Easy egg products provide eggs with longer shelf life and easy storage thereby reducing the percentile of eggs that expire before use resulting in loss.

Our approach to pricing our product(s) and/or service(s):

Our price model will be based on the cost of production which is mainly affected by electricity charges and packaging. The products will be sold in different packages to suit different types of consumers that is industry and individual consumers.

Competition and Buying Patterns

What products and companies will compete with us?

Locally: Fresh Eggs by poultry egg produces in Zimbabwe

Regionally: Ready Egg products by Free Range Chicken Company in South Africa

Will they compete with us across the board, or just for certain products, certain customers, or in certain locations?

Ready Egg products will be a major export competitor in the region and continent for all product ranges. Locally the fresh eggs will be the major competitor across all product ranges.

Will we have important indirect competitors? (For example, video rental stores compete with theaters, although they are different types of businesses.)

The indirect competitors in the market are consumers that offer to buy breakages at very cheap prices hence giving poultry egg produces a loss management strategy however the scheme does not guarantee preservation hence only is sufficient for instant usage. Thus still a greater percentage of the breakages and low demand eggs will still need to be value added.

How will our products or services compare with the competition?

The Easy Egg is strongly based on the organic content of the eggs produced in Zimbabwe including the African Chicken eggs (The road runner) giving the products more nutritional content and preference. Easy Egg strategy also comes through as a local egg management scheme for loss making eggs to be converted into useful products with longer shelf life or preservation that includes egg breakages, extra large eggs low demand management and small sized eggs low demand management. That is value addition of loss making products into profit making or useful products instead.

SWOT ANALYSIS

The following SWOT analysis captures the key strengths and weaknesses within the company, and describes the opportunities and threats faced by our company

Strength

- Produce high quality liquid eggs enriched with protein
- Relatively good infrastructure systems
- Good marketing system
- Pricing model comparable to the conventional table egg
- The sole product of its nature in the market

Weakness

- The only company doing egg processing
- High start up costs
- Offering a New product
- No transport of our own
- No space of our own

Opportunities

- Expansion into large scale production of by-products (egg shell processing)
- Export to neighbouring countries
- Poultry and Poultry products constitute an important component of human diet in Zimbabwe. The consumption is also increasing at a rapid rate due to low fat content, easy availability & cost effectiveness.
- Strategic alliances offering sources for referrals and joint marketing activities to extend our reach. This will increase our market share and hence the profit.
- Internet potential for finding more customers. .
- Growing market
- Cheap labour in the market

Threats

- Retention of US dollar investments
- Economic instabilities
- High month on inflation
- High utility charges
- High power cuts

PEST analysis

We understand that our business is affected by Political, Economic, Social and Technological factors. Below we look at how those external factors affect our business and the assumptions we have made in making this business plan.

Political

Change in regulations which affect the agriculture sector especially poultry farming will affect us. New legislation may create risks of non-compliance with the law, or create new administrative burdens. The tax policies of the Government of Zimbabwe will affect the operations of our business. If the government of Zimbabwe increases the taxes for poultry companies it will affect the profitability of our business. Political instability like wars, protests will affect our business. Changes in employment laws, safety regulations especially those targeted to the agriculture industry will affect the operations of our business. Changes in import tariffs of our inputs or competing products will affect our business. We expect political stability to continue in Zimbabwe, and we do not expect any significant changes in the regulations by the government of Zimbabwe.

Economic

Zimbabwe introduced a new currency called Zimbabwean Dollar in 2019. The rate of the Zimbabwean Dollar against the US Dollar is not stable, and the Zimbabwean Dollar has been losing value. This is leading to inflation. Rate of inflation determines the rate of remuneration for employees and directly affects the prices of our products. The proportion between the inflation rate and wages/prices is direct. The rate of USD to Zimbabwean Dollar will continue determining the cost of our inputs, and hence the price of our products and services. Acquiring forex is a challenge as the official banks are failing to provide enough foreign currency, with businesses resorting to the parallel market. Economic trends act as an indicator of the sustainability and profitability of our business in Zimbabwe and will help us determine the right marketing strategy. The Commonwealth, the European Union, IMF and World Bank are re-engaging with Zimbabwe, giving hopes that the economy may stabilize with external funding. The government is trying to implement policies which stabilize the economy.

Social

We expect the population growth will continue in Zimbabwe. This will mean more potential customers and greater demand. We expect that the current Health campaigns which are being carried out by the government through the Ministry of Health and Childcare and Non Government Organizations, will make people more health conscious, and will lead to a reduction in the cases of cancer, diabetes, blood pressure and obesity which will imply a healthier work force. We expect that the health facilities in Zimbabwe will continue to improve as the economy recovers, meaning more people will have access to drugs.

Technological

Technological improvements can lead to the production of more efficient feed. A good technical infrastructure would lead to better production, procurement and distribution logistics, resulting in reduced wastage and lower cost

Financial Statements

Start-up Costs

The start-up costs were generated by an excel program with financial equations to estimate the financial projections for any chosen production cycle capacity. The following start-up cost consists of the operational start-up cost.

Startup Costs

Item	Quantity	Unit Cost	Total
Fixed Assets Purchase			
Streamline Egg processing equipment	1	\$500,000.00	\$500,000.00
Easy Egg W/ house construction	1	\$10,000.00	\$10,000.00
Egg Storage facility and water supply	1	\$10,000.00	\$10,000.00
Total Fixed Assets			\$520,000.00

Working Capital

Preservatives	1250	\$3.00	\$3,750.00
Egg Offgrades(1 month advance)	25000	\$0.10	\$2,500.00
Packaging (1 month advance)	20250	\$0.35	\$7,087.50
Electricity (1 month advance)	1	\$150.00	\$150.00
Transport to market (1 month advance)	20250	\$0.15	\$3,037.50
Salaries	2	\$5,000.00	\$10,000.00
Marketing and Advertising	2	\$1,500.00	\$3,000.00
Repairs and maintenance	2	\$300.00	\$600.00
Other Costs	2	\$300.00	\$600.00
Total Working Capital			\$26,525.00

Total Startup Costs **\$546,525.00**

Funding Required

Total Startup Capital **\$546,525.00**

Loan Required **\$535,000.00**

Owner Contribution **\$11,525.00**

The table above shows that the total capital required to do this project is USD \$546,525.00. The owners of the business will contribute USD\$20,00.00 of their own funds into the business. We thus require a loan of USD \$546,525.00.

Loan Repayment

Loan sought \$535,000.00

Repayment term (Months) 72

Interest Rate per annum 5%

Monthly Repayment \$8,616.14

The table above shows that we will be making a monthly repayment of USD \$8,616.14 for 72 months to repay the loan at 5% interest per annum. Easy Egg is willing to venture into debt financing depending on the will of the investors. Easy Egg is also willing to negotiate in the best interests of both the investor and easy egg for a stake in the company.

N:B: *For preservation of value of the loan required all financial statements where done in US dollar Therefore the loan required is in US dollars as a measure of preservation of value in case the ZWL prices change in the near future since the month on inflation for Zimbabwe is projected to increase though the year on inflation was projected to be more stable.*

Income Statement

	Year 1	Year 2	Year 3
Revenue			
Processed Egg Sales/ litre	\$486,000.00	\$486,000.00	\$486,000.00
Sale of offgrades	\$0.00	\$0.00	\$0.00
Total Sales	\$486,000.00	\$486,000.00	\$486,000.00
Cost of goods sold	\$170,550.00	\$170,550.00	\$166,800.00
Gross Profit	\$315,450.00	\$315,450.00	\$319,200.00
Operating Expenses			
Salaries	\$60,000.00	\$60,000.00	\$60,000.00
Marketing and Advertising	\$18,000.00	\$18,000.00	\$18,000.00
Repairs and maintenance	\$3,600.00	\$3,600.00	\$3,600.00
Other Costs	\$3,600.00	\$3,600.00	\$3,600.00
Depreciation	\$40,000.00	\$40,000.00	\$40,000.00
Interest Payment	\$24,968.96	\$20,956.60	\$16,738.96
Total Operating Expenses	\$150,168.96	\$146,156.60	\$141,938.96
Net Profit Before Tax	\$165,281.04	\$169,293.40	\$177,261.04
Tax (25%)	\$41,320.26	\$42,323.35	\$44,315.26
Net Profit After Tax	\$123,960.78	\$126,970.05	\$132,945.78

Assumptions

Number of eggs processed per Cycle	500000
Average egg processing production rate	90%
Price per litre	\$2.00
Price per offgrade crate	\$3.00

Revenue Calculations

Number of eggs processed per month	22500
Litres of processed egg sold per month	20250
Monthly Revenue	\$40,500.00
Number of months per cycle	18

Variable Costs per Month

	Quantity	Unit Cost	Total
Packaging	22500	\$0.35	\$7,875.00
Electricity	1	\$150.00	\$150.00
Cost of offgrades	25000	\$0.10	\$2,500.00
Transport to market	22500	\$0.15	\$3,375.00
Total			\$13,900.00
Presevatives	1250	\$3.00	\$3,750.00
Production Cost per litre			\$0.70

Operating expenses

	Per month	Per Cycle
Salaries	\$5,000	\$90,000.00
Marketing and Advertising	\$1,500	\$27,000.00
Repairs and maintenance	\$300	\$5,400.00
Other Costs	\$300	\$5,400.00

Monthly cash flow statement

Year 1

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
CASH INFLOWS													
Equity Capital	11,525	-	-	-	-	-	-	-	-	-	-	-	11,525
Loan Capital	535,000	-	-	-	-	-	-	-	-	-	-	-	535,000
Revenue (Processed Egg)	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	486,000
Total Receipts	587,025	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	1,032,525
CASH OUTFLOWS													
Variable Costs													
Packaging	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	94,500
Electricity	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Cost of Offgrades	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Transport to market	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	40,500
Preservatives	3,750	-	-	-	-	-	-	-	-	-	-	-	3,750
Other Outflows													
Salaries	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Marketing and Advertising	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Repairs and maintenance	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Other Costs	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Loan Repayment	8,616	8,616	8,616	8,616	8,616	8,616	8,616	8,616	8,616	8,616	8,616	8,616	103,394
Streamline Egg processing equipment	500,000	-	-	-	-	-	-	-	-	-	-	-	500,000
Easy Egg W/ house construction	10,000	-	-	-	-	-	-	-	-	-	-	-	10,000
Egg Storage facility and water supply	10,000	-	-	-	-	-	-	-	-	-	-	-	10,000
Tax QPD Payments	-	-	4,132	-	-	10,330	-	-	12,396	-	-	14,462	41,320
Total Payments	553,366	29,616	33,748	29,616	29,616	39,946	29,616	29,616	42,012	29,616	29,616	44,078	920,464
SURPLUS / (DEFICIT)	33,659	10,884	6,752	10,884	10,884	554	10,884	10,884	(1,512)	10,884	10,884	(3,578)	112,061
OPENING BANK BALANCE		33,659	44,543	51,295	62,178	73,062	73,616	84,500	95,384	93,872	104,755	115,639	
CLOSING BALANCE	33,659	44,543	51,295	62,178	73,062	73,616	84,500	95,384	93,872	104,755	115,639	112,061	112,061

Year 2

	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	TOTAL
CASH INFLOWS													
Revenue (Processed Egg)	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	486,000
Total Receipts	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	486,000
CASH OUTFLOWS													
Variable Costs													
Packaging	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	94,500
Electricity	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Cost of Offgrades	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Transport to market	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	40,500
Preservatives	-	-	-	-	-	3,750	-	-	-	-	-	-	3,750
Other Outflows													
Salaries	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Marketing and Advertising	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Repairs and maintenance	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Other Costs	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Loan Repayment	8,616	8,616	8,616	8,616	8,616	8,616	8,616	8,616	8,616	8,616	8,616	8,616	103,394
Tax QPD Payments	-	-	4,232	-	-	10,581	-	-	12,697	-	-	14,813	42,323
Total Payments	29,616	29,616	33,848	29,616	29,616	43,947	29,616	29,616	42,313	29,616	29,616	44,429	401,467
SURPLUS / (DEFICIT)	10,884	10,884	6,652	10,884	10,884	(3,447)	10,884	10,884	(1,813)	10,884	10,884	(3,929)	84,533
OPENING BANK BALANCE	112,061	122,945	133,829	140,480	151,364	162,248	158,801	169,685	180,569	178,756	189,640	200,523	
CLOSING BALANCE	122,945	133,829	140,480	151,364	162,248	158,801	169,685	180,569	178,756	189,640	200,523	196,594	196,594

Year 3

	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	TOTAL
CASH INFLOWS													
Revenue (Processed Egg)	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	486,000
Total Receipts	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500	486,000
CASH OUTFLOWS													
Variable Costs													
Packaging	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	94,500
Electricity	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Cost of Offgrades	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Transport to market	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	40,500
Preservatives	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Outflows													
Salaries	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Marketing and Advertising	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Repairs and maintenance	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Other Costs	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Loan Repayment	8,616	8,616	8,616	8,616	8,616	8,616	8,616	8,616	8,616	8,616	8,616	8,616	103,394
Tax QPD Payments	-	-	4,432	-	-	11,079	-	-	13,295	-	-	15,510	44,315
Total Payments	29,616	29,616	34,048	29,616	29,616	40,695	29,616	29,616	42,911	29,616	29,616	45,126	399,709
SURPLUS / (DEFICIT)	10,884	10,884	6,452	10,884	10,884	(195)	10,884	10,884	(2,411)	10,884	10,884	(4,626)	86,291
OPENING BANK BALANCE	196,594	207,478	218,362	224,814	235,698	246,582	246,387	257,271	268,155	265,744	276,628	287,512	
CLOSING BALANCE	207,478	218,362	224,814	235,698	246,582	246,387	257,271	268,155	265,744	276,628	287,512	282,885	282,885

Pro Forma Annual Cash Flow

	Year 1	Year 2	Year 3
Opening Balance	\$0.00	\$112,061.07	\$196,594.05
Cash Sales	\$486,000.00	\$486,000.00	\$486,000.00
Subtotal Cash from Operations	\$486,000.00	\$486,000.00	\$486,000.00
Additional Cash Received			
Equity Capital	\$11,525.00	\$0.00	\$0.00
Loan Capital	\$535,000.00	\$0.00	\$0.00
Subtotal Cash Received	\$546,525.00	\$0.00	\$0.00
Cash Expenditures			
Off-grades, Packaging, Transport	\$170,550.00	\$170,550.00	\$166,800.00
Operating Expenses	\$85,200.00	\$85,200.00	\$85,200.00
Subtotal Spent on Operations	\$255,750.00	\$255,750.00	\$252,000.00
Additional Cash Spent			
Taxes	\$41,320.26	\$42,323.35	\$44,315.26
Loan Repayment	\$103,393.67	\$103,393.67	\$103,393.67
Purchase Fixed Assets	\$520,000.00	\$0.00	\$0.00
Subtotal Additional Cash Spent	\$664,713.93	\$145,717.02	\$147,708.93
Net Cash Flow	\$112,061.07	\$84,532.98	\$86,291.07
Cash Balance	\$112,061.07	\$196,594.05	\$282,885.13

Pro Forma Balance Sheet

	Year 1	Year 2	Year 3
Long Term Assets			
Buildings And Equipment	\$520,000.00	\$520,000.00	\$520,000.00
Accumulated Depreciation	\$40,000.00	\$80,000.00	\$120,000.00
Total Long Term Assets	\$480,000.00	\$440,000.00	\$400,000.00
Current Assets			
Cash	\$112,061.07	\$196,594.05	\$282,885.13
Other Current Assets	\$0.00	\$0.00	\$0.00
Total Current Assets	\$112,061.07	\$196,594.05	\$282,885.13
TOTAL ASSETS	\$592,061.07	\$636,594.05	\$682,885.13
EQUITY AND LIABILITIES			
Equity			
Shareholders Equity	\$135,485.78	\$262,455.83	\$395,401.61
Total Equity	\$135,485.78	\$262,455.83	\$395,401.61
Liabilities			
Loan Outstanding	\$456,575.29	\$374,138.22	\$287,483.52
Other Liabilities	\$0.00	\$0.00	\$0.00
Total Liabilities	\$456,575.29	\$374,138.22	\$287,483.52
TOTAL EQUITY AND LIABILITIES	\$592,061.07	\$636,594.05	\$682,885.13

Break Even Analysis

Break Even Analysis	Value
Selling Price/Unit (litre)	\$2.00
Variable Cost/Unit (litre)	\$0.70
Fixed Costs/Year	\$150,168.96
Break Even point (Litres)	115223

Therefore we must process a minimum of 115223 litres per year for our revenue to cover all our costs.

ZIMRA Registration

Income Tax

- All clients, including individuals, companies, partnerships and cooperatives who want to venture into any business venture are required to register with ZIMRA and comply with all obligations as stipulated in the legislation. To register, we are required to have a bank account among other requirements.
- Once we have a bank account, we can then approach ZIMRA for registration. We will be required to complete registration forms depending on the nature of our business operations. All clients will be required to complete the REV 1 form, which can be obtained from ZIMRA offices or can be downloaded from its website. Once registered, we will be issued with a Business Partner Number (BP) which acts as the business' identification number and is used for all transactions with ZIMRA, including remittances of tax.
- After commencing operations, we are required to keep records of all our business operations and pay Provisional Tax on the stipulated dates (as shown below). The dates are referred to as Quarterly Payment Dates (QPDs). The Provisional Tax payable is based on the respective percentage of estimated annual tax due. The annual estimated tax due should be revised to update the estimate every quarter.
- The form ITF 12B, which is a return for provisional tax payments, has to be completed in respect of these payments.
- The payment dates and the percentage of tax due for each tax year are listed below:

QPD	Due Date (on or before)	Installment Due (as a % of the annual tax payable)
1st QPD	25 th March	10%
2nd QPD	25 th June	25%
3rd QPD	25 th September	30%
4th QPD	20 th December	35%

- Some businesses, operators are required to pay Presumptive Taxes and this includes operators of omnibuses, taxi-cabs, driving schools, goods vehicles, hairdressing salons, informal traders, operators of restaurants or bottle stores, small scale miners, cottage industry operators, operators of commercial waterborne vessels used for the carriage of passengers for profit and fishing rigs.
- A tax return is required after the end of each tax year. The tax year runs from 1 January to 31 December of each year. Clients who have been specified in terms of Section 37A of the Income Tax Act [Chapter 23:06] as being on Self-Assessment are required to furnish Self-Assessment Returns in duplicate by 30th April of the following year.
- Operators will also require a Tax Clearance Certificate - form ITF 263 which is issued by ZIMRA once we have met all the stipulated obligations which include submission of tax returns and remittances of tax due. If we do not have this clearance, anyone who pays us any amounts in excess of ZWL\$250.00 are required to withhold and remit to ZIMRA 10% of the amounts paid.

- There is need to strictly observe the requirements in Section 80 of the Income Tax Act [Chapter 23:06]. It requires that all registered business taxpayers who enter into any contracts which result in an obligation to pay any amounts whose total or aggregate is ZWL\$250.00 or more to withhold 10% of each amount payable to payees who fail to furnish valid tax clearance certificates.

PAYE

- Every business person who becomes an employer is required to apply to the Commissioner General for registration within 14 days of becoming an employer.
- The employer will be given the relevant tax deduction tables and informed of his/her obligations as an employer.
Some of the obligations include:
 - Calculation and deduction of PAYE in accordance with the tax deduction tables
 - Remittance of PAYE to ZIMRA within 10 days after the end of the month during which the amount was withheld. Please note that with effect from 1st September 2010, the remittance of PAYE was moved from within 10 days after the end of the month during which the amount was withheld.
 - Keeping accounting records for a period of at least six (6) years.
 - Submission of the ITF 16 return which contains details on annual earnings, deductions, credits and PAYE for each employee within 30 days after the end of the year.
 - We will note that failure to withhold any amounts which we are required to withhold renders us liable to the amounts due as well as penalties and interest. Observing these basic requirements will assist us in running our business professionally and helps avoid the anxiety and stress associated with noncompliance and having to pay arrears, interest, fines and penalties.

Customs and Excise

- In the event that we intend to import goods, we are still required to have registered with ZIMRA so that we have the BP number that will identify us as an importer. We will need a clearing agent approved and registered with ZIMRA to handle our importations or we may register with ZIMRA to do our own clearances.
- For exports, we will also need an agent to handle the exports or register on our own with ZIMRA.
- We are required to keep reasonable and proper records and books of accounts for all transactions and maintain records of all the bills of entry, bills of lading, rail notes, invoices and all other documents required to be accounted for in terms of the Customs and Excise Act. Retain all records for at least six (6) years.

Value Added Tax (VAT)

- Any person who carries on trade in taxable supplies and whose annual taxable turnover exceeds or is likely to exceed ZWL\$60 000.00 must apply to register for VAT on Form VAT1.

Responsibilities upon registration include:

- Keeping accounting records for a period of at least six (6) years after the tax period to which the period relates.
- Completing and submitting VAT returns even if we do not owe ZIMRA. ZIMRA will advise us of the frequency of submitting the returns though most clients submit returns either monthly or after every two months.
- Calculating and remitting the VAT due to the Commissioner on or before the due date.
- With effect from 1st January 2012, the due date for the submission of VAT returns and payment has been extended from the 20th to the 25th of the month following the end of the tax period.
- Issuing tax invoices for any taxable supply whose value is more than ZWL\$10.00.
- Record transactions electronically. With effect from 1st of October 2011, all registered operators are also expected to comply with fiscalisation regulations. This is a requirement where registered operators under category “C” and whose annual turnover exceed ZWL\$240 000.00 are expected to record transactions electronically.
- Advising ZIMRA of any change in business details, including address, addition of/or change of partner, cessation of trade, etc.
- Allowing ZIMRA officials to enter our business premises and examine goods and all business records.

Risk Analysis

These risks could materially adversely affect our business, financial condition or results of operations. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or results of operations.

Fluctuations in the availability and price of raw materials, since egg processing is more

Our results of operations and financial condition, as well as the selling prices for our products, are dependent upon the cost and supply of commodities and raw materials such as packaging, preservatives and eggs. Production and pricing of these commodities are determined by constantly changing market forces of supply and demand over which we have limited or no control. Such factors include, among other things, weather patterns throughout the world, outbreaks of disease, the global level of supply inventories and demand, as well as agricultural and energy policies of domestic and foreign governments. Volatility in our commodity and raw material costs directly impact our gross margin and profitability.

Risks involved in fully automated processes since Egg processing is more automated for quality less contaminated products.

Our processes can be directly affected if any segment of the plant malfunctions. The process is cohesive and cascaded so that each process depends on the other. This set up provides an integrated system with a risk however of efficiency. Such a plant requires maximum efficiency levels and maintenance to maintain plant productivity. Automated processes have high risks on availability of spares and repairs.

New or more stringent Zimbabwean government regulations could impose material costs on us and could adversely affect our business.

Changes in laws or regulations that impose additional regulatory requirements on us could increase our cost of doing business or restrict our actions, causing our results of operations to be adversely affected.

Deterioration of economic conditions could negatively impact our business

Our business may be adversely affected by changes in Zimbabwe economic conditions, including inflation, interest rates, consumer spending rates, energy availability and costs and the effects of governmental initiatives to manage economic conditions. Any such changes could adversely affect the demand for our products, or the cost and availability of our needed raw materials, and packaging materials, thereby negatively affecting our financial results.

The loss of one or more of our largest customers could negatively impact our business.

Our business could suffer significant setbacks in sales and operating income if our customers' plans and/or markets change significantly or if we lost one or more of our largest customers. Our retail customers typically do not enter into written contracts, and if they do sign contracts, they generally are limited in scope and duration. There can be no assurance that significant customers will continue to purchase our products in the same mix or quantities or on the same terms as in the past. The loss of a significant customer or a material reduction in sales to, or adverse change to trade terms with, a significant customer could materially and adversely affect our product sales, financial condition and results of operations.

The prices we receive for our products may fluctuate due to competition from other food producers and processors.

The food industry in Zimbabwe is intensely competitive. We face competition from other egg producers and processors that have various product ranges and geographic reach. Some of the factors on which we compete include: pricing, product safety and quality, brand identification, innovation, breadth and depth of product offerings, availability of our products and competing products, customer service, and credit terms. If we reduce prices but we cannot increase sales volumes to offset the price changes, then our financial condition and results of operations will suffer. Alternatively, if we do not reduce our prices and our competitors seek advantage through pricing or promotional changes, our revenues and market share would be adversely affected.

Extreme factors or forces beyond our control could negatively impact our business.

Our ability to make, move and sell products is critical to our success. Natural disasters, fire, theft, pandemic or extreme weather, including droughts, floods, excessive cold or heat, hurricanes or other storms, could impair the health or growth of layers or interfere with our operations due to power outages, fuel shortages, damage to our production and processing facilities or disruption of transportation channels, among other things. Any of these factors could have an adverse effect on our financial results

Theft & Vandalism

There is a risk that our poultry farm may be subject to theft and vandalism. This could have an adverse effect on our financial results, as we might end up losing our birds.

Potential Sources of Finance

Equity Financing

Equity financing means exchanging a portion of the ownership of the business for a financial investment in the business. The ownership stake resulting from an equity investment allows the investor to share in the company's profits. Equity involves a permanent investment in a company and is not repaid by the company at a later date.

Debt Financing

Debt financing involves borrowing funds from creditors with the stipulation of repaying the borrowed funds plus interest at a specified future time. For the creditors (those lending the funds to the business), the reward for providing the debt financing is the interest on the amount lent to the borrower.

Debt financing may be secured or unsecured. Secured debt has collateral (a valuable asset which the lender can attach to satisfy the loan in case of default by the borrower). Conversely, unsecured debt does not have collateral and places the lender in a less secure position relative to repayment in case of default.

Debt financing (loans) may be short term or long term in their repayment schedules. Generally, short-term debt is used to finance current activities such as operations while long-term debt is used to finance assets such as buildings and equipment.

Preferred Financial Source