



Business and Investment Snapshot

Biscuit and Flour Factory

Sector(s):	Food Processing/ Flour and Biscuit
Location(s):	Adama, Ethiopia
Number of Employees:	The company currently has 112 employees
Product Line(s):	The Company is engaged in the production of wheat flour and variety of biscuits. The plant-capacity for wheat milling is 30 tones per 24 hours, and for biscuits it is 12 tons per 24 hours. The company is only being utilized at 30% of its capacity, because of two factors: 1) the capacity of the biscuit machine is small compared to the wheat milling machine, and 2) the high seasonal price of wheat has negatively impacted the company's working capital.
Management:	The company is family owned and operated.
Opportunity:	The company is planning to expand its biscuit production by installing modern biscuit making machinery compatible to the existing flour production machinery and minimize risk of raw material price inflation by stocking wheat during harvest time, which would be enough to run the company through out the year.
Market Trends:	Local wheat flour production is growing by an average of 28% over the past four years. The same is reflected in the number of establishments joining the industry every year. Flour production, which was 140,000, tones in 2007 grown to 315,000 in 2011, according to the latest data from CSA. Capacity utilization by grain millers averages at 54%, which is low compared to other food manufacturing industry, mainly due to raw material shortage. In Ethiopia the biscuit consumption per capita is estimated to be 0.8kg per person in 2011, which is low compared to African per capita consumption (1.5kg per person) and with that of the developed world (10kg per person). However, the recent figures show more 200% growth, from 0.4kg per person in 2008.
Social Impact:	The main social impact is job creation.

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