



Business and Investment Snapshot

Chickpea: Fast Moving Consumer Goods

Sector(s):	Fast moving consumer goods
Location(s):	Addis Ababa, Ethiopia (headquarters)
Product Line(s):	The company produces a variety on consumer goods. Planned new line: Chickpea flour (shiro) with production capacity of 3,000 MT per year
Management:	The Company has an experienced management team in the food manufacturing industry and is proven to create excellent supplier relationship with farmers.
Opportunity:	<p>Established in 2006, this Company is an ISO 22000 certified nutritional food processor specializing in supplementary foods, baby cereals, snack products, iodized table salt and non-iodized industrial salt. Its main clients are international humanitarian organizations that are providing food and nutrition programs in Ethiopia; however, the company seeks to diversify and grow in the consumer market where it has seen success selling salt. Under its diversification strategy, the Company is planning to engage in the production of chickpea flour (shiro), with a total production capacity of 3000 MT per annum.</p> <p>Shiro is a staple food for Ethiopians, consumed as a daily part of their diet. Despite the growing demand for shiro in the country, shiro powder has never been commercially processed at a factory level before and the demand is met by the informal sector through homemade and non-branded items with extremely small production capacity. The company is positioned to take advantage of this opportunity and build on its brand recognition with donors.</p> <p>The company is seeking investment of \$800,000 for machinery and working capital. The project will generate revenue of \$2.4M in the first year. Moreover the project will directly impact in the chickpea value chain where it will work with a minimum of 3,600 farmers to assure continuous supply of chickpeas.</p>
Market Trends:	Current price for shiro powder in the local retail market ranges from 40 to 44 birr per kilogram as compared to the proposed price setting of chickpea flour in this project which is 25.20 ETB per kilogram which will yield 15% margins for the Company. Shiro produced in this proposed project will likely have a competitive advantage over the homemade shiro powder by its lower price, higher nutritional value and quality packaging. According to a recent study, the demand for chickpea flour was estimated at 62,000 MT per annum in 2011. The annual growth rate was estimated to be about 13%, and is expected to reach at least 143,000 MT by the year 2018.
Investment Amount:	\$800,000
Current Net Profit Margin:	17%
Projected Revenue:	\$2.4M in Year 1 and grows to \$3.8 million in Year 5
Average Projected Net Profit Margin:	8% in the Year 1 and grows to 14% in the Year 5
Impact on Value Chain:	Better market linkage with the chickpea growers and could benefit farmers in getting higher price for their product.
Social Impact:	Anticipated 90 new FTE and 40 PTE.

DISCLAIMER: This Snapshot has been made available to the individuals to whom it is provided ("Recipients"). This document is based upon information which the Company and/or USAID AGP-AMDe consider to be reliable; however certain numbers are derived from general sources and/or may be unaudited or unverified. Consequently, such numbers may not be accurate or complete. Investment in general and in new and small businesses doing business in Ethiopia present significant risks, including the risk of total loss of amounts invested. Any discussion in the Snapshot of risks facing the Company and investment opportunities in the Company is not intended to be exhaustive. This Snapshot is provided to Recipients solely for informational purposes. It does not constitute an offer to sell, or the solicitation of an offer to buy, securities. No representation is made that this document is accurate or complete, nor should it be relied upon as such.

made that this document is accurate or complete, nor should it be relied upon as such.