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YEKEFTAW MANNA LIVESTOCK & AGRO INDUSTRY PLC

UNCTAD World Investment Forum 2016
Investing in Sustainable Development
PROJECT PROFILE



Company Name: Yekeftaw Manna Livestock & Agro Industry PLC
Physical Address: Yeka K/K, W/09, K/17/18, House#464, Addis Ababa, Ethiopia
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Sector/Type of Business: Dairy
Year of Establishment: June 15, 2012

Company description:

Yekeftaw Manna Livestock & Agro Industry PLC (yKM) was established as a micro dairy in Addis Ababa, Ethiopia on June 15, 2012. It was created as a father and son partnership between Tefera Gurmu and Tadios Tefera respectively. yKM has received numerous accolades and “letters of support” from various Ethiopian government and non-government bodies. yKM started out as a small micro dairy with four milking cows on a 120 square metre land with the goal of becoming a demonstration center on how to run a dairy farm in an environmentally sustainable manner. As such, yKM not only produces milk and milk derived products, but also uses the waste (manure) from the cattle to generate bio-gas, form charcoal briquettes and produce liquid fertilizer. The mission of yKM encompasses promotion of food security (dairy products), climate change mitigation (capturing a major pollutant - methane gas), use of renewable energy (utilizing methane gas for cooking and other purposes) and conservation (while building the cattle barn in Addis Ababa, the company made sure that no trees were cut or destroyed).

Team

Tefera Gurmu

Farmer Tefera Gurmu is a retired civil servant in Ethiopia. As a young adult, he started his career in the former Ethiopian navy. He now manages and is co-owner of yKM. After retirement, he has immersed himself in running the company and educating himself about cattle, waste management and what it takes to run a successful, sustainable dairy farm.

Tadios Tefera

Tadios Tefera is co-owner of the yKM. Prior to working on the firm, he worked as an IT security expert in the U.S. Since his return in 2015, he now co-manages Yekeftaw Manna (yKM) with Farmer Tefera. With his IT and project management background, he is now heavily engaged in ensuring that yKM utilizes best practices when it comes to running a dairy company.

Project description:

The company is now looking to expand its current operation from the pilot phase with fourteen cows to a fully fledged dairy farm. To this end, it has recently acquired 3.5 hectares dairy farm in Oromia which is about 70 kms north of Addis Ababa.

Being a vertically integrated farming activity, the project will have three sub-projects:

- dairy production;
- milk processing; and
- cattle feed production.

The products will be processed and packaged to enhance shelf life. They will be supplied to the capital, Addis Ababa, and markets in nearby cities. As a primary activity, the project will engage in the production of milk and milk processing using latest technologies to meet the required quality standards. In addition to the above products, the project will also be involved in providing services such as the distribution of hybrid heifers and provision of artificial insemination services (AI).

When the project is operational it will accommodate 320 high yielding milk cows with the goal of accommodating 1,000 cows in 10 years, when the project will be operating at full capacity. To establish this project, the promoters plans to invest a total of Birr 146,000,000 (USD 6,663,624).

Estimated Project Cost:

Use of Funds	USD	Funding Requirement	USD
Building & construction	2,464,628	Debt	4,664,537
Machinery, vehicles, equipment & tools	3,194,888	Equity	1,999,087
Purchase of animals	456,413		
Working capital	547,695		
Total Project Uses	6,663,624	Total Project Sources	6,663,624

Estimated IRR: 26.5%

Estimated Payback Period: 7 years

Anticipated financial closing date: Q4 2016

Employment (FTE)

Current	New (on project completion)	Total
5	82	87



Special thanks to:



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