



## Investment Project #4:

# SIM SIM PROCESSING

## Market potential

- Sim sim farming is widely practiced in West Nile, ensuring reliable supply of raw materials (inputs) from local farmers. Demand is high due to high nutritional value.
- Uganda exported 28,438 tons of sim sim in FY2020/21, earning revenue of USD 35M. The 2020/21 earnings more than doubled the USD 16M (from 16,438 tons) earned in FY2016/17.
- The investment opportunity targets processing of 1000 kgs of pea nut butter in Year 1, steadily growing to 1880kgs in Year 5.

## Financial viability

- Capital required for the 5-year project is USD 6,500 and is anticipated to be owner's equity.
- Operational costs total USD 4,459 over the 5 years.
- RoI of 35 - 45%, equivalent to cumulative profit of USD 4,208 over the project period.
- Payback period of 5 years.

## Competitive advantage

- Sim sim is very drought resistant, and can survive in harsh conditions where other crops struggle.
- The equipment used in sim sim processing are available on the domestic market, at affordable prices.
- West Nile's proximity to DRC and South Sudan provides ready access to markets in those countries.

## Government and OSC support to key challenges

- Quality assurance during the production process and preservation is essential for meeting export market standards. UNBS certifications and regulatory guidance facilitate quality assurance.
- Government promotion of BUBU and other import substitution policies would further grow the domestic market.