

# BAKING A BETTER LIFE!

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## Variations in Demand

Income from baking and the restaurant are seasonal. Denis says that he gets more customers after the harvesting period from August to December. Also, more customers come in on the weekly market days in Mahango when bread sales can easily double the sales on a normal day.

Denis Stanslaus Tarimo (27) bakes bread and runs a small restaurant in Mahango village, Kilimanjaro Region, Tanzania. He used to work as a tinsmith fabricating and repairing kerosene lanterns, aluminium pans and traditional metal charcoal stoves. Realising this would be an opportunity to increase his income, Denis switched to bread making in June 2004, when he was entrusted by TaTEDO with an oven as a demonstration unit.

It was not easy to start the business given the amount of investment required for purchasing the oven and baking tins. Denis bought his materials on credit and employed two people to run the business from a friend's shop while Denis continued his metal work.



## Sales and Profits

Denis sells 35 to 40 loaves of bread and 160-200 scones each day. Each loaf of bread sells for between TSH 150 and TSH 200 depending on size, while the scones sell at TSH 50 each. His daily sales may thus go up to TSH 6,000 from selling bread and TSH 10,000 from scones. This equals a net profit of TSH 3,000 to 4,000 daily. Denis's restaurant serves up to twenty meals a day and, with each plate costing TSH 400, he is able to earn up to TSH 8,000 daily from food vending, of which TSH 3,000 is profit. These profits have enabled Denis to fully repay his loan for the input materials for his business. The oven was bought from TaTEDO on credit and is being repaid in instalments.

Profit from the baking business was not enough, however and Denis decided he should devote more time to the business himself. He rented rooms in the central business area of the village and started a restaurant. Bread production picked up fast and his metalwork skills helped him to handle the oven well and take care of minor repairs himself.

Denis explains his life has changed completely: "My life is much better now, I can support my family and still have some

## Technical Design

Denis's oven has a capacity to bake twenty-four 400 gram loaves of bread in 30 minutes using 600 g of charcoal. It would take two hours to bake ten similar-sized loaves with the traditional method of using two heated pans placed on top and beneath the baking items. The oven has two fire pots on top which are used to prepare the meals sold in his restaurant. His wife and sister are employed in this business.

money". His income has increased impressively compared to TSH 8,000 per month. Denis is currently selling bread on a daily basis while, in his former business, sometimes a week could pass without a single job order.

As a result, Denis has been able to expand his maize farm and increase crop yield. He is also able to pay his children's school fees and materials. Denis plans to buy another improved charcoal oven to expand his business: "Since I am the only one making bread and scones, I want to increase my production capacity to meet the growing demand in Mahango and nearby villages". He also plans to look into baking cakes for weddings and religious functions. According to him, he stands good chances of succeeding since he does not face significant competition from large suppliers who are located in the nearest large town Moshi. Most neighbouring villages are supplied with bread from Moshi only twice a week.



*Denis is among sixty entrepreneurs who were interviewed in July 2005 as part of EASE research in Tanzania. Other entrepreneurs were interviewed in Patandi and Foo villages, in Arusha and Kilimanjaro regions respectively. This EASE research project sought to explore the contribution and impacts of productive uses of electricity and improved biomass stoves and ovens in terms of economic growth and livelihood assets of the rural population.*