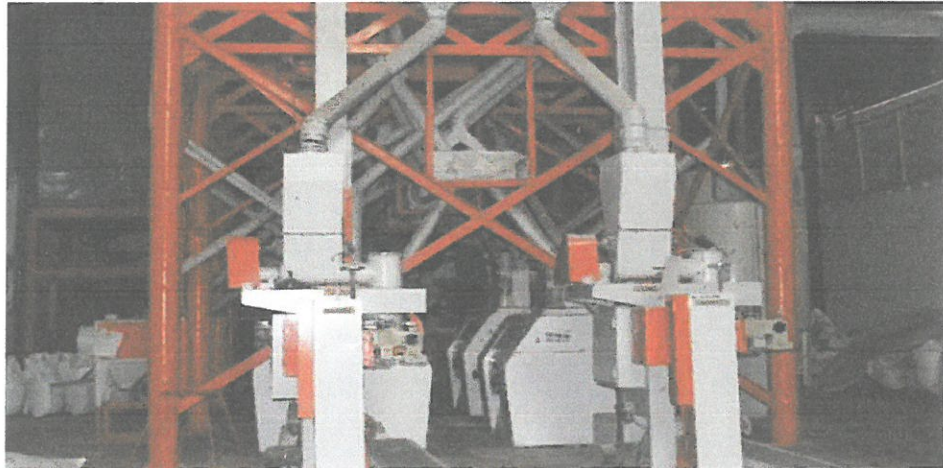


TANZANIA INVESTMENT CENTRE DAR ESSALAAM

PROGRESS REPORT

1. Planned activities for the period:-
 - a) **Acquisition and installation of modern grain milling machine**
 - b) **Renovation and expansion of the building (Godowns or warehouses)**
 - c) **Acquisition of plant and machinery for animal feed production in Mwanza**
 - d) **Expand market share of paddy and maize flour**
2. Achievements made on the project implementation
 - a) **Grain milling machine acquired and installed from reliable supplier in china.**
This machinery has high capacity it has an ability to process more than 100 tonnes per day and currently we only do at 50 percent.



- b) **Godown/warehouse has been expanded and renovated to accommodate more grain and paddy and at time of harvesting we normally hire some go downs from other companies**



- c) Already we have acquired animal feed plant in Mwanza and the production is in progress



- d) Production of paddy and maize have increased based on the market expansion

3. Update information

1	Shareholders information	1. Said Kate Makilagi- 50% 2. Juma Zedi Bwagi-50%	
2	Company communication	Email : musomafood@yahoo.com Landline: 0754-722550/0719359857 Physical address: Box 433,shinyanga Plot: 45/46 Block: BB District: Shinyanga Region: Shinyanga	
3	Contact Person	Name: Said Kate Makilagi Position: Managing Director	
4	Certificate of incorporation	Certificate no: 67334	
5	Tin information	Tin certificate no: 107 132 554	
6	Project objectives		
7	Capacity	Project capacity per year: 24,000 tonnes per year	
8	Direct employment	Foreign men: 1 Foreign women: 0 Local men: 38 Local women: 8	
9	Indirect employment	Estimated total no: 150 Type /Areas of indirect employment: Milling,loading and offloading/bagging and debagging	

4. Project financial expenditure.

Description	Foreign (USD)	Local (USD)	Total (USD)
Land & Building	-	\$1,867,374.69	\$1,867,374.69
Plant & Machinery	-	\$ 992,958.21	\$ 992,958.21
Vehicle or aircraft	-	\$ 56,879.81	\$ 56,879.81
Furniture	-	\$ 12,915.33	\$ 12,915.33
Office equipment	-	-	-
Insurance cover	-	\$ 40,218.81	\$ 40,218.81
Pre-operation expenses	-	-	-
Working capital	-	\$2,281,149.64	\$2,281,149.64
Grand Total	-	\$5,251,496.49	\$5,251,496.49

5. Project financing

Description	Amount (USD)	Source country
Local equity	\$269,875.27	Tanzania Owners contribution
Local loans	\$3,776,573.14	Tanzania NMB Bank financing
Foreign equity	-	-
Foreign loans	-	-
Total investment	\$4,046,448.41	

6. Problems and Solution

- a) **Inadequate working capital to run the business**
- b) **Change on price of maize and paddy within the year**
- c) **Late payments of debts from our customers**

Solution:

1. **We have tried to solicit funds from commercial banks. However, commercial banks does not provided us the required amount due to fact that we lack collaterals to cover our loan amount requested. This problem still persist as long as we have failed to find a reliable suppliers of funds.**
2. **The rise on prices of Paddy and Maize has no permanent solution. This follows that during harvest period the prices are lower but once it elapse prices tends to rise up. Hence, the best solution is to ensure that we acquire maize and paddy during the harvest season**
3. **We have been negotiating with our clients who usually takes our goods on credit to ensure they pay early to take advantages of our trade discount.**

7. Future plans

- a) **To capture high market share of our products both local and foreign markets**
- b) **Increase production capacity of both animal feeds and grain processing to at least to more than 50%**
- c) **To have branches in almost all regions of Tanzania for food supply and animal feeds supply.**
- d) **To do a horizontal and vertical expansion**

8. Recommendations and any other comments

Financial institutions should finance growing businesses under the government guarantee