

RBST INTERNATIONAL AGRIBUSINESS LTD

PROPOSED PROJECT FOR CLEANING SESAME SEEDS

FIVE-YEAR BUSINESS PLAN 2020/21 - 2024/25

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FIVE-YEAR BUSINESS PLAN – (2020/21 - 2024/25)

1.0 THE EXECUTIVE SUMMARY

1.1 Formation and Core Objectives

(1) Formation

RBST International Agribusiness Limited (RBST) was incorporated in Tanzania on 01st February, 2018. It is a joint venture company owned by two shareholders – Mr. Ismail Nadhiri Msuya, a Tanzanian citizen and Mr. Narayan Abhishek, an Indian citizen in proportions of 55% and 45% respectively. The Company is managed by Mr. Mparuka Hashimu Mtopela. The Company's physical address is at House number 09, Plot number 882, Shangani Street, Kambarage Road, Mtwara, Tanzania.

(2) Core Objectives

The main objective of RBST under its five-year business plan period (2020/21 - 2024/25) from April 2020 is to set up its own raw sesame seeds cleaning factory in Dar es Salaam. The cleaned sesame will be for the export market, which is ample as per data in table 5 and 6.

1.2 RBST International Agribusiness Limited Five-year Business Plan

(1) Preamble

Guided by its strengths of knowing the commodities export business as well as its solid financial muscle, and backed by the opportunities of ample global markets for cleaned sesame seeds as well as an operating environment in Tanzania that favours private entrepreneurs together with a local growing economy, RBST's vision during the next five years is *"to become the most reliable exporter of high quality cleaned sesame seeds from Tanzania"*. On the ground the Company's vision translates into a mission of *"always working to timely meet its customers' delivery orders of affordable high quality cleaned sesame seeds"*.

(2) RBST Five-year Business Plan

In the context of RBST's vision and mission, the sub objectives or goals of RBST's five year business plan cover six areas as summarised below.

(a) Marketing sub objectives/goals

The major marketing sub objectives/goals of RBST are two, namely, to:-

- (i) build its image as the most reliable exporter that always timely meets its customers' orders high quality cleaned sesame seeds; and
- (ii) attain export volumes of cleaned sesame seeds as per annex 2.1 of this report during the whole period of its five-year business plan period.

(b) Operational sub objectives/goals

From its operational point of view, RBST's sub objective/goal is to equip itself with the necessary capacity/resources to achieve its marketing, technical, financial, social and environmental goals – e.g. assure RBST is able to purchase all the sesame seeds to meet its export orders as indicated in annex 2.

(c) Technical sub objectives/goals

The Company main technical sub objectives/goals are two, namely, to:-

- (i) develop a brand for its exported cleaned & branded sesame seeds and sustain it; and
- (ii) assure RBST remains an exporter of high quality sesame seeds for the whole period of its five-year business plan (2020/21-2024/25).

(d) Financial sub objectives/goals

As a “for-profit” business oriented company, RBST financial sub objective/goal is to attain profitability indicated in appendix 4 so as to maximize the wealth of its shareholders.

(e) Social sub objective/goal

RBST social sub objectives/goals are two, namely, to:

- (i) contribute to the social well-being of the sesame farming communities in Tanzania; and
- (ii) behave as a responsible corporate citizen of Tanzania.

(f) Environmental sub objectives/goals

In this age of changing climatic conditions, RBST is determined to sensitize the farmers of sesame to preserve the environment they live in so that they not only produce good commodities but also enjoy their surroundings.

1.3 Capital investments cost estimates and financing plan

So as to accomplish its objectives over the said five year period, RBST International Agribusiness Limited is planning to invest USD 2.307 million for purposes of setting up its own sesame cleaning factory – USD 0.570 million and initial working capital to the tune of USD 1.737 million for the sesame cleaning operations.

All the above investments are expected and planned to be financed by both new equity and loan funds.

1.4 Projected financial results

The operations of RBST's exporting cleaned sesame seeds are expected to be carried out in a profitable manner. Projected financial results show that RBST is expected to make profits before tax that range from USD 0.437 million during the first year of its 5-year business plan to USD 0.768 million during the fifth (last) year of its business plan.

1.5 Economic and environmental Impact of the project to Tanzania

(1) Economic impact

RBST's project to set up its own sesame cleaning factory is expected to be economically positive to Tanzania in four ways – i.e. (a) generation of additional foreign currency by way of its sesame seeds exports; (b) employment generation of around 15 people (c) government taxes – particularly corporation tax of between USD 0.131 million and USD 0.230 million during the 5 years of its 5-year business plan and (d) various economic multiplier effects.

(2) Environmental impact

The environmental impact of the sesame seeds cleaning operations of the Company are also expected to be positive as there will be no harmful waste during the seeds cleaning operations – in terms of materials or odour. Most of the waste, save stones – mainly dirt mixed with good sesame seeds during its harvest – is biodegradable into manure once disposed of into a farm.

1.6 Risks and mitigation measures

Like any other business entity in operation, RBST's sesame seeds cleaning operations as well as those of exporting raw cashew nuts will face various risks during the life of those operations. These risks are of five categories, namely:-

(1) Economic – e.g. either a recession or hyper-inflation

One way of mitigating an occurrence of either an economic recession or hyper-inflation is to build internal capacity to control operating costs to enable its operations to continue until the recession or hyper-inflation ends.

(2) Strategic - e.g. coming into force of anti-business government economic policies

One way of averting such measures is to engage the government via trade/business or industry associations with a view of asking the government to change such policy.

(3) Industry - e.g. competition in purchase of raw materials

One way of mitigation such competition is to put in place arrangements to have substantial financial resources to enable the Company purchase as much of its commodities as soon as the harvest season starts.

(4) Mother nature – drought or flooding, particularly for sesame seeds

One way to mitigate this risk is to stock high volumes of these commodities.

(5) Turmoil caused by either economic, social, religious or political reasons

One way of mitigating this risk is to avert it by contributing to the general welfare of disadvantaged communities and any other good causes sponsored by the government or other business.

As the probability of the occurrence of the above risks may currently be classified as “medium” - as opposed to “high” or “low”, SCPL must gear itself to put in place a system of either averting or neutralising the impact these risks may bring to its operations, if any of them was to set in.

2.0 THE COMPANY

2.1 Formation, Ownership and Management

(1) Incorporation

RBST International Agribusiness Limited (RBST) was incorporated under Tanzania's Cap 213 of its Laws – Companies Act of 2002 on 01st February, 2018. Its certificate of incorporation is number 121278 and is hereon attached.

(2) Ownership

RBST is joint venture company between a Tanzanian national – Mr. Ismail Nadhiri Msuya, who currently owns 55% of the paid up share capital of the company - and an Indian citizen - Mr. Narayan Abhishek, whose shareholding in the company is 45%.

(3) Management

As a company formed under the country's Companies Act 2002, RBST is managed by a Board of Directors comprising two directors, namely Messrs. Ismail Nadhiri Msuya - a Tanzanian citizen, Narayan Abhishek – an Indian citizen. Day-to-day affairs of the company are under the leadership of Mr. Mparuka Hashimu Mtopela.

The Company's physical address is at House number 09, Plot number 882, Block number -, Shangani Street, Kambarge Road, Mtwara, Tanzania.

2.2 RBST's Core Objectives

Since its incorporation RBST International Agribusiness Limited has been dealing with the purchase of raw sesame seeds from local farmers which it later cleans/grades and exports.

Subject to acquiring a suitable plot of land in Mtwara, the Company intends to also establish a factory in either Dar es Salaam or Mtwara for processing any of the raw agricultural commodities it is currently dealing with, particularly sesame seeds, the purpose of exporting the same.

2.3 Operations/past performance

Since its incorporation, the company has exported cleaned sesame seeds using hired equipment from a company called Gaumathre Agricultural Commodities Private Ltd (GACPL) in GACPL's raw sesame seeds cleaning facilities in Dar es Salaam. RBST's export performance of cleaned sesame seeds using hired equipment is as indicated in table 1 hereunder.

Table 1: Quantity of exported cleaned sesame seeds

Year	Quantity - in M Tons
2018	3,757.375
2019	8,456.250

Having noted that the export business of cleaned sesame seeds is a profitable business, RBST International Agribusiness Ltd has decided to set up its own sesame seeds cleaning facilities in Dar es Salaam, even though it is yet to get a plot of land to erect its own factory. Accordingly it has prepared a five-year business plan to guide its operations in this business. It is in the context of the Company's decision to set up its own sesame cleaning facilities, this report contains RBST's Five-year Business plan for the period from year 2020/21 to year 2024/25.

3.0 TANZANIA'S PRODUCTION OF AND GLOBAL MARKETS FOR SESAME

The success and sustenance of the sesame seeds export business by a company based in Tanzania is dependent on various factors, two of the critical ones being the:-

- continued availability of raw sesame within the country; and
- existence of ample world markets for sesame seeds.

This chapter therefore briefly discusses the above factors to determine whether RBST's decision to set up its own sesame seeds cleaning facilities for offloading same into overseas markets makes commercial sense.

To this end so as to set the ball rolling, hereunder is review of past sesame production data of Tanzania.

3.1 Tanzania's raw sesame past production data

(1) Tanzania's production of sesame for the immediate past ten years to year 2018

Tanzania's historical production statistics of sesame are as shown in table 2 below.

Table 2: Tanzania's past sesame production – Quantities in metric tons '000'

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Quantity	73	66	357	456	1,050	1,114	1,175	1,232	1,292	134

Source: The Economic Survey 2018 and Annual Economic Survey 2012¹

During this period, Tanzania's sesame production grew by a simple average of 9.26% annually.

(2) Tanzania's exports of sesame for the immediate past ten years to year 2018

Tanzania's exports of sesame over the past ten years to year 2018 are indicated in table 3 hereunder.

Table 3: Tanzania's export quantities of sesame seeds - Quantities in metric tons '000'

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Quantity	72	54	76	77	88	117	135	134	80	66

Source: International Trade Centre

https://www.trademap.org/Country_SelProduct_TS.aspx?nvpm

Over the past decade that ended in year 2018, Tanzania exports of sesame seeds have on average grown by a moving average of 2.46% that translated in an annual decline of a simple average of -0.82%. In comparison with production quantities, Tanzania's exports of sesame during this period were 31.50% annually. This shows that Tanzania's production of sesame was well in excess of the quantity of the country's exports of same.

¹ The Economic Survey 2018 and the Economic Survey 2012 are official publications of the Tanzania Government's Ministry of Finance and Planning.

(3) Tanzania's projected production of raw sesame seeds

Based on the simple annual average growth rate (9.26%) of the country's historical sesame production statistics as appearing in table 2 above, Tanzania's projected production of sesame over the next ten years to year 2028 is as shown in table 4 below.

Table 4: Tanzania's projected production of sesame – Quantities in metric tons '000'

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Quantity	146	160	174	276	437	691	1,094	1,731	2,739	4,334

Assuming the proportion of Tanzania's future sesame exports remains at 31.50% of the produced quantity of sesame, suffice it here to state that the projected production of sesame as appearing in table 4 above are more than adequate to sustain such exports for the next ten years' period ending in year 2028.

3.2 Size of the world market for sesame seeds

(1) World import quantities of sesame seeds for the past ten years to year 2018

Sesame seeds are traded internationally under HS Code 120740. The size of the global market for sesame seeds for the years 2009 to 2018 was as indicated in table 5 below.

Table 5: World Imports statistics of Sesame seeds – Quantities in Metric tons '000'

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Quantity	1,189	1,330	1,356	1,293	1,481	1,648	1,918	2,081	1,890	2,106

Source: International Trade Centre

https://www.trademap.org/Country_SelProduct_TS.aspx?nvpm

The three leading importers of sesame seeds during this period were China, Japan and Turkey, with China as the leading world's importer followed by Japan, second and Turkey, third.

During this period, world imports of sesame seeds grew by a simple average of 8.57% annually.

(2) Projected world import quantities of sesame seeds

Assuming this average annual rate of growth in global imports of sesame seeds will remain at the same rate of 8.57% from year 2019 to year 2028, projected global imports of sesame seeds are expected to be as indicated in table 6 hereunder.

Table 6: Projected quantities of sesame seeds world imports –metric tons '000'

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Quantity	2,287	2,483	2,696	2,927	3,178	3,450	3,746	4,068	4,416	4,795

In the context of projected growth of Tanzania's sesame production as well as the relationship of the country's sesame exports and its production data, it is expected that export quantities of raw and cleaned sesame seeds of Tanzania are unlikely to exceed those of its production. This is

especially so because the government is now on a drive to encourage exports of locally processed Tanzania agricultural commodities rather than raw ones.

Under the circumstances, RBST's decision to set up sesame seeds cleaning facilities prior to those of processing same makes commercial sense data in table 5 indicates the expected existence of adequate raw sesame seeds locally. On the same vein, data in table 6 is indicative of the expected continued existence of an ample world market for the cleaned sesame seeds.

4.0 DESCRIPTION OF BUSINESS PLAN – (2020/21 - 2024/25)

RBST International Agribusiness Limited has decided to prepare a five year business plan covering the period from year 2020/21 to year 2024/25 in as far as its raw sesame cleaning operations are concerned so as to guide these operations in order to attain both RBST's VISION and MISSION STATEMENT, which are stated here below.

Before going into the details of RBST's five year business plan, hereunder is an analysis of its strengths, weaknesses, opportunities and threats (SWOT) as well as a review of the political, economic, social and technical (PEST) aspects of its operating environment in relation to its sesame seeds cleaning operations only.

4.1 SWOT analysis

An analysis of the current strengths, weaknesses, opportunities and threats/challenges (SWOT) of RBST International Agribusiness Limited has been carried out. The outcome of this SWOT analysis is as described here below.

(1) Strengths

RBST International Agribusiness Limited's present strengths lie in two areas as stated below.

(a) A company led by experienced businessmen

The foreign shareholders/directors of RBST are experienced businessmen in the line of sesame seeds handling industry that it is currently doing. RBST's current leadership is also committed to ensure the Company succeeds in accomplishing its goals and objectives in its sesame seeds cleaning operations.

(b) Strong financial muscle

RBST's foreign shareholders are also well associated with a group of companies that have strong a financial muscle to enable it carry out its business activities successfully.

(2) Weaknesses

None in particular.

(3) Opportunities

The main opportunity currently open to RBST International Agribusiness Limited is the **existence of an ample market for the commodities it is dealing with**. Both cashew nuts – raw and cleaned – as well as sesame have worldwide markets. Accordingly, all RBST needs is to come up with appropriate marketing strategies to exploit these markets.

(4) Challenges/Threats

Major challenges/threats facing RBST International Agribusiness Limited appear to be two as indicated below.

(a) Competition in sourcing the commodities it is dealing with

Currently in Tanzania there are other companies dealing with the same commodities RBST is dealing with. So it is going to face some competition in sourcing these commodities. To neutralise this threat RBST must make firm arrangements to access working capital to purchase adequate quantities of these commodities once their harvest seasons set in.

(b) Mother nature – droughts or flooding

Due to changing climatic conditions, there is likelihood of droughts or floods occurring in the areas where sesame is grown in the country. An occurrence of a drought or flooding could lead to reduction in the quantities of sesame produced and so prevent the Company from attaining its business goals.

(5) Conclusion

Arising from the SWOT analysis described above, RBST's five year business plan must be tailored to cash on the Company's strengths and opportunities; removal of its weaknesses and neutralisation of its threats. It is only in this way that RBST will stand the chance of accomplishing its twin goals and objectives of its creation – i.e. its "*raison d'être*", which are those of making a profit in its commercial business operations and enrich its shareholders.

4.2 The political, economic, social and technical (PEST) operating environment

A review of the PEST operating environment has indicated various critical issues as described below.

(1) Political

Tanzania, though still a young multiparty democratic state, to date largely remains apolitically stable and peaceful country. This is so despite some few politically motivated disturbances that occur whenever general elections are either imminent or held. On the other hand, the pace with which the current government is tackling corruption has engendered hope and joy amongst the populace – both business and non-business – thus entrenching the peace and stable political status of the country.

In summary, therefore, the country enjoys a sound political environment. This peaceful political environment is an immense opportunity and assurance for RBST that it stands a great chance to succeed in its commercial business endeavours.

(2) Economic

According to the World Bank's Tanzania Economic Update², "...Bank staff expect real GDP to grow by about 6 per cent over the medium term – *years 2022 – 2025*?³, but that will depend on the speed of reforms to improve fiscal management and the business environment for private investment and growth...".

The determination and efforts of the current (5th phase) government in cracking down on corruption and embezzlement of public funds as well as revival of manufacturing entities bode well for the country's economy as they bring hope that it will continue to grow to greater heights. Furthermore the 5th phase government has reiterated its unflinching intention of industrializing the country by way of encouraging the private sector to set up agro-processing so as to add value to its agricultural commodities rather than exporting same raw.

In the context of the above, particularly, with the knowledge that the government is still supportive of the private business sector in growing Tanzania's economy, RBST must become proactive in the identification of new markets for its commodities. The ultimate objective of all

² Tanzania Economic Update issue no. 13 of December 2019

³ The hyphen and years are contents of the author of this report wanting to know the time period stated by the WB as "medium term"

its actions should be to enhance RBST's capacity to become competitive - abroad – so as to attain its goals.

(3) Social

Although malaria still remains the major cause of deaths in Tanzania, HIV/AIDS is still the only health issue of major concern as it has no reliable cure as yet. In view of this it is incumbent upon RBST to impart HIV/AIDS awareness to its employees so as to encourage and enable them to guard themselves against this killer disease. At the same time the Company must educate its staff to fight against malaria so as to reduce the deaths it causes within the population.

Save for the two health issues pointed out in the above paragraph, the social platform of RBST's operating environment is stable and peaceful with a promising future.

(4) Technical

The technical and technological operating platform facing RBST International Agribusiness Limited is also stable and favourable to it. The country has already successfully gone digital in its communication networks, thus assuring stable and fast communication with the outside world. The technical requirements for RBST to attain the status of an exporter of commodities have already been attained as it is currently exporting cleaned sesame seeds.

To this end, the Company is well placed to face this friendly technical operating environment to its advantage.

In light of the SWOC/T and PEST analyses, hereunder stated are RBST's VISION and MISSION statement which are to guide the Company's five year business plan in as far as the cleaning of raw sesame seeds is concerned.

4.3 Vision

Over the next five years to end of year 2024/25, RBST International Agribusiness Limited's vision will be as stated below.

“to become the most reliable exporter of high quality cleaned sesame seeds from Tanzania”.

4.4 Mission statement

In-line with its vision RBST International Agribusiness Limited's mission statement is:

““always working to timely meet its customers' delivery orders of affordable high quality cleaned sesame seeds”.

4.5 RBST's goals/objectives under its five-year business plan

So as to live to its mission statement and so achieve its vision during the coming five-year business plan's period – from year 2020/21 to 2024/25 - RBST International Agribusiness Limited is determined to **set up its own controlled facilities** to clean raw sesame seeds in Dar es Salaam.

In the context of the preceding section, RBST's goals/objectives under its five-year business plan cover six main areas, namely:-

- ◆ marketing;
- ◆ operations;
- ◆ technical;
- ◆ financial;
- ◆ social; and
- ◆ environmental.

The goals/objectives for each of the above areas are separately described by use of the logical framework approach hereunder.

(1) Marketing goals/objectives

RBST's marketing goals under its five year business plan are as stated in table 7 here below.

Table 7: Marketing goals

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<p>Goals:</p> <p>(i) build its image as the most reliable exporter that always timely meets its customers' orders high quality cleaned sesame seeds; and</p> <p>(ii) attain export volumes of cleaned sesame seeds as per annex 2.1 of this report during the whole period of its five-year business plan period.</p>	<p>Increased export orders of cleaned & branded sesame seeds received from and executed to different overseas importers</p>	<p>Cleaned & branded sesame seeds exports returns showing the actual exports that have been received and made weekly/monthly/yearly</p>	<p>1. RBST's cleaned & branded sesame seeds continue to be accepted internationally;</p> <p>2. RBST's search for overseas importers of its cleaned & branded sesame seeds will be successful; and</p> <p>3. Global market for cleaned & branded sesame seeds will continue to grow</p>
<p>Purpose:</p> <p>1. Secure higher prices for its cleaned & branded sesame seeds</p> <p>2. Attain cleaned & branded sesame seeds export volumes as indicated in annex 2.1</p>	<p>1. Actual cleaned & branded sesame seeds export prices obtained.</p> <p>2. Actual quantities of cleaned and branded sesame seeds exports attained.</p>	<p>Actual cleaned & branded sesame seeds exports returns showing actual prices and quantities obtained and made weekly/monthly/yearly vis a vis budgeted data such as that shown in annex 2.1.</p>	<p>1. All the three assumptions mentioned under "Goal" above.</p> <p>2. RBST's will secure all funding required to accomplish its marketing objectives</p>
<p>Outputs:</p> <p>1. Presence in the overseas cleaned & branded sesame seeds as well as raw cashew nuts market</p> <p>2. Higher cleaned & branded sesame seeds export prices obtained</p> <p>3. Increasing quantities of exported cleaned & branded sesame seeds being made.</p> <p>4. RBST becomes a financially sound/strong company.</p>	<p>1. Cleaned & branded sesame seeds orders from diversified importers</p> <p>2. Cleaned & branded sesame seeds shipments made.</p> <p>3. Profit after tax and</p> <p>4. No long term borrowings</p>	<p>Cleaned & branded sesame seeds exports returns showing actual prices obtained and quantities and made weekly/monthly/yearly.</p>	<p>1. All the two assumptions mentioned under "Purpose" above.</p> <p>2. There will either be little or no competition in sourcing raw sesame seeds.</p>
<p>Activities:</p> <p>1. Strengthen RBST marketing department.</p> <p>2. Establish networks for getting new importers of its cleaned & branded sesame seeds.</p> <p>3. Draw up programmes to accomplish marketing objectives – e.g. marketing tasks to achieve overall market objectives and their budgets</p> <p>4. Allot responsibilities to employees for each task</p> <p>5. Set up reporting and reviewing timetable of the outcomes of each task</p> <p>6. Source for adequate funding to meet costs to attain RBST's marketing objectives</p> <p>7. Formulate ways to motivate staff morale to achieve RBST's 5-year business plan goals/objectives</p>	<p>1. Existence of a RBST officer i/c of marketing</p> <p>2. For activities nos. 2 to 4 actual existence of marketing programmes showing plans, responsible officers, implementation timetable, budget, etc</p> <p>3. For activity no. 5 schedule (timetable) of reporting and review meeting</p> <p>4. For activity no. 6 requests for funds made and obtained</p> <p>5. For activity no.7 existence of staff motivation plan</p>	<p>1. RBST's organization chart</p> <p>2. Task implementation reports of each task</p>	<p>1. All assumptions under "Outputs" above.</p> <p>2. Qualified human resources to carry out the marketing tasks will be available and retained by RBST.</p>

(2) Operational goals/objectives

RBST International Agribusiness Limited's operational goals are geared to achieve its marketing, technical, financial, social and environmental goals. Thus RBST's operational goals are as stated in table 8 hereunder.

Table 8: Operational goals

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<p>Goal: Equip itself with the necessary capacity/resources to achieve its marketing, technical, financial, social and environmental goals – e.g. assure RBST is able to purchase all the sesame seeds to meet its export orders as indicated in annex 2.</p> <p>Purpose: 1. Ensure that capital expenditure required to acquire the needed capacity/resources is incurred as per plan – annex 1 2. Ensure operations are carried out and sustained in line with plan 3. Either eliminate or stifle competition in sourcing of raw cashew nuts and sesame seeds.</p> <p>Outputs: 1. RBST will have the capacity to implement its marketing, technical, financial, social and environmental goals after getting all required resources as indicated in annexes 1 and 2 will be made available 2. RBST's operations will take place as per plan</p> <p>Activities: 1. Strengthen its operations department. 2. Draw up programmes to accomplish operations objectives – e.g. operations tasks to achieve overall market objectives and their budgets 3. Draw up implementation timetable and budget for each task 4. Allot responsibilities to employees for each task 5. Set up reporting and reviewing timetable of the outcomes of each task 6. Source for adequate funding to meet operational costs so as to attain marketing goals 7. Formulate ways to motivate staff morale to achieve RBST's 5-year business plan goals/objectives</p>	<p>Existence/availability of resources – cf. annexes 1 - required to carry out its five year business plan.</p> <p>1. Items under "Goal" above. 2. Achievement of milestones indicated in the plan</p>	<p>Implementation reports of RBST International Agribusiness Limited's 5-year business plan produced either daily/ weekly/monthly/yearly.</p> <p>Various operational reports that shall be produced either daily/ weekly/monthly/yearly.</p>	<p>All assumptions under "Marketing Objectives" logframe will be in place</p> <p>All required resources to implement its 5 year business plan will be available – e.g. all required funding will be obtained as and when required.</p>
			<p>All assumptions under "Goal" above</p> <p>Tanzania's economic conditions and operating environment will continue to be better – e.g. inflation will be lower than at present.</p>
	<p>Occurrence of all events as per plan</p>	<p>Various operational reports that shall be produced either daily/ weekly/monthly/yearly.</p>	<p>All the assumptions under "Purpose" above</p> <p>There will either be little or no competition in sourcing of raw sesame seeds.</p>
	<p>1. Existence of a RBST officer i/c of operations. 2. For activities nos. 2 to 4 & 7 actual operations programmes showing plans, responsible officers, implementation timetable, budgets 3. For activity no. 5 schedule (timetable) of reporting and review meeting 4. For activity no. 6 requests for funds made and obtained</p>	<p>1. RBST's organization chart 2. Task implementation reports of each task produced either daily/ weekly/monthly/yearly.</p>	<p>All assumptions under "Outputs".</p> <p>Qualified human resources to carry out RBST's operations will be available and retained by RBST.</p>

(3) Technical goals/objectives

As in the case of RBST's operational goals, the company's technical goals have also been tailored to achieve its marketing, financial, social and environmental goals. Thus the Company's technical goals are as stated in table 9 hereunder.

Table 9: Technical goals

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<p>Goal:</p> <ol style="list-style-type: none"> Develop a brand for its exported cleaned & branded sesame seeds and sustain it. Assure RBST remains an exporter of high quality for the whole period of its five-year business plan (2020/21-2024/25) <p>Purpose:</p> <ol style="list-style-type: none"> Meet international importers' quality requirements of cleaned & branded sesame seeds. Keep and sustain RBST's presence in the cleaned and branded sesame seeds overseas markets. <p>Outputs:</p> <ol style="list-style-type: none"> Maintenance of high quality cleaned & branded sesame seeds status in the overseas markets. <p>Activities:</p> <ol style="list-style-type: none"> Set up a Technical Department within RBST and strengthen it. Draw programmes to accomplish technical objectives – e.g. technical tasks to achieve overall market objectives and their budgets Draw up implementation timetable and budget for each task Allot responsibilities to employees for each task Set up reporting and reviewing timetable of the outcomes of each task Source for adequate funding to meet technical goals costs so as to attain marketing goals Formulate ways to motivate quality assurance staff morale to achieve RBST's technical goals of its 5-year business plan goals/objectives 	<p>Existence of a RBST brand of cleaned sesame seeds for export.</p> <p>Continued and increased quantities of cleaned & branded sesame seeds exports as shown in annex 2.1 and addendum 1.1.</p> <p>An internal inspection capacity for verifying the quality of its cleaned & branded sesame seeds.</p> <ol style="list-style-type: none"> Existence of a RBST officer i/c of technical operations For activities nos. 2 to 4 and 7 actual technical programmes showing plans, responsible officers, implementation timetable, budgets For activity no. 5 schedule (timetable) of reporting and review meeting For activity no. 6 requests for funds made and obtained Compliance degree of quality standards e.g. absence of rejected export consignments. 	<p>Registered brand of cleaned sesame seeds for export.</p> <p>Various quality inspection reports of cleaned & branded sesame seeds that shall be produced either daily/ weekly/monthly/yearly.</p> <p>The quality inspection reports under “Purpose” above</p> <ol style="list-style-type: none"> RBST's organization chart Task implementation reports of each task 	<p>International acceptance of RBST's cleaned and branded sesame seeds.</p> <ol style="list-style-type: none"> International quality standards for acceptable cleaned sesame seeds shall not change frequently. All assumptions under the “Operational objectives” logframe. <p>All the assumptions under “Purpose” above</p> <p>All the assumptions under “purpose” above</p>

(4) Financial goals/objectives

The financial goals of RBST International Agribusiness Limited under its five year business plan revolve around main reason for one being in business, namely that of maximising the wealth of RBST's shareholders by way of making more profits for the Company.

The financial goals of RBST International Agribusiness Limited under its five year business plan are as discussed in table 10 here below.

Table 10: RBST's financial objectives

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<p>Purpose:</p> <ol style="list-style-type: none"> 1. Raise RBST's credibility as a profitable Company worth of associating oneself with. 2. Endow RBST with internal capacity to raise funds on its own and on terms best suited to it. 3. Engender loyalty of RBST's employees to the Company 	<p>Profitability indices of the Company as indicated in attachment</p> <ol style="list-style-type: none"> 1. Comparisons of RBST's actual vs budgeted management and audited accounts that shall be produced either daily/ weekly/monthly/yearly. 2. Various other operational reports covering each area of its six goals/objectives described in these logframes. 		<p>All the assumptions under the "Marketing", "Operations" and "Technical" objectives logframes</p>
<p>Activities:</p> <ol style="list-style-type: none"> 1. Recruit a qualified accountant to head RBST's accounting department 2. Draw up programmes to accomplish financial objectives – e.g. financial tasks to achieve overall market objectives and their budgets 3. Draw up implementation timetable and budget for each task 4. Allot responsibilities to employees for each task 5. Set up reporting and reviewing timetable of the outcomes of each task 6. Source for adequate funding to meet technical goals costs so as to attain marketing goals 7. Formulate ways to motivate quality assurance staff morale to achieve RBST's financial goals of its 5-year business plan goals/objectives 	<ol style="list-style-type: none"> 1. Existence of a RBST officer i/c of financial department 2. For activities nos. 2 to 4 & 7 actual financial programmes showing plans, responsible officers, implementation timetable, budgets 3. For activity no. 5 schedule (timetable) of reporting and review meeting 4. For activity no. 6 requests for funds made and obtained 	<ol style="list-style-type: none"> 1. Organization chart 2. Task implementation reports of each task 	<p>All the assumptions under the "Marketing", "Operations" and "Technical" objectives logframes</p>

(5) RBST's Social goals/objectives Social

RBST's social goal/objective under its five year business plan is to sensitize its members and affiliates to work closely with not only their Society but also with each other particularly with respect to setting up various community based programmes for their own benefit. Details of RBST's social goal/objective are as stated in table 11 here below.

Table 11: RBST's Social objectives

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<p>Goal:</p> <p>1. Contribute to the social well-being of the sesame farming communities in Tanzania and to behave as a responsible corporate citizen of Tanzania by giving donations for improving their quality of life in terms of various aspects such as:</p> <ul style="list-style-type: none"> ➢ Health – encourage them to build dispensaries within their vicinity – around 2 to 3 km. ➢ Education - encourage them to build schools within their vicinity – around 2 to 3 km. ➢ Housing - encourage them to improve the standards/quality of their living quarters/houses. ➢ Water supply - encourage them to access clean water by way of drilling water boreholes or harvesting rain water within their vicinity – around 2 to 3 km. <p>2. Educate the general public on the need to improve their quality of life so that they are able to willingly participate in social programmes aimed at benefiting them.</p>	<p>1. Nos. of raw sesame seeds sellers that come up with ideas on ways to improve their quality of life</p> <p>2. Nos. of raw sesame seeds sellers that implement agreed social/community programmes of the Society.</p> <p>3. Community development donations made by the Company.</p>	<p>1. Periodical reports on ideas formulated to improve their quality of life prepared by local government officials</p> <p>2. Periodical reports from farmers of raw sesame participation in their community development programmes.</p> <p>3. Company's budget/reports/ on donations made by the Company.</p>	<p>1. Adequate education will be given to farmers on the benefits of cooperating together.</p> <p>2. Members will be positively responsive to Company's sensitization.</p> <p>3. All the assumptions under the, "Marketing", "Technical", "Operations", "Technical" and "Financial" objectives logframes.</p>
<p>Purpose:</p> <p>1. Instill members' loyalty to the Community.</p> <p>2. Attain farmers' willingness to work with RBST so as to attain not only the Company's goals and objectives but also theirs.</p> <p>3. Improve the standards of living of the farmers.</p>	<p>1. All verifiable indicators under "Goal" above.</p> <p>2. Actual nos. of farmers volunteering to execute various development programmes for their own communities.</p> <p>3. Actual nos. of farmers that have access to e.g. better health care, education for their children and residential housing.</p>	<p>1. All means of verification under "Goal" above.</p> <p>2. Various other operational reports covering each area of its six goals/objectives described in these logframes</p>	<p>All the assumptions under "Goal" above.</p>
<p>Outputs:</p> <p>1. Sesame farmers' satisfaction with and acceptance of their Development programmes.</p> <p>2. Farmers' willingness to execute various social programmes beneficial to them and their community at large.</p> <p>3. Better social and living standards of members/affiliates.</p>	<p>All verifiable indicators under "Purpose" above.</p>	<p>The same types of reports as those under "Purpose" herein above</p>	<p>All the assumptions under "Goal" above.</p>
<p>Activities:</p> <p>1. Recruit a competent social welfare officer to coordinate activities related to members' social programmes.</p> <p>2. Draw programmes and budgets to accomplish social objectives.</p> <p>3. Draw implementation timetable and budget for each task</p> <p>4. Allot responsibilities to individuals for each task</p> <p>5. Set up reporting and reviewing timetable of the outcomes of each task</p> <p>6. Source for funding to meet RBST's 5-year business plan social goals/objectives.</p> <p>7. Formulate ways to motivate farmers' morale to achieve the 5-year business plan Social goals/objectives.</p>	<p>1. Existence of a RBST officer i/c of members' welfare and social programmes.</p> <p>2. For activities nos. 2 to 4 & 7 actual social programmes showing plans, responsible officers, implementation timetable, budgets</p> <p>3. For activity no. 5 schedule (timetable) of reporting and review meetings</p> <p>4. For activity no. 6 requests for funds made and obtained</p>	<p>1. RBST Organization chart</p> <p>2. Task implementation reports of each task</p>	<p>All the assumptions under "Goal" above.</p>

(6) Environmental goal

RBST's environmental goal under its five year business plan is to sensitize the farmers of raw sesame seeds to preserve the environment within which they live so that they are able to sustain the production of quality sesame seeds. Details of the Society's environmental goal are as stated in table 12 here below.

Table 12: RBST's environmental goal/objective

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<p>Purpose: Assure sustainability of the production of good quality sesame seeds.</p> <p>Outputs: 1. A well preserved environment that is conducive to the production of good quality sesame seeds.</p> <p>Activities: 1. Recruit a field officer who is competent in environmental issues to coordinate activities related to environmental preservation. 2. Draw up programmes and budgets to accomplish environmental objectives. 3. Draw up implementation timetable and budget for each task 4. Allot responsibilities to individuals for each task 5. Set up reporting and reviewing timetable of the outcomes of each task 6. Source for funding to meet RBST's 5-year business plan environmental goals/objectives. 7. Formulate ways to motivate employees' morale to achieve the 5-year business plan goals/objectives.</p>	<p>All verifiable indicators under "Goal" above.</p> <p>All verifiable indicators under "Purpose" above.</p> <p>1. Existence of a RBST officer i/c of environmental issues. 2. For activities nos. 2 to 4 & 7 actual environmental programmes showing responsible implementation timetables, budgets 3. For activity no. 5 schedule (timetable) of reporting and review meetings 4. For activity no. 6 requests for funds made and obtained</p>	<p>All means of verification under "Goal" above.</p> <p>The same types of reports as those under "Purpose" herein above</p> <p>1. Organization chart 2. Task implementation reports of each task</p>	<p>All the assumptions under "Goal" above.</p> <p>All the assumptions under "Goal" above.</p> <p>All the assumptions under "Goal" above.</p>

5.0 RBST'S PROPOSED SETTING UP OF A SESAME SEEDS CLEANING PROJECT

As briefly stated in the "Operational" goals/objectives logframe in the preceding chapter, RBST International Agribusiness Limited is proposing to set up its own raw sesame seeds cleaning factory in Dar es Salaam. The facilities will be erected at RBST's to-be-rented warehouse in Kurasini. RBST is currently negotiating with the Tanzania Cotton Board with a view renting one of its warehouses at Kurasini near the Dar es Salaam port.

In the meantime hereunder is a description of what the project will entail.

5.1 Key elements of the sesame seeds cleaning project

RBST's sesame seeds cleaning project entails one key element namely, that of procuring sesame seeds cleaning machinery and auxiliary equipment as well as erecting the same in the warehouse expected to be rented from Tanzania Cotton Board. The said warehouse has adequate space for not only accommodating the additional sesame seeds cleaning machinery but also storage space for both raw and cleaned sesame seeds. The warehouse also has the necessary utilities infrastructure.

The rated input capacity of the raw sesame seeds cleaning machinery will be 55,845 metric tons annually.

5.2 Physical Implementation of the project

As all the sesame seeds cleaning equipment comprises off-the-shelf items as opposed to made-on-order ones, physical implementation of the project is expected to take no more than three months from the ordering and arrival of the sesame seeds cleaning equipment in Dar es Salaam. Installation of the additional seed cleaning machinery is expected to take a week to complete to pave the way for operations of the equipment to commence.

6.0 CAPITAL INVESTMENT ITEMS COST ESTIMATES AND PROPOSED FINANCING PLAN

6.1 Capital Investment items cost estimates of the sesame seeds cleaning project

Cost estimates for implementing the proposed establishment of the sesame seeds cleaning facilities of RBST as stated in section 5.1 are USD 2,307,063 /= broken down as shown in table 13 below.

Table 13: Capital Investment items cost estimates: - Figures in USD

Particulars/Year	2020/21
Sesame cleaning equipment	467,391
Office Equipment	5,250
Office Furniture and fittings	5,250
Motor vehicles	31,500
Pre-operational expenses	60,300
Sub total	569,691
Add: Initial Working capital	1,737,372
Total – Capital investment items costs estimates	2,307,063

Detailed workings of the above capital investment items cost estimates are shown in Annex 1 and Annex 2.2 of this report.

6.2 Proposed Financing Plan

The capital investment items cost estimates shown in table 13 above are expected to be all financed by both equity and loan funds from the shareholders of RBST International Agribusiness Ltd.

Arising from the above proposed financing, the capital structure of RBST following the completion of its proposed expansion of its sesame seeds cleaning factory is expected to be as shown in table 14 hereunder.

Table 14: Capital structure: - Figures in USD

Particulars/Year	2020/21
Equity	227,063
Loan	2,080,000
Total	2,307,063

The shareholders of the company have confirmed their ability to raise the funds required to put up the proposed investment.

7.0 PROJECTED FINANCIAL RESULTS

In line with the goals and objectives of RBST International Agribusiness Limited's five year business plan as set out in chapter 4 above as well as the resources required to attain those goals and the manner in which such resources will be funded as described in chapter 6, financial projections have been prepared to see what the expected financial results are going to be like over the whole period of the five-year business plan. The projections are based on various assumptions that are indicated in annexes 1 and 2. Three of the main assumptions are, however, discussed hereunder.

7.1 Assumptions of the financial projections

The assumptions underlying the financial projections are of three types, namely, those related to (a) market, (b) inflation and (c) production.

(1) Market related assumptions

Based on the markets for cleaned sesame seeds as described in chapter 3, it has been assumed that the projected demand for cleaned sesame seeds will remain in place during the whole period of RBST's 5-year business plan - i.e. for the years from year 2020/21 to 2024/25. Accordingly, the estimated quantity of cleaned sesame seeds that RBST is expected to export, after successfully completing its programme to set up sesame seeds cleaning facilities, during the period of its business plan is as indicated in table 15 below.

Table 15: Estimated exports of cleaned/cleaned sesame seeds – metric tonnes

Products/Year	2020/21	2021/22	2022/23	2023/24	2024/25
Cleaned sesame seeds	33,048	34,700	36,435	38,257	40,170

(2) Inflation related assumptions

As the monetary figures are all stated in USD, a currency which rarely depreciates vis a vis the Tanzania shilling (TZS), no inflation has been factored into the financial projections as the case would have been had the monetary figures been stated in TZS, particularly for the domestic based items.

(3) Production related assumptions

The volume of exports of both cleaned sesame seeds is dependent on the quantity of raw sesame seeds produced in the country. Data from the Economic Surveys of years 2012 and 2018 show that Tanzania's past production history of the raw sesame seeds gives assurance that the production of the raw sesame seeds will be in sufficient quantities – cf. tables 2 and 4 - to enable RBST to meet its export targets.

7.2 Projected financial results

Detailed projected financial results on the successful implementation of RBST International Agribusiness Limited's five year business plan are contained in appendixes 1 to 3 – for RBST's new sesame seeds cleaning project. No consolidation of existing operations in relation to other agricultural commodities has been taken into account as this business plan relates to sesame seeds cleaning operations only.

Appendix 1 shows the projected profit and loss accounts. Appendix 2 details the projected cash flows. Appendix 3 indicates the projected balance sheets. Appendix 4 is the summary of the

Expected Key Financial Performance Indicators (EKFPis) of the project. This performance summary is shown in table 16 hereunder.

Table 16: Summary of Expected Key Financial Performance Indicators (EKPIs) of RBST's 5-year business plan (2020/21 – 2024/25)

PARTICULARS/YEAR	2020/21	PROJECTED FINANCIAL PERFORMANCE				2024/25
		2021/22	2022/23	2023/24	2024/25	
Sesame seeds cleaning capacity						
Planned sesame seeds cleaning capacity utilisation %	80.00%	84.00%	88.20%	92.61%	97.24%	
Balance sheets						
Total Net Assets	USD 490,020	419,784	357,559	302,158	252,590	
Equity Funds	USD 533,224	892,339	1,308,524	1,784,154	2,321,952	
Total liabilities	USD 2,703,240	2,327,858	1,922,212	1,483,673	1,055,151	
Closing cash balance	USD 186,806	112,861	51,314	2,781	13,549	
Profit and loss						
Exports revenues (sesame seeds)	USD 54,818,957	57,559,905	60,437,900	63,459,795	66,632,785	
Gross profit	USD 7,051,226	7,409,187	7,785,046	8,179,699	8,594,083	
Earnings before interest, tax, depreciation and amortization (EBITDA)	USD 668,733	707,569	748,348	791,165	836,123	
Earnings before interest and tax (EBIT)	USD 589,061	637,334	686,122	735,764	786,555	
Earnings before tax (EBT)	USD 437,372	513,022	594,550	679,472	768,283	
Earnings after tax (EAT)	USD 306,160	359,115	416,185	475,631	537,798	
Profitability margins						
Gross profit (GP) margin	12.86%	12.87%	12.88%	12.89%	12.90%	
Earnings before interest, tax, depreciation and amortization (EBITDA) margin	1.22%	1.23%	1.24%	1.25%	1.25%	
Earnings before interest and tax (EBIT) margin	1.07%	1.11%	1.14%	1.16%	1.18%	
Earnings before tax (EBT) margin	0.80%	0.89%	0.98%	1.07%	1.15%	
Earnings after tax (EAT) margin	0.56%	0.62%	0.69%	0.75%	0.81%	
Returns						
Return on Capital employed (ROCE)/	18.20%	19.79%	21.24%	22.52%	23.29%	
Return on Equity (ROE)	57.42%	40.24%	31.81%	26.66%	23.16%	
Loan service capacity						
Loan interest cover	3.88	5.13	7.49	13.07	43.05	
Debt Service Coverage Ratio	(3.44)	0.64	0.72	0.81	0.99	
Gearing						
Debt equity (Gearing) ratio	5.07	2.61	1.47	0.83	0.45	

From table 16 above, it apparent that RBST's expected financial performance following the successful implementation of its five-year business plan is going to be positive. The Company is expected to become profitable right from the first year (2020/21) of its five-year business plan to the end of year 2024/25.

The data in table 16 above also shows that RBST is expected to be a cash-cow as its closing cash balance at the end of each of the ensuing years of its business plan is expected to be positive.

RBST's expected gearing ratio of less than 1 for the whole planning period is another indicator that the Company is expected to have the capacity to borrow more funds to meet its financial needs in case such needs arise.

8.0 ECONOMIC AND ENVIRONMENTAL IMPACT

8.1 Economic impact

The economic impact of implementing RBST's five year business plan to Tanzania is expected to be positive. This is because of four factors, namely:-

- foreign currency generation;
- additional employment generation;
- tax payments to the government; and
- multiplier effects.

Each of these factors is briefly described hereunder.

(1) Foreign currency generation

As a developing country Tanzania needs all the foreign currency it can lay its hands on. The five year business plan described herein above if implemented accordingly is expected to make RBST to become a dependable generator of foreign currency by way of exporting its cleaned sesame seeds.

(2) Additional employment generation

On the implementation of RBST's five year business plan, direct additional employment opportunities are expected to be created in several areas. The main areas which are expected to be the source of direct employment opportunities include (a) the sesame seeds buying points where the Company stations its own field officers, (b) labourers at its Dar es Salaam sesame seeds cleaning factory. Total direct permanent staff expected to be employed are estimated at a maximum of 15 (fifteen).

(3) Tax payments to government

As RBST is expected to remain a profitable undertaking throughout its five year business plan, appendix 1 shows that the Company is expected to pay additional corporation tax ranging from USD 0.131 million during year one of its project to USD 0.230 million during the fifth year of its project – year 2024/25.

(4) Multiplier effects

In addition to the direct economic effects stated above, RBST International Agribusiness Limited's operations during the implementation of its five year business plan – in its sesame seeds department are expected to generate various economic multiplier effects within the country's economy. These include – to mention, just a few– boosting incomes of the farmers of sesame seeds as well as transporters of raw sesame seeds from the farmers' places to RBST's sesame seeds cleaning factory.

8.2 Environmental impact

RBST's operations arising from the implementation of its five year business plan are expected to be friendly to the environment. This is due to the fact that the cleaning of raw sesame seeds at its Dar es Salaam factory will not generate waste materials that are harmful to the environment.

Save for some stones, the rest of the waste – mainly dirt mixed with good sesame seeds during its harvest - is biodigestable into manure once disposed of into a farm.

9.0 SUCCESS FACTORS

Factors that have to be in place for the successful implementation of RBST's five-year business plan are of two categories – internal and external to the Company. Each of these categories is briefly described here below.

9.1 Internal success factors

Success factors that are internal to RBST International Agribusiness Limited for its business plan to be accomplished are of two types, namely, (a) management and (b) finance. A brief description of each of these factors follows hereunder.

(1) Management

RBST International Agribusiness Limited is managed by businessmen who are well versed in agricultural commodities export operations. The Company is currently managed by three full time employees under the general stewardship of Mr. Maria Joseph Raj.

(2) Finance

RBST's current financial position shows the Company has the financial muscle to successfully execute its five-year business plan as well as resolve any challenges arising during the implementation of its business plan without let.

9.2 External success factors

Success factors that are external to RBST International Agribusiness Limited for the accomplishment of its five-year business plan include (a) market availability, (b) continuous growth of the economies of the countries where it is exporting its cleaned sesame seeds, (c) continuous and stable availability of support services – e.g. electric power - and (d) stable and favourable macroeconomic policies within Tanzania's economy.

A brief description of each of the above factors follows hereunder.

(1) Availability and growth of markets for its products

A business that has no market for its goods/services has limited life. Thus for RBST International Agribusiness Limited to successfully accomplish the objectives of its five-year plan, it must continually look for export markets for its cleaned sesame seeds and raw cashew nuts. Contents of chapter 3 show that the markets for cleaned sesame seeds are stable and growing. Subject to RBST conforming to export markets' commodity criteria, the Company will not have a problem in exporting its cleaned sesame seeds that are the wherewithal of its business plan.

(2) Continuous growth of the economies of RBST's export markets

While RBST International Agribusiness Limited may influence the availability of its markets to some degree, continuous growth of RBST's export markets is dependent on the growth of the economies of those countries. As the experience of the world's 2008/9 economic slowdown/recession has already shown, both intra-country and international trade can only continue growing if there is no economic recession. It is therefore hoped that during the coming five years when RBST International Agribusiness Limited will be implementing its five-year

business plan the world will not again be gripped by an economic recession like the one of the year 2008/9.

(3) Continuous and stable availability of support services within the country

Domestic availability of support services such as electric power to enable RBST smoothly carry out its operations is another success factor for the accomplishment of the Company's five-year business plan. Following operationalization of the gas to electricity projects – Kinyerezi 1 and 2 by the Tanzania Government, it is expected that electricity will be available in a stable and permanent manner.

(4) Stable and favourable macroeconomic policies within Tanzania's economy

Finally, while the growth of a country's economy is one thing, the maintenance of stable and favourable economic policies by that same country is another thing altogether. For RBST International Agribusiness Limited to successfully implement its five-year business plan it also needs the maintenance of stable and favourable macroeconomic policies within Tanzania.

It is pertinent at this point to point out that nearly all the internal and external success factors are currently in place. All RBST needs is to utilise them to its advantage. In view of this it is expected that the implementation of its five-year business plan will be successful.

10.0 RISK FACTORS AND MITIGATING MEASURES

In its business operations, RBST International Agribusiness Limited, like any other business operating entity, will continue to face various risks that may threaten its successful performance. These risks are of four types, namely, (a) economic, (b) strategic (c) political, social and religious, (d) risks from Mother Nature and (e) industry risks.

A brief description of each type of risk and its mitigation measures follows here below in form of a matrix.

10.1 Risks that RBST is likely to face and measures to mitigate their adverse impact on its operations.

RISKS	MEASURES TO MITIGATE ADVERSE IMPACT
<p>1. Economic</p> <p>(a) A recession – either locally or within the source countries of its customers A recession reduces economic activities within a country thus reducing the purchasing power of the people. This lowers demand for goods and services, something that leads to a slump in business profitability.</p> <p>(b) Hyper-inflation – either locally or within the source countries of its customers Severe inflation also stifles the people's purchasing power which in turn reduces their demand for various products and services. The economic impact of hyper-inflation if it sets in would be the same as those of an economic recession.</p>	<p>(a) Build internal capacity to control operating expenses so that the RBST's operations are not too badly affected by low demand for its products.</p> <p>(b) Diversify the source countries of its clientele as a hedge against a recession since the impact of a recession is not the same for all countries.</p>
<p>2. Strategic Strategic risks are those arising from changes in government measures/policies that lead to negative impact on the business prospects of the proposed project. For example the government may introduce fiscal measures that impinge on sustaining the profitability of its business – e.g. categorising expenses that were previously tax allowable as no longer tax allowable.</p>	<p>(a) With the support of industry/trade associations – e.g. the Tanzania Chamber of Commerce, Industries and Agriculture (TCCIA) and other stakeholders, RBST should engage the Government with a view of retracting such measure(s).</p> <p>(b) Business entities should discharge their social responsibility within their communities, thus dissuading the government from changing its pro-business measures/policies to anti-business ones.</p>
<p>3. Industry</p> <p>(a) Competition in procurement of agricultural commodities, particularly where market forces are key determinants of setting farm gate prices of key/export crops or in a situation where there is a dominant buyer who can undercut his competitors by offering unduly high farm gate prices to farmers.</p> <p>(b) Changes in the drivers of demand for cleaned sesame seeds by some of its importing customers could happen, thereby reducing the export volumes of the Company.</p>	<p>(a) Make arrangements for the Company to have adequate funding to enable it procure its commodities at market forces or stifle its competitors and so stock adequate quantities of the commodities to meet its exports' requirements.</p> <p>(b) So as to avoid this risk adversely impacting on its operations, RBST has to have a diversified list of importers of its commodities in as many countries as possible. This kind of importers will give RBST time to turn to other importers whose demand for these commodities has not been dampened.</p>
<p>4. Risks from mother nature The major risks from mother nature for Company's operations are those of either floods or droughts that result in farmers' crops failure.</p>	<p>(a) Management should endeavour to stock reasonably high volumes of its commodities to enable it meet its customers' requirements.</p> <p>(b) Arrange for commensurate trade finance facilities so as to give itself the flexibility to access funds at short notice to boost its stocks of commodities.</p>
<p>5. Political, social, and religious disturbances Disturbances – whether political, social or religious – harm business as they create insecurity within the populace, thus leading to people reducing their momentum for engaging in economic activities.</p>	<p>To fend off disturbances of a political, social or religious nature and so maintain peace and stability in the country, it is incumbent upon business entities to contribute positively to the maintenance of this stable environment. One way of doing this is to contribute to improving the living standards of most disadvantaged communities – e.g. constructing water wells for such communities.</p>

10.2 Probability of risks' occurrence

Whereas in the distant past the probability of any of the above risks setting in during the life time of an enterprise appeared remote, the world economic recession that set in year 2008/9 has shown that the probability of any of the above risks occurring may be classified as "medium" as opposed to "high" and "low", it is important for businesses like RBST International Agribusiness Limited to have in place at all times measures to counter the impact of the occurrences of any of the risks mentioned herein above. To this end RBST is advised to devise measures to guard itself against or mitigate any adverse effects arising from the occurrence of any of the risks stated above during the implementation of its 5-year business plan.

11.0 KEY ISSUES

Key issues that RBST International Agribusiness Limited needs to resolve while implementing its five-year business plan are categorised into two types - near and long term. Each of these types of key issues is discussed here below.

11.1 Near term key issues – within the next two years

There is one key issue that RBST has to resolve in the near term – say within the next two years. These are as described here below.

(1) Scrapping of the export levy on its sesame seeds exports

Just as manufacturers of export goods in export processing zones do not pay export levies on their exports, RBST is also intent on engaging the government on the issue of scrapping such export levy on agricultural crops – whether cleaned or raw.

11.2 Long term key issues – beyond five-years

With respect to its sesame seeds cleaning operations there is only one long term key issue that is facing RBST International Agribusiness Limited at present. Depending on how it develops, this key issue relates to **its ability to acquire its own plot of land so as to set up its own factory premises for cleaning raw sesame seeds in its own factory rather using rented premises all the time.**

To this end the Company is advised to talk to the TIC for TIC to give the requisite assistance to accomplish its goal of getting a plot of land to erect its own factory for cleaning raw sesame seeds.

12.0 CONCLUSION AND RECOMMENDATIONS

In the context of all that has been stated herein above, we would like to conclude as under.

12.1 Conclusions

RBST International Agribusiness Limited's objectives – marketing, operational, technical and financial – as set out in its five-year business plan appear realistic and achievable.

The projected financial results following the implementation of the business plan show that RBST is expected to become a profitable undertaking throughout the planning horizon from the first year of its five-year business plan.

During the implementation of its business plan, RBST's operations are expected to have a positive impact on the country's economy. Its operations are also friendly to the environment.

Typical of any business entity, RBST will face various risks – economic, strategic, socio-political and religious, industry and flooding/droughts – during the implementation of its five-year business plan. So as to minimise or completely avert these risks' adverse impact on its operations, RBST will have to devise counter measures against these risks as indicated in the relevant chapter.

In addition to the above, RBST International Agribusiness Limited needs to solve the term key issue within the first three years of its business plan once its implementation starts.

The risks and key issues to solve notwithstanding, RBST's five-year business plan is implementable.

12.2 Recommendations

In the context of section 12.1 it is recommended that RBST International Agribusiness Limited should put itself on high gear ready to commence the implementation of its five-year business plan.

13.0 APPENDIXES, ANNEXIES & ATTACHMENTS

Appendix 1 – 4: Projected Financials of Expansion Project

Annex 1 - 2: Expansion Project - Capital Investment Cost Estimates & Operating assumptions

Annex 3: Loan repayment schedule

Attachment 1: Proforma invoice of investment capital items

RBST INTERNATIONAL AGRIBUSINESS LIMITED		PROPOSED EXSTABLISHMENT OF A SESAME SEEDS CLEANING PROJECT IN DAR ES SALAAM					Appendix 1	
FIVE YEAR BUSINESS PLAN (2020/21 - 2024/25)		PROJECTED PROFIT AND LOSS STATEMENTS FOR YEARS ENDED 31ST MARCH ..					USD	
YEAR		2020/21	2021/22	2022/23	2023/24	2024/25		
Export Revenues								
	Cleaned Sesame seeds exports	54,818,957	57,559,905	60,437,900	63,459,795	66,632,785		
Total: Export Revenues		54,818,957	57,559,905	60,437,900	63,459,795	66,632,785		
Less:								
	Direct sesame seeds cleaning expenses	47,767,732	50,150,718	52,652,854	55,280,097	58,038,702		
Total: Direct sesame cleaning expenses		47,767,732	50,150,718	52,652,854	55,280,097	58,038,702		
Gross profit		7,051,226	7,409,187	7,785,046	8,179,699	8,594,083		
Less: Sesame shipping and D'Salaam Branch Office overheads								
	Sesame shipping/selling costs	4,957,200	5,205,060	5,465,313	5,738,579	6,025,508		
	Branch Office overheads	1,370,474	1,438,998	1,510,948	1,586,495	1,665,820		
	Administrative	5,482	5,756	6,044	6,346	6,663		
	Utilities	32,891	34,536	36,263	38,076	39,980		
	Marketing	10,964	11,512	12,088	12,692	13,327		
	Repair and maintenance	5,482	5,756	6,044	6,346	6,663		
	Norma financial	6,382,493	6,701,618	7,036,698	7,388,533	7,757,960		
Total		668,733	707,569	748,348	791,165	836,123		
		79,671	70,236	62,225	55,401	49,568		
Earnings b4 Interest, Tax Depreciation and Amortization (EBITDA)		589,061	637,334	686,122	735,764	786,555		
Less: Depreciation		151,689	124,312	91,573	56,292	18,272		
Earnings before Interest and Tax (EBIT)		437,372	513,022	594,550	679,472	768,283		
Less: Tax provision @ 30%		131,212	153,907	178,365	203,842	230,485		
Earnings after tax (EAT)		306,160	359,115	416,185	475,631	537,798		
Add Profit/(loss) brought forward		-	306,160	665,276	1,081,460	1,557,091		
Retained Earnings carried forward		306,160	665,276	1,081,460	1,557,091	2,094,889		

RBST INTERNATIONAL AGRIBUSINESS LIMITED										Appendix 2
PROPOSED EXSTABLISHMENT OF A SESAME SEEDS CLEANING PROJECT IN DAR ES SALAAM										
FIVE YEAR BUSINESS PLAN (2020/21 - 2024/25)										
PROJECTED CASH FLOW STATEMENTS FOR YEARS ENDED 31ST MARCH ..										
YEAR	2020/21	2021/22	2022/23	2023/24	2024/25					
Cash inflows										
Capital										
Equity	227,063	-	-	-	-					
Loan	2,080,000									
Sub total	2,307,063									
Revenue										
Profit before tax	437,372	513,022	594,550	679,472	768,283					
Add: Depreciation	79,671	70,236	62,225	55,401	49,568					
Sub total	517,043	583,257	656,775	734,873	817,851					
Total cash inflows	2,824,107	583,257	656,775	734,873	817,851					
Cash outflows										
Capital										
Investments	569,691	-	-	-	-					
Loan repayments	231,829	421,719	454,458	489,739	482,256					
Sub total	801,520	421,719	454,458	489,739	482,256					
Revenue										
Change in working capital	1,737,372	87,251	91,614	96,194	101,004					
Tax	98,409	148,233	172,250	197,472	223,824					
Sub total	1,835,781	235,484	263,864	293,667	324,828					
Total cash outflows	2,637,301	657,203	718,322	783,406	807,084					
Net cash flows										
Beginning cash balance	186,806	-73,945	-61,547	-48,532	10,767					
	-	186,806	112,861	51,314	2,781					
Closing cash balance	186,806	112,861	51,314	2,781	13,549					

RBST INTERNATIONAL AGRIBUSINESS LIMITED							Appendix 3
PROPOSED EXSTABLISHMENT OF A SESAME SEEDS CLEANING PROJECT IN DAR ES SALAAM							
FIVE YEAR BUSINESS PLAN (2020/21 - 2024/25)							
PROJECTED BALANCE SHEETS AS AT 31ST MARCH ..							USD
YEAR		2020/21	2021/22	202022/23	2023/24	2024/25	
ASSETS							
Non Current Assets - net		490,020	419,784	357,559	302,158	252,590	
Current assets							
Stocks in Trade	Annex 2.2	1,417,577	1,488,388	1,562,740	1,640,809	1,722,782	
Trade Debtors	Annex 2.2	1,142,062	1,199,165	1,259,123	1,322,079	1,388,183	
Cash and Bank Balance	Appendix 2	186,806	112,861	51,314	2,781	13,549	
Total Current Assets		2,746,444	2,800,413	2,873,177	2,965,670	3,124,514	
Total Net assets		3,236,464	3,220,197	3,230,735	3,267,828	3,377,104	
FINANCE BY:							
Equity							
Paid up share capital	Annex 1	227,063	227,063	227,063	227,063	227,063	
Retained Earnings Balance	Appendix 1	306,160	665,276	1,081,460	1,557,091	2,094,889	
Total equity		533,224	892,339	1,308,524	1,784,154	2,321,952	
Term loan							
CIICE Loan		1,848,171	1,426,453	971,995	482,256	-	
Current liabilities							
Trade Creditors	Annex 2.2	822,266	862,929	905,626	950,457	997,530	
Corporate tax		32,803	38,477	44,591	50,960	57,621	
Total Current Liabilities		855,069	901,406	950,217	1,001,417	1,055,151	
Total Liabilities		2,703,240	2,327,858	1,922,212	1,483,673	1,055,151	
Total equity and liabilities		3,236,464	3,220,197	3,230,735	3,267,828	3,377,104	

RBST INTERNATIONAL AGRIBUSINESS LIMITED		PROPOSED EX ESTABLISHMENT OF A SESAME SEEDS CLEANING PROJECT IN DAR ES SALAAM					Appendix 4
FIVE YEAR BUSINESS PLAN (2020/21 - 2024/25)		2020/21	2021/22	2022/23	2023/24	2024/25	
EXPECTED KEY FINANCIAL PERFORMANCE INDICATORS (EKFPIS)							
YEAR		2020/21	2021/22	2022/23	2023/24	2024/25	
Sesame seeds cleaning capacity		80.00%	84.00%	88.20%	92.61%	97.24%	
Planned sesame seeds cleaning capacity utilisation %							
Balance sheets							
Total Net Assets	USD	490,020	419,784	357,559	302,158	252,590	
Equity Funds	USD	533,224	892,339	1,308,524	1,784,154	2,321,952	
Liabilities	USD	2,703,240	2,327,858	1,922,212	1,483,673	1,055,151	
Closing cash balance	USD	186,806	112,861	51,314	2,781	13,549	
Profit and loss							
Exports revenues	USD	54,818,957	57,559,905	60,437,900	63,459,795	66,632,785	
Gross profit	USD	7,051,226	7,409,187	7,785,046	8,179,699	8,594,083	
Earnings before interest, tax, depreciation and amortn (EBITDA)	USD	668,733	707,569	748,348	791,165	836,123	
Earnings before interest and tax (EBIT)	USD	589,061	637,334	686,122	735,764	786,555	
Earnings before tax (EBT)	USD	437,372	513,022	594,550	679,472	768,283	
Earnings after tax (EAT)	USD	306,160	359,115	416,185	475,631	537,798	
Profitability margins							
Gross profit (GP) margin		12.86%	12.87%	12.88%	12.89%	12.90%	
Earnings before interest, tax, depreciation and amortn (EBITDA) margin		1.22%	1.23%	1.24%	1.25%	1.25%	
Earnings before interest and tax (EBIT) margin		1.07%	1.11%	1.14%	1.16%	1.18%	
Earnings before tax (EBT) margin		0.80%	0.89%	0.98%	1.07%	1.15%	
Earnings after tax (EAT) margin		0.56%	0.62%	0.69%	0.75%	0.81%	
Returns							
Return on Capital employed (ROCE)		18.20%	19.79%	21.24%	22.52%	23.29%	
Return on Equity (ROE)		57.42%	40.24%	31.81%	26.66%	23.16%	
Loan service capacity							
Loan interest cover		3.88	5.13	7.49	13.07	43.05	
Debt Service Coverage Ratio		(3.44)	0.64	0.72	0.81	0.99	
Gearing							
Debt/ equity (Gearing) ratio		5.07	2.61	1.47	0.83	0.45	

RBST INTERNATIONAL AGRIBUSINESS LIMITED
PROPOSED EXSTABLISHMENT OF A SESAME SEEDS CLEANING PROJECT IN DAR ES SALAAM
FIVE YEAR BUSINESS PLAN (2020/21 - 2024/25)

Annex 1.1

CAPITAL INVESTMENT ITEMS COST ESTIMATES (CIICE)

INVESTMENT YEAR

2020/21

USD/TZS Exchange rate

CRDB Bank Plc's exchange rate - 04th December, 2019

Selling rate: USD to TZS

TZS

2,311

INVESTMENT CAPITAL ITEMS COST ESTIMATES

1.0 EQUIPMENT

1.1 Sesame cleaning machinery

Sesame seeds cleaning and processing machinery

	No. of sets	Cost/unit: USD	Total cost: USD
Sesame seeds cleaning and processing machinery	6	55,000	330,000
Subtotal - Cost and freight (C & F) Dar es Salaam port			330,000

Add:

(i) Port Clearing and forwarding at Dar es Salaam port:

(a) Approval of importation documents TBS @ TZS 30,000 USD 13

(b) Shipping line Delivery Order - based on nos. of bills of lading 1 150 150

(c) TRA duties and taxes

(A) Import duty on machinery on Customs value = subtotal+contingencies @ 10.00% 33,000

(B) VAT - on Customs value and import duty @ 18.00% 65,340

(C) Wharfage - on customs value @ 1.60% 5,280

(D) Railway Development Levy - on Customs value @ 0.60% 1,980

(E) Processing fees - on Customs value @ 0.60% 1,980

(d) Verification of goods - based on nos. of containers 2 400 800

(e) TPA charges

(A) Handling charges - based on nos. of CBM & VAT:- 2 containers of 40' @ 80 9 850

(B) Corridor levy - based on nos of containers @ 2 6 12

(f) C & Fwd agency fees - on nos. of 40' containers @ TZS 600,000 2 260 519

(g) Miscellaneous charges - on nos. of 40' containers @ TZS 40,000 2 17 35

(h) Container deposit - on nos. of 40' containers @ 2 1,000 2,000

(i) Transport from port to factory - on nos. of 40' containers @ TZS 500,000 2 216 433

(ii) Cost of machinery installation Lumpsum 25,000

Total: Cost of Sesame cleaning machinery:

467,391

1.2 Office Equipment

Assorted office equipment

Lumpsum 5,000

Sub total

Add: Contingencies @ 5%

250

Total: Cost of office equipment

5,250

2.0 OFFICE FURNITURE AND FITTINGS

Assorted office furniture and equipment

Lumpsum 5,000

Sub total

Add: Contingencies @ 5%

250

Total: Cost of office equipment

5,250

3.0 MOTOR VEHICLES

Service vehicle - double cabin pickup

1 Lumpsum 30,000

Sub total

Add: Contingencies @ 5%

1,500

Total: Cost of motor vehicle

31,500

Total: FIXED INVESTMENT ITEMS COST ESTIMATES

509,391

FIVE YEAR BUSINESS PLAN (2020/21 - 2024/25)			Annex 1.2
INVESTMENT CAPITAL ITEMS COST ESTIMATES			
INVESTMENT YEAR			2020/21
			Total cost: USD
1.5 Preoperating expenses			
(1) Project preparation			
	Lumpsum cost		500
(2) Fund mobilisation			
	Total loan approved by financier	2,080,000	
	Loan arrangement fees - as a % of loan approved	1.00%	
	Total fund mobilisation fees		20,800
(3) Loan interest during the project's physical implementation period (LIDPPIP)			
	(a) Project physical implementation period - months		3
	(b) FICICE - term loan disbursed in one lumpsum at time of ordering all Fixed Investment Capital Items		
	(c) Term loan outstanding during physical implementation of the project	USD	2,080,000
	(d) Loan interest on term loan per annum is		7.50%
	(e) Loan interest during the project's physical implementation period is:		39,000
	Total Pre-operational expenses		60,300
2. SUMMARY OF CAPITAL INVESTMENT ITEMS COST ESTIMATES (CIICE)			
Investment capital items			
	Sesame cleaning machinery		467,391
	Office Equipment		5,250
	Office Furniture and fittings		5,250
	Motor vehicles		31,500
	Pre-operational expenses		60,300
	Sub total		569,691
	Add: Initial working capital		1,737,372
	Total Capital investment items cost estimates		2,307,063
3. FINANCING PLAN			
		Proportion	
	Equity	9.84%	227,063
	Loan	90.16%	2,080,000
	Total	100.00%	2,307,063

RBST INTERNATIONAL AGRIBUSINESS LIMITED PROPOSED ESTABLISHMENT OF A SESAME SEEDS CLEANING PROJECT IN DAR ES SALAAM		Annex 2.1				
FIVE YEAR BUSINESS PLAN (2020/21 - 2024/25) OPERATING ASSUMPTIONS		2020/21	2021/22	2022/23	2023/24	2024/25
1.0 USD/TZS Exchange rate						
CRDB Bank Plc's exchange rate - 04th December, 2019						
Selling rate: USD to TZS						
TZS						
2.0 Revenues						
(1) Rated Sesame seeds cleaning capacity of new machinery per 24 hrs						
Metric Tons (MT)						
(2) Planned annual sesame seeds machinery cleaning capacity utilisation (PASSMACCU) -%						
(a) Working days per year						
(b) Year 1 - PASSMACCU						
(c) Compound Annual Growth Rate (CAGR) of PASSMACCU is						
So PASSMACCU over the five year period is:		80.00%	84.00%	88.20%	92.61%	97.24%
(3) Cleaned sesame seeds ratio						
(a) Ratio of cleaned sesame seeds						
(b) Waste from cleaning of raw (uncleaned) sesame						
(4) Export revenues						
(a) Export quantity of clean sesame seeds		33,048	34,700	36,435	38,257	40,170
(b) Export price per metric ton - f.o.b. - cleaned sesame seeds						
Annual revenues		54,818,957	57,559,905	60,437,900	63,459,795	66,632,785
MT						
1,658.77						
USD						
3.0 Direct Operating costs						
(1) Quantity of sesame purchased annually						
Annual quantity of unprocessed sesame seeds that are purchased is:						
(2) Cost of uncleaned raw sesame seeds						
Landed cost of sesame seeds at Dar es Salaam factory gate per kg						
Cost of uncleaned raw sesame seeds is		36,720	38,556	40,484	42,508	44,633
M Tons						
(3) Factory - Sesame seeds cleaning operations						
Direct factory sesame cleaning costs per kg						
Factory cost of cleaning sesame seeds		39,325,833	41,292,125	43,356,731	45,524,567	47,800,796
USD						
(4) Packaging costs of cleaned sesame seeds						
(a) Packing bags (export grade) - # of kgs per bag						
(b) Number of packagig bags for exportable sesame seeds		660,960	694,008	728,708	765,144	803,401
(c) Cost per bag @						
Cost of packing bags		143,003	150,153	157,661	165,544	173,821
USD						
(5) Factory's building rent and security						
(a) Rent for one godown for accommodating factory equipment @ monthly rent						
(b) Security for the factory @ monthly cost of						
Total factory rentals and security		96,000	96,000	96,000	96,000	96,000
USD						
(6) Shipping/Selling costs						
Cost per kg		12,000	12,000	12,000	12,000	12,000
Total Shipping/selling costs		108,000	108,000	108,000	108,000	108,000
USD						
Total Direct operations		4,957,200	5,205,060	5,465,313	5,738,579	6,025,508
USD						
52,724,932		55,355,778	58,118,167	61,018,676	64,064,209	
USD						

OPERATING ASSUMPTIONS YEAR	2020/21	2021/22	202022/23	2023/24	Annex 2.2 2024/25
4.0 DSM BRANCH OPERATING OVERHEAD COSTS					
(1) Administrative	1,370,474	1,438,998	1,510,948	1,586,495	1,665,820
(2) Utilities	5,482	5,756	6,044	6,346	6,663
(3) Marketing	32,891	34,536	36,263	38,076	39,980
(4) Repair and maintenance	10,964	11,512	12,088	12,692	13,327
(5) Normal financial	5,482	5,756	6,044	6,346	6,663
Total Branch office operating overhead costs	1,425,293	1,496,558	1,571,385	1,649,955	1,732,452
5.0 INITIAL WORKING CAPITAL					
Items					
Stocks					
Raw sesame seeds	819,288	860,253	903,265	948,428	995,850
Cleaned sesame seeds	595,309	625,007	656,190	688,932	723,311
Packing materials	2,979	3,128	3,285	3,449	3,621
Total stocks	1,417,577	1,488,388	1,562,740	1,640,809	1,722,782
Debtors	1,142,062	1,199,165	1,259,123	1,322,079	1,388,183
Total stocks and debtors	2,559,638	2,687,553	2,821,863	2,962,888	3,110,965
Less:					
Creditors					
Packing materials	11,917	12,513	13,138	13,795	14,485
All operating costs save sesame seeds purchases and shipping	810,349	850,417	892,487	936,662	983,045
Total creditors	822,266	862,929	905,626	950,457	997,530
Working capital	1,737,372	1,824,623	1,916,237	2,012,431	2,113,435
Change in working capital	1,737,372	87,251	91,614	96,194	101,004
YEAR	2016/17	2017/18	2018/19	2019/20	2020/2021
6. DEPRECIATION SCHEDULE					
Gross fixed assets					
Sesame cleaning machinery	467,391	467,391	467,391	467,391	467,391
Office Equipment	5,250	5,250	5,250	5,250	5,250
Office Furniture and fittings	5,250	5,250	5,250	5,250	5,250
Motor vehicles	31,500	31,500	31,500	31,500	31,500
Pre-operational expenses	60,300	60,300	60,300	60,300	60,300
Total	569,691	569,691	569,691	569,691	569,691
Annual Depreciation					
Sesame cleaning machinery	58,424	51,121	44,731	39,139	34,247
Office Equipment	656	574	502	440	385
Office Furniture and fittings	656	574	502	440	385
Motor vehicles	7,875	5,906	4,430	3,322	2,492
Pre-operational expenses	12,060	12,060	12,060	12,060	12,060
Total	79,671	70,236	62,225	55,401	49,568
Accumulated depreciation					
Sesame cleaning machinery	58,424	109,545	154,276	193,415	227,662
Office Equipment	656	1,230	1,733	2,173	2,557
Office Furniture and fittings	656	1,230	1,733	2,173	2,557
Motor vehicles	7,875	13,781	18,211	21,533	24,025
Pre-operational expenses	12,060	24,120	36,180	48,240	60,300
Total	79,671	149,907	175,952	219,293	256,801
Net fixed assets					
Sesame cleaning machinery	408,967	357,846	313,116	273,976	239,729
Office Equipment	4,594	4,020	3,517	3,077	2,693
Office Furniture and fittings	4,594	4,020	3,517	3,077	2,693
Motor vehicles	23,625	17,719	13,289	9,967	7,475
Pre-operational expenses	48,240	36,180	24,120	12,060	-
Total	490,020	419,784	357,559	302,158	252,590

As a % of Total Revenues
 2.50%
 0.01%
 0.06%
 0.02%
 0.01%
 2.60%

Period
 Number
 Month
 0.25
 Month
 0.15
 Month
 0.25
 Month
 0.25
 Month
 1.00
 Month
 1.00

Basis
 DSM landed cost
 Raw sesame seeds, cleaning costs & factory o/hds
 Cost of packing materials
 Sesame export revenue
 Cost of packing materials
 Cost of packing materials purchases and shipping

Method
 Rate - %
 WDV 12.50%
 WDV 12.50%
 WDV 12.50%
 WDV 25.00%
 Straight line 20.00%

RBST INTERNATIONAL AGRIBUSINESS LIMITED									Annex 3.1	
PROPOSED EXSTABLISHMENT OF A SESAME SEEDS CLEANING PROJECT IN DAR ES SALAAM										
FIVE YEAR BUSINESS PLAN (2020/21 - 2024/25)										
OPERATING ASSUMPTIONS										
LOAN REPAYMENT SCHEDULE										
1.0. CAPITAL INVESTMENT ITEMS LOAN REPAYMENT SCHEDULE										
Loan amount								USD	2 080 000	
Rate of interest on loan - p.a.									7.50%	
Rate of interest on loan - p.m.									0.63%	
Loan repayment grace period from date of start of project's commercial operations is months									6	
Loan is repayable in monthly annuity instalments from end month of end of grace period over a period of years									4.5	
Number of monthly loan repayments is									54	
Loan repayment schedule is as under.								USD		
Year	Month from date of starting project's commerci	Loan principal opening balance	Monthly Loan instalmen t payable	Loan principal o/s during the month	Monthly Loan interest payable	Monthly Loan principal repayable	Loan principal o/s closing balance	Annual loan interest payable	Annual loan principal payable	
2020/21	1	2,080,000	-	2,080,000	13,000	-	2,080,000			
	2	2,080,000	-	2,080,000	13,000	-	2,080,000			
	3	2,080,000	-	2,080,000	13,000	-	2,080,000			
	4	2,080,000	-	2,080,000	13,000	-	2,080,000			
	5	2,080,000	-	2,080,000	13,000	-	2,080,000			
	6	2,080,000	45,503	2,080,000	13,000	32,503	2,047,497			
	7	2,047,497	45,503	2,047,497	12,797	32,706	2,014,792			
	8	2,014,792	45,503	2,014,792	12,592	32,910	1,981,882			
	9	1,981,882	45,503	1,981,882	12,387	33,116	1,948,766			
	10	1,948,766	45,503	1,948,766	12,180	33,323	1,915,443			
	11	1,915,443	45,503	1,915,443	11,972	33,531	1,881,912			
	12	1,881,912	45,503	1,881,912	11,762	33,741	1,848,171	151,689	231,829	
2021/22	13	1,848,171	45,503	1,848,171	11,551	33,951	1,814,220			
	14	1,814,220	45,503	1,814,220	11,339	34,164	1,780,056			
	15	1,780,056	45,503	1,780,056	11,125	34,377	1,745,679			
	16	1,745,679	45,503	1,745,679	10,910	34,592	1,711,087			
	17	1,711,087	45,503	1,711,087	10,694	34,808	1,676,279			
	18	1,676,279	45,503	1,676,279	10,477	35,026	1,641,253			
	19	1,641,253	45,503	1,641,253	10,258	35,245	1,606,008			
	20	1,606,008	45,503	1,606,008	10,038	35,465	1,570,543			
	21	1,570,543	45,503	1,570,543	9,816	35,687	1,534,856			
	22	1,534,856	45,503	1,534,856	9,593	35,910	1,498,947			
	23	1,498,947	45,503	1,498,947	9,368	36,134	1,462,813			
	24	1,462,813	45,503	1,462,813	9,143	36,360	1,426,453	124,312	421,719	
	2022/23	25	1,426,453	45,503	1,426,453	8,915	36,587	1,389,865		
26		1,389,865	45,503	1,389,865	8,687	36,816	1,353,049			
27		1,353,049	45,503	1,353,049	8,457	37,046	1,316,003			
28		1,316,003	45,503	1,316,003	8,225	37,278	1,278,726			
29		1,278,726	45,503	1,278,726	7,992	37,511	1,241,215			
30		1,241,215	45,503	1,241,215	7,758	37,745	1,203,470			
31		1,203,470	45,503	1,203,470	7,522	37,981	1,165,489			
32		1,165,489	45,503	1,165,489	7,284	38,218	1,127,271			
33		1,127,271	45,503	1,127,271	7,045	38,457	1,088,814			
34		1,088,814	45,503	1,088,814	6,805	38,697	1,050,117			
35		1,050,117	45,503	1,050,117	6,563	38,939	1,011,177			
36		1,011,177	45,503	1,011,177	6,320	39,183	971,995	91,573	454,458	

1.0 Capital Investment Items loan repayment schedule ... ctd										Annex 3.2
										USD
Year	Month from date of starting project's commerci	Loan principal opening balance	Monthly Loan instalment payable	Loan principal o/s during the month	Monthly Loan interest payable	Monthly Loan principal repayable	Loan principal o/s closing balance	Annual loan interest payable	Annual loan principal payable	
2023/24	37	971,995	45,503	971,995	6,075	39,428	932,567			
	38	932,567	45,503	932,567	5,829	39,674	892,893			
	39	892,893	45,503	892,893	5,581	39,922	852,971			
	40	852,971	45,503	852,971	5,331	40,171	812,799			
	41	812,799	45,503	812,799	5,080	40,423	772,377			
	42	772,377	45,503	772,377	4,827	40,675	731,702			
	43	731,702	45,503	731,702	4,573	40,929	690,772			
	44	690,772	45,503	690,772	4,317	41,185	649,587			
	45	649,587	45,503	649,587	4,060	41,443	608,144			
	46	608,144	45,503	608,144	3,801	41,702	566,443			
	47	566,443	45,503	566,443	3,540	41,962	524,480			
	48	524,480	45,503	524,480	3,278	42,225	482,256	56,292	489,739	
2024/25	49	482,256	45,503	482,256	3,014	42,488	439,767			
	50	439,767	45,503	439,767	2,749	42,754	397,013			
	51	397,013	45,503	397,013	2,481	43,021	353,992			
	52	353,992	45,503	353,992	2,212	43,290	310,702			
	53	310,702	45,503	310,702	1,942	43,561	267,141			
	54	267,141	45,503	267,141	1,670	43,833	223,308			
	55	223,308	45,503	223,308	1,396	44,107	179,202			
	56	179,202	45,503	179,202	1,120	44,383	134,819			
	57	134,819	45,503	134,819	843	44,660	90,159			
	58	90,159	45,503	90,159	563	44,939	45,220			
	59	45,220	45,503	45,220	283	45,220	0	18,272	482,256	