

Macjaro Limited



Mkufi Estates Development Plan

This Development Plan has been compiled by JAMES POWELL (the "Project Promoter") and is provided solely for the consideration of the board members of Machame Nkuu AMCOS Ltd.

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TOTAL PLANTINGS:

Total area for production 300 acres (120ha).

Implementation plan:

Below is the intended establishment schedule. Due to various reasons including market requirement and climatic conditions, this might not be followed exactly.

Year 1

Plant 10 ha Macadamia

Plant 5 ha Banana

10 ha Cash Crops and rotation crops.

Environmental planning for 2020. Planting Sudan Grass and Sunhemp

Preparing blocks and irrigation

Year 2

Nurseries for Macadamia, Avocado and banana

Plant 20 ha Macadamia

Plant 5 ha Banana

Land clearing and block planning for 2021

Year 3

Nurseries for banana and macadamia

Plant 20 ha Macadamia.

Plant 10 ha banana

Land Clearing and block preparation 2022

Year 4

Plant 20 ha Macadamia.

Plant 10 ha banana

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Year 5

Plant 20 ha Macadamia

Environmental Planning.

The land is gently sloping towards the south west. The western boundary is demarcated by the Kikavu River which travels through a very deep gorge.

Current situation:

Historically the farm has been used for seasonal cropping and some horticulture. The land is clear of any substantial vegetation except the top north East corner which is populated by grevillea trees.

On the whole the condition of the farm is good although continuous monocropping and irrigation using the flood system has resulted in soil erosion.

As per the above implementation plan the Lessor intends to plant long term plantation crops including macadamia, avocado and banana and these will be irrigated using the microsprinkler system.

The farm will be laid out using the ridges as roads and placing contour ridges as the slope requires. The contour ridges will be alternately planted with vetiver grass which will help prevent erosion. Trees will be strategically planted as wind breaks.

Environmental Risk Assessment

CONTROL POINT	ACTIVITY	HAZARD	RISK			CONTROL	CORRECTIVE ACTION PLAN	Respons
			Low	Med	High			
Chemicals & Fertilisers	Spraying and fertilizing	Poisons and chemicals	√			Only use registered chemicals as per TPRI and	Farm Manager to ensure all chemicals are registered on the specific plants; all recommended rates	Farm Managers

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						fertilisers as per law	are being followed; chemicals are not expired; spraying equipment is calibrated correctly, sprayers are trained regularly	
Soil erosion	Wind and rain	Soil erosion and loss of soil and fertility	√			Plan to layout the farm in environmentally suitable fashion	Use contour system to reduce runoff and resulting gully formation	Farm Mana
Wind Erosion	Wind	Loss of soil in the form of dust	√			Plant trees As wind breaks	Farm Manger to plant wind breaks	Farm Mang
Irrigation	Flood irrigation	Erosion	√			Irrigation lay out	As soon as possible invest in an irrigation system that is not consumptive on water and does not cause erosion	Farm Mana
Litter	Littering	Pollution	√			Control of disposal of plastics	Supply litter bins and provide education	Farm Man

Infrastructure Development

The implementation program of the infrastructure development will depend on access to capital. However, the program will include:

- 120 ha irrigation system (Micro sprinkler) pressurized by 60hp pump
- 2 x earth and lined reservoirs
- 1 x 150 KVA transformer
- 1 x 50 KVA transformer
- 2 x boreholes with reservoir and booster pump
- Stores and outbuildings

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Costings to infrastructure development

As per attached documents

Conclusion

This development plan should not purely be considering the development of Mkufi Estate but also the development of the local communities. All of the above mention crops can be planted by the smallscale sector and it is the intention of the company to use Mkufi Estate as the commercial base for their production and, once markets are assured, to establish outgrower schemes. It is also the intention of the company, when there is sufficient macadamia production, to invest in agro-processing and to sell the finished products which include kernel and oils.

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Financing plan							
In \$'000	2019	2020	2021	2022	2023	2024	2025
Financing	130	1,509	940	304	-	-	-
Financing	130	1,509	940	304	-	-	-
Cumulated	130	1,639	2,580	2,884	2,884	2,884	2,884

Breakdown of investment						
In \$'000	2019	2020	2021	2022	2023	5years
Nurseries	-	10	10	5	5	30
Irrigation	-	368	455	350	-	1,173
Electricity & power	-	63	-	50	-	113
Plant material & nursery	13	210	62	31	16	332
Farm equipment	-	144	18	1	3	166
Buildings	4	95	5	-	-	104
Others	3	19	21	-	-	25
Capex	20	909	571	437	23	1,961
Capex incl contingencies	22	1,000	628	481	25	2,157
Working capital need	-	-	371	295	(92)	574
CFO	106	511	(59)	(472)	(272)	(186)
Change in cash	-	-	-	-	216	216
TOTAL	128	1,512	940	304	(123)	2,761
Cumulated	128	1,639	2,580	2,884	2,761	

Pamoja Farms - Capital available							
In \$'000	2019	2020	2021	2022	2023	2024	2025
Capital raised and paid	650	605					
Capital raised and to be paid by June 30, 2020		745					
Final stage of negotiation		1,000					
Capital investment	650	2,350	-	-	-	-	-
Cumulated	650	3,000	3,000	3,000	3,000	3,000	3,000

Macjaro - Capital investment							
In \$'000	2019	2020	2021	2022	2023	2024	2025
Capital investment to date	130	250					
Capital investment to come		1,259	940	304	-	-	-
Capital investment	130	1,509	940	304	-	-	-
Cumulated	130	1,639	2,580	2,884	2,884	2,884	2,884

Financials							
In \$'000	2019	2020	2021	2022	2023	2024	2025
Income	-	-	741	1,331	1,148	1,477	1,953
Direct costs	(2)	(91)	(211)	(374)	(368)	(457)	(537)

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Indirect costs	(96)	(378)	(411)	(425)	(447)	(469)	(492)
Rent	(8)	(43)	(60)	(60)	(61)	(61)	(63)
Working capital	-	-	(371)	(295)	92	(164)	(238)
Capex	(22)	(1,000)	(628)	(481)	(25)	(24)	(23)
TOTAL	(128)	(1,512)	(940)	(304)	338	302	600
Cumulated	(128)	(1,639)	(2,580)	(2,884)	(2,545)	(2,244)	(1,644)

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