

MIOMBO FARM LIMITED

PROGRESS REPORT

MAY 2021

1. Planned Activities for the period
 - a. **Surrender Land Title to Land Office for TIC Divertive Title**
 - b. **Change Company Name, Address and Share Capital Structure**
 - c. **Correct soil imbalances (Minerals and pH)**
 - d. **Construction of Dairy and Milking Parlour**
 - e. **Preparation of 4 Center Pivots Area each 45 acres**
 - f. **Establishment of improved Pasture**
 - g. **Start selling few milk to ASAS**
 - h. **Installation of 4 Center Pivot Irrigation**
 - i. **Donation – Commissioning of Water Project to Makongomi Sub Village**
 - j. **Donation – Road Improvement Activities to neighboring villages**
 - k. **Importing more Heifers**
 - l. **Obtain Farm’s Manager work permit**

2. Achievements made on the project implementation todate:

(i.e. from the date the project was approved to the date of writing the report)

Describe the status of activities that have already been undertaken e.g. construction of buildings, acquisition of supplies, installation of equipment, etc. Also updated information on the following;

Milking 150 Cows: We are currently milking 150 cows which is 30% of our farm capacity.

Selling Milk to Asas: Strategically Asas is next to our farm and delivering Milk to Iringa which is less 100 kilometers is less risk than delivering to other milk factories.

Water Permit: We have obtained our water rights, unfortunately we believe there was a typing error on the amount of water we are permitted to abstract from the river. Now we are closely working with Rufiji Water Basin to rectify the permit.

Change of Company Name, Address and Share Capital structure: We have managed to change our company name from Makete Management Ltd to **Miombo Farm Ltd** to reflect the location where we are now and the business activity we are carrying in Iringa DC and not Makete DC. Brela have issued a **Change of Name Certificate** and now we have applied to TIC for the change of name in our TIC certificate.

We have changed our farm location with TIC as we were surrendering our Land Title from Ludodolelo to Farm No 7 Kiponzelo.

We have changed our Postal Address from 711 Njombe to 53 Iringa and we have changed our shareholding structure by adding one shareholder as shown below.

Construction of Dairy / Milking Parlour: Construction of Dairy / Milking Parlour is under way and we are at 95% to commissioning.

Donation – Water Project for Makongomi Sub Village: We have commissioned a water project for our neighboring Makongomi sub village which borders with our farm and they have never had clean and safe water since formation of that village.

S/No.	Information	Description
1.	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership <ul style="list-style-type: none"> - Rex Fey: South African, 25% - Jennifer Gail Fey: South African, 20% - Christopher Fey: South African, 5%
2.	Company Communication Information	<ol style="list-style-type: none"> 1. Email address: admin@miombofarm.com miombofarm@gmail.com 2. Mobile Number: +255 717 505 423; +255 717 505 412 3. Telephone number: See above 4. Postal address: P. O. Box 53, Iringa. 5. Physical address (Plot Number, Block

		Number, Region, District, Street): Plot No. 7, Usengelendete Village, Wasa, Iringa DC.
3.	Contact Person	<ol style="list-style-type: none"> 1. Name: Rex Fey 2. Position: Managing Director 3. Communication (Email, Mobile and telephone): miombofarm@gmail.com, +255 717 505 423
4.	Incorporation Information	Certificate of Incorporation Number: 138357198
5.	TIN information	TIN Certificate Number: 138-357-198
6.	Project Objective information	State Project Objective clearly: To produce fresh milk for supplying to milk processors in Iringa and Dar es Salaam. Additionally, to start processing milk into mtindi, cream and butter. Milk will be produced from irrigated pasture. In addition to dairy farming, we intend to produce Macadamia nuts and Avocados for export.
7.	Capacity Information	Capacity per Month: We will produce on average 3500L per day for the first season, but we intend to grow the production to 10,000L per day. We intend to plant 50ha of Macadamia nuts and 50ha of avocados over the next 10 years.
8.	Employment	<ol style="list-style-type: none"> 1. Foreign Men: 1 x South African (Managing Director) 2. Local Men: 14 x Permanent Staff and)-20 casuals per day 3. Foreign Women: 1 x South African (Financial Director) 4. Local Women: 7 x Permanent Women and 0-20 Casuals per day

3. **Project Financial Expenditure todate:**

	Foreign	Local	Total
Land and Buildings	\$645,000		\$645,000
Plant and machinery	\$300,000		\$300,000
Vehicles/Aircrafts	\$100,000		\$100,000
Furniture	\$10,000		\$10,000
Office equipment	\$5,000		\$5,000
Insurance Cover	\$5,000		\$5,000
Pre-operational expenses	\$50,000		\$50,000
Working sub-total capital	\$150,000		\$150,000
Livestock	\$440,000		\$440,000
GRAND TOTAL	\$1,705,000		\$1,705,000

4. Project Financing

Explain how the project is being financed e.g. equity, loans, sources of loans, conditions, etc. See table below for clarification.

S/No.	Information	Description
1.	Investment Financing amounts in USD	<ol style="list-style-type: none">1. Foreign Equity (Amount and country of origin): \$200,0002. Local Equity: 0 (Zero)3. Foreign Loan (Amount and country of origin): \$1,505,0004. Local Loan: 0 (Zero)

5. Problems and Solution

Explain problems, which the management is encountering in executing the project and the steps being taken to solve them.

1. **Water Permit: We believe there was a typing error in our approved temporary water use permit, this is because we were given a very small amount of water to use per day which will be useful for a garden and not a farm,**

We are working with Rufiji Water Basin officers to rectify the problem.

2. **Work Permit for our Kenyan Farm Manager: There have been always delays for no reason for our Kenyan Farm Manager to get a Work Permit.**

Solution: We request TIC to assist us on this.

3. **Land Title: There is also some delays on getting or new land title via TIC, we have surrendered our Title in December 2020 but till today we have not been given our Derivative Title**

Solution: We request TIC to assist us on this.

6. Future Plans

Explain future plans for the next coming six months and planned financial Commitments:

In the next 6 months we will be focusing on commissioning 4 Centre Pivot Irrigation System for our improved pasture to be irrigated. Sell about 3500L of Milk to Asas.

7. Recommendations and any other comments

Tanzania has fantastic business and agricultural opportunities. There are several simple that will encourage more foreign investment. Its very difficult to live in Tanzania as a foreigner and work permits are a problem. Many expats would love to continue living in Tanzania and contributing to the economy, but they can no longer get their work permits renewed, and then they cannot afford to invest the required amount of money to receive a class A permit. Even if you do qualify, the process of getting work permits and residency permits is very slow and so the government misses out on tax revenue. Simplify the tax code, and reduce harsh penalties. Simplifying the tax code will encourage private sector development and increase tax revenue.

As an investor it is very encouraging to see the money collected from taxes being efficiently spent. The investment into infrastructure and the reduction in corruption in Tanzania is going to lay the foundation for future growth and prosperity in Tanzania.

8. **Pictures of Miombo Farm in Development Stage**



A herd of cattle grazing on a grassy field



Establishment of Improved Pasture





Dairy





Milk Processing Facility under construction

