

MAKETE MANAGEMENT LIMITED

PROGRESS REPORT

OCTOBER 2020

1. Planned Activities for the period
 - a. Find a farmland and purchase it.
 - b. Start development activities of the farm
 - c. Purchase of heifers from South Africa
 - d. Employ a team to develop the farm
 - e. Buy equipment from South Africa
 - f. Importation heifers from South Africa
 - g. Importation of equipment from South Africa
 - h. Buy and make Dairy from South Africa
 - i. Apply for Water Permit
 - j. Apply for bush clearance
 - k. Donation - Water Project for Makongomi Sub village

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.

Land: We have manage to buy a farmland Plot No 7 – Kiponzelo at Usengelendete Village, Wasa Division, Iringa DC.

Heifers: 150 Heifers have been bought and imported from South Africa and now are at our Farm

Equipment: We have managed to purchase and import farm equipment from South Africa

Farm Development: We have started to develop our farm by making preparation for bush clearing and construction of staff housing. Making water available for our domestic use

Donation - Water Project for Makongomi Sub Village: We are in final stage for commissioning a water project for our neighboring Makongomi Sub village.

Also updated information on the following;

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% - Unallocated, 55%
2.	Company Communication Information	<ol style="list-style-type: none"> 1. Email address: <u>jennifer@maketemanagement.com</u> rexfe@yahoo.co.uk 2. Mobile Number: +255 717 505 423; 255 717 505 412 3. Telephone number: See above 4. Postal address: P. O. Box 711, Njombe 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): rexfe@yahoo.co.uk , +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 supply 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 50 ha 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 6 x permanent staff and 0-20 casuals per day. 3. Foreign Women: 1 X South African (Financial director) 4. Local Women: 5 X permanent woman and 0-20 X casuals per day

3. **Project Financial Expenditure todate:**

	Foreign	Local	Total
Land and Buildings	\$ 300,000		\$ 300,000
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	\$ 100,000		\$ 100,000
GRAND TOTAL	\$ 1,030,000		\$ 1,030,000

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	1. Foreign Equity (Amount and country of origin) \$200,000 2. Local Equity: 0 3. Foreign Loan (Amount and country of origin) \$840,000 4. Local Loan

5. Problems and Solution

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

Business regulations are very cumbersome and compliance is very expensive. Tax laws are extremely difficult to comply with. The many tax laws in place and strict rules mean that even with the greatest effort to comply, all businesses will make mistakes. These minor mistakes are heavily punished. The strict and complicated tax laws in Tanzania are the biggest impediment to private sector growth and foreign investment.

To solve much of our problem we have been paying much to business consultants sometimes to things we could just do it ourselves and reduce burden to the project.

6. Future Plans

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

We have spent most of the money for the project, and so the next 6 months involves executing the development of the farm, and waiting for the pregnant dairy heifers to calve down and start milking. Most of the irrigation equipment and dairy equipment is currently being assembled in South Africa and will be installed in Tanzania over the next 3 months.

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 can not 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: Plot 7 – Kiponzelo, Usengelendete



Heifers on relaxing on tree shed after a long journey from South Africa to their new home.



Thrust heifers drinking water after been offloaded from trucks from South Africa



Offloaded equipment from South Africa



Temporary Office and Staff Houses



New Dairy Site – Construction in Process



Driving into camp. store room and staff ablutions on the left.



Solar Panels which powers our residence and office. Covered in blue is 60 tons of Dolomitic Lime, 60 tons of Calcitic lime, 60 tons of Gypsum, 20 tons of Maize Pumba and Cement



Up: Water Pump House under Construction. Down: CSR - Makongomi Water Project activities

