

## PROJECT INFORMATION

**Business Name:** V FARMS LIMITED

**Project Name:** Kilimanjaro Macadamia Cultivation and Processing Project

**Company Location and Address:** The macadamia cultivation project will be implemented by V FARMS LIMITED, headquartered at Ushirombo town along Kahama Road, in Bukombe District of Geita Region.  
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**Location:** Kilimanjaro Region, Tanzania

**Land Area:** 10,000 acres at start-up and 5,000 additional acres throughout-grower Program

**Primary Products:** Raw macadamia nuts (in-shell), shelled nuts (kernel), macadamia oil

**Target Market:** Domestic high-end markets, and export markets in Europe, Asia, and North America

**Project Budget:** 249 Billions

**Expected Initial Funding:** 40 Billion

**Requested Loan from Tanzania Commercial Bank: Tanzania Shillings Forty Billion  
(TZS 40,000,000,000)**

## BUSINESS PLAN

### KILIMANJARO'S INTEGRATED MACADAMIA FARM ESTATE FOR A SCALABLE, SUSTAINABLE WEALTH

#### 1.0 EXECUTIVE SUMMARY

Kilimanjaro's Integrated Macadamia Farm Estate is a pioneering agribusiness project focused on establishing a large-scale, sustainable macadamia nut cultivation and processing operation in the fertile region of Kilimanjaro, Tanzania. With an integrated value chain approach and a strong focus on scalability, environmental stewardship, and wealth creation for local communities, the project aims to become a regional leader in macadamia production, export, and agro-industrial transformation.

The macadamia industry is experiencing an unprecedented global surge, driven by rising health consciousness, premium food trends, and demand for plant-based, nutrient-dense ingredients. Recognized as the world's most valuable nut, macadamias command premium pricing in international markets—averaging TZS 10,200–15,000 per kilogram of kernel—with limited global supply creating favorable price floor. Global consumption of macadamias stood at approximately 64,000 metric tons in 2022, and is expected to more than double to 1.37 lakh metric tons by 2027, according to international market forecasts.

The strongest demand growth is concentrated in Asia (particularly China and Japan), Europe, and North America, where macadamias are prized for their rich flavor, heart-healthy fats, and luxury appeal. The surge in usage across snacking, dairy alternatives, premium confectionery, and plant-based cosmetics continues to expand the global addressable

This business plan outlines the establishment and development of a large-scale Macadamia Nut Cultivation and Processing Project in Kilimanjaro Region, Tanzania, under the management of V FARMS LIMITED. The project aims to leverage the fertile volcanic soils and favorable climate of Kilimanjaro to become a leading producer and exporter of premium-quality macadamia nuts, both shelled and unshelled, for local and international markets.

V FARMS LIMITED intends to cultivate macadamia on a dedicated 10,000-acre farm and invest in post-harvest processing facilities including cracking, drying, sorting, grading, and packaging units. The company will also engage with local smallholder farmers throughout-grower schemes, providing them with seedlings, training, and market access to ensure inclusive growth and sustainability.

To initiate the project, V FARMS LIMITED is seeking a loan of TZS 20 Billion, primarily for land development, irrigation systems, seedling propagation, processing plant construction, equipment procurement, staffing, and initial working capital. The funding will be sourced through TCB Bank Tanzania.

With growing global demand for macadamia nuts, especially in Europe, Asia, and North America, this project presents a viable and profitable agribusiness venture that will contribute significantly to Tanzania's agricultural exports while empowering local communities through employment and agribusiness opportunities.

## **2.0 INTRODUCTION**

Background Macadamia nuts are high-value tree nuts with increasing global demand, especially in health-conscious markets. Tanzania's favorable agro-climatic conditions and growing agricultural sector present a prime opportunity to tap into this lucrative market. Kilimanjaro, with its fertile volcanic soils and supportive infrastructure, is ideal for establishing a macadamia estate.

This project seeks to leverage modern agricultural practices, sustainable land use, and local community engagement to cultivate macadamia nuts across a scalable estate model. The initiative combines agricultural production, processing, packaging, and export under one integrated platform.

The purpose of this business plan is to evaluate and present the commercial and social viability of macadamia nut farming and processing in Kilimanjaro, Tanzania. The project, spearheaded by V FARMS LIMITED, seeks to establish a vertically integrated agribusiness focused on the cultivation, processing, and export of high-value macadamia nuts.

Macadamia, a perennial and high-value nut crop, offers an excellent opportunity for long-term profitability and foreign exchange earnings. Tanzania has suitable ecological conditions for its cultivation, especially in highland regions like Kilimanjaro, where altitudes and rainfall patterns are optimal.

V Farms represents a convergence of innovation, ecological stewardship, and wealth creation. This project is more than a plantation—it is a blueprint for the future of farming and rural development. By combining precision agriculture with eco-conscious design and high-value global market access, V Farms delivers a rare opportunity for investors to secure robust, long-term financial returns while positively impacting communities and the planet. Built upon a scalable, professionally managed agricultural model, V Farms

offers investors unparalleled clarity, security, and transparency. Whether you're an individual investor, institutional fund, or impact-oriented enterprise, this is your chance to become part of a visionary project that integrates premium macadamia production, luxury eco-tourism, and sustainable living into one unified, purpose-driven investment platform.

In addition to commercial farming, the project will incorporate contract farming with smallholder farmers, aiming to improve rural livelihoods, build agricultural capacity, and promote inclusive economic development in the region. The company's model emphasizes value addition through local processing, ensuring increased revenues and job creation.

## **2.1 PROJECT VISION, MISSION, GOALS AND OBJECTIVES**

### **2.1.1 Project Goals**

- To become East Africa's leading integrated macadamia producer, setting the benchmark in sustainable, community-driven agribusiness.
- To cultivate high-quality macadamia nuts using environmentally friendly practices, empower local communities, and create long-term wealth through value-added processing and global market integration.

### **2.1.2 Vision and Mission**

**(a) Vision:** V Farms envisions agriculture as a catalyst for sustainable prosperity, environmental restoration, and inclusive development. By establishing a world-class macadamia plantation at the base of Mount Kilimanjaro, we aim to lead Africa's shift toward regenerative agribusiness—where high returns, ecological balance, and social impact grow together.

**(b) Mission:** Our mission is to develop a high-performance, ethically managed macadamia estate that delivers strong, long-term returns while enriching communities and restoring the environment. Through modern agriculture, sustainable practices, and transparent governance, we create value for investors, people, and the planet.

### **2.1.3 Core Principles/ Values**

V Farms is built on core values that define our purpose:

- **Sustainability** through regenerative farming, Innovation through agri-tech and efficiency, **Integrity** through transparency and trust,
- **Community Empowerment** through inclusive growth,
- **Excellence** through world-class standards and long-term vision
- Innovation
- Transparency
- Profitability
- Environmental Stewardship

### **2.1.4 Project Objectives**

- (a)** Establish and manage a sustainable and scalable macadamia plantation covering at least 10,000 acres in Moshi, Kilimanjaro region.
- (b)** Develop local capacity through contract farming with smallholder farmers.

- (c) Set up a modern nut processing facility at Moshi in Kilimanjaro to add value for local and export markets.
- (d) Promote environmental sustainability through integrated agroforestry practices.
- (e) Create employment and boost income for surrounding communities by creating at least 200 direct jobs and hundreds of indirect employment opportunities.
- (f) To collaborate with over 500 smallholder farmers in the Kilimanjaro region.
- (g) To position V FARMS as a key exporter of Tanzanian-grown macadamia products.

#### 2.1.4.1 Strategic Objectives

- (a) **Increase Production:** To expand the area under macadamia cultivation in Kilimanjaro, improving yields through modern farming practices.
- (b) **Value Addition:** To develop processing facilities for macadamia nuts, turning raw products into value-added items such as roasted nuts, macadamia oil, and nut-based snacks.
- (c) **Market Access:** To tap into local, regional, and international markets, ensuring that Tanzanian macadamia products meet global standards and fetch competitive prices.
- (d) **Sustainable Growth:** To incorporate sustainable agricultural practices, including soil management, efficient water usage, and agrochemical-free farming, enhancing long-term productivity and environmental health.

#### 2.1.4.2 Strategic Focus:

- **Sustainability** – environmentally conscious farming and processing methods.
- **Community Engagement** – inclusive out-grower schemes and capacity-building programs.
- **Value Addition** – full in-country processing from raw nut to final packaged product.
- **Market Penetration** – branding and quality certification to meet international standards.

## 2.2 LOCATION AND LAND AREA

V FARMS LIMITED envisions this project as a long-term investment with sustainable returns. The company is currently headquartered in Bukombe District, Geita Region, and intends to expand operations to Kilimanjaro to exploit the region's comparative advantage in macadamia cultivation.

The macadamia cultivation project will be implemented by V FARMS LIMITED in Kilimanjaro Region, Tanzania where it owns a land area of 10,000 acres for nucleus farm and 5,000 additional acres throughout-grower program

## 2.3 FINANCIAL SUMMARY:

The estimated project cost is TZS 249 Billion whereby initial investment of TZS 40 Billion, to be raised via loan financing. The funds will cover:

- Land acquisition and preparation
- Purchase of seedlings and planting
- Installation of irrigation systems
- Construction of a modern processing plant
- Machinery and packaging equipment
- Staff recruitment and training
- Marketing and operational costs

## 2.4 KEY SUCCESS FACTORS

- Favorable climate and soil in Kilimanjaro
- Access to global markets
- High-yield macadamia varieties
- Professional farm management
- Supportive government policies

## 2.5 KEY PROJECT PRODUCTS

The project will invest in modern processing equipment to ensure that products meet international quality standards, enhancing market access.

Product Development and Value Addition Macadamia nuts will be harvested, processed, and packaged for both local and international markets. The project will focus on:

- **Raw Macadamia Nuts:** Sold to local markets and exported.
- **Roasted Macadamia Nuts:** Packaged as a premium snack product.
- **Macadamia Oil:** Extracted for both culinary and cosmetic applications.
- **Other By-Products:** Such as macadamia-based snacks, macadamia nut butter, processed kernels (roasted, salted, flavored) and Animal feed from husks and shells

## 3.0 PROJECT DESCRIPTION FOR MACADAMIA CULTIVATION PROJECT

### 3.1 Business Description

This project aims to establish a sustainable macadamia farming operation in Kilimanjaro, Tanzania, capitalizing on the region's suitable climate and soil conditions for the growth of high-quality macadamia nuts. The initiative will focus on large-scale cultivation, modern processing, and export, with a goal of contributing to both local economic development and international markets.

V FARMS LIMITED is expanding its agricultural and agro-processing portfolio by venturing into macadamia nut cultivation. This is part of its strategic plan to diversify into high-value perennial crops that promise significant export potential and sustainable income. The project aligns with the company's broader vision of becoming a leading player in Tanzania's agricultural value chain through cultivation, processing, and export of both staple and high-value crops.

Macadamia cultivation is being prioritized due to the crop's high demand in global markets, nutritional benefits, long-term productivity, and its suitability to the climate and soil conditions in Bukombe and other selected project areas.

The estate will cover an initial 10,000 acres, expanding to 15,000 acres over five years. It will feature a macadamia nursery, plantations, irrigation systems, and an on-site processing plant. Modern techniques such as drip irrigation, integrated pest management, and agroforestry will be employed.

### 3.2 Strategic Overview

The project will be implemented in phases, starting with land acquisition, nursery establishment, and planting. Subsequent phases include processing plant construction, market development, and value chain integration.

### **3.3 Shareholding Pattern and Capital Growth Plan**

The project is structured to attract both local and international investors. Initial capital will be sourced through equity financing, with provisions for future public-private partnerships and reinvestment of profits.

### **3.4 Overview of Agribusiness in Tanzania**

Agriculture accounts for over 25% of Tanzania's GDP and employs nearly 65% of the workforce. The sector is transitioning towards commercialization and value addition, creating a fertile environment for investments.

### **3.5 Status of Agribusiness in Tanzania**

Government initiatives such as the Agricultural Sector Development Program (ASDP II) are fostering agribusiness growth. However, challenges remain in financing, infrastructure, and access to markets.

### **3.6 Integrated Sustainable Crop Model**

Our Integrated & Sustainable Crop Model ensures that every step of the agricultural process is carefully designed to create long-term value, environmental balance, and diversified income streams.

**3.5.1 Key Features of Our Model: Diversified Crop Pattern & Biodiversity:** We employ a diversified crop pattern that includes macadamia as the primary crop, alongside cocoa as an inter-crop. This practice enhances soil health, reduces pest pressure, and promotes biodiversity across the farm. Good Agricultural

**3.6.2 Practices (GAP):** All farming operations adhere to Good Agricultural Practices (GAP), ensuring that every crop is cultivated responsibly, safely, and sustainably, meeting both local and international agricultural standards. Bee Keeping for Pollination and Profit: Bee keeping is integrated into the farm to promote natural pollination of macadamia and other crops. This improves yields and also provides additional income through the production of organic honey. Coconut Plantations on Roadside: Coconut trees are planted along the roadsides, not only enhancing the aesthetic value but also improving farm infrastructure while providing an additional revenue source through coconut products.

**3.6.3 Free Grazing Country Chicken:** A sustainable, free-grazing chicken system allows indigenous country chickens to roam the farm, providing fresh eggs and enhancing natural pest control while maintaining biodiversity. Organic Certification: We are committed to producing the highest quality, certified organic products. V Farms is actively working toward organic certification, ensuring our macadamia and other crops meet global organic standards. The Soil-to-Store Model: Our Soil-to-Store model integrates every stage of the farming process on-site—from plantation and harvesting to processing and value addition. This self-sustaining system maximizes economic efficiency, enhances product quality, and ensures a smooth, closed-loop supply chain.

## **4.0 PROJECT COMPONENTS AND ESTIMATED COSTS**

### **4.1. Plantation Development (Agricultural Component)**

Estimated Cost: TZS 22.8 Billion

#### **Activities include:**

- Land preparation (clearing, tilling, pegging, and hole digging)
- Purchase and planting of 2,770,000 high-yield macadamia seedlings

- Establishment of nursery facilities for seedling propagation
- Procurement of farming equipment (tractors, planters, sprayers, pruning tools, etc.)
- Purchase and installation of solar-powered electric fencing for protection against wildlife
- Construction of internal access roads within the plantation
- Hiring and training of agricultural field staff
- Plantation Highlights:
  - Planting Layout: 277 trees per acre (~685 trees/hectare)
  - Spacing Configuration: 9 ft × 4 ft (2.7 m × 1.2 m)
  - Total Projected Trees: ~2.77 million macadamia trees
  - Yield Maturity: Begins in Year 7–8, peaks by Year 10–12
  - Economic Life of Trees: 40+ years of productive lifespan

#### **4.2. Irrigation Development (Irrigation Component)**

Estimated Cost: TZS 3.2 Billion

##### **Activities include:**

- Construction of water reservoirs and installation of boreholes
- Installation of a drip irrigation system covering 1,000 acres
- Solar-powered pumping systems to support irrigation year-round
- Water distribution infrastructure and moisture monitoring systems

#### **4.3. Processing Facility and Post-Harvest Handling (Industry Component)**

Estimated Cost: TZS 8 Billion

##### **Activities include:**

- Construction of a macadamia nut processing plant with a cracking and drying line
- Installation of nut sorting, grading, and vacuum packing machines
- Cold storage facility to preserve harvested nuts before processing
- Construction of a warehouse and drying shed for raw macadamia nuts
- Procurement of transport vehicles (trucks and pickups) for crop collection

#### **4.4. Administration and Support Services (Administrative Component)**

Estimated Cost: TZS 6 Billion

##### **Activities include:**

- Recruitment and training of agronomists, processing technicians, and support staff
- Operational costs including salaries, logistics, office setup, and communication
- Monitoring and evaluation system establishment
- Stakeholder engagement and farmer training programs
- A Unique Setting for Unforgettable Moments and Key Attractions:
  - Panoramic wedding venues amid lush orchards and natural gardens
  - Event pavilions and conference spaces with open-air designs and scenic views
  - Luxury eco-retreats and boutique tented camps for accommodation
  - Curated event packages
  - Custom retreats for yoga, art residencies, nature therapy, and corporate leadership

### **5.0 EXPECTED OUTCOMES**

- Increased agricultural export earnings through premium macadamia products
- Employment creation for over 1,500 people directly.
- Long-term environmental sustainability through perennial tree planting
- Technology and skills transfer to local communities
- Contribution to national agricultural industrialization goals

## 6.0 ENVIRONMENTAL AND SOCIAL CONSIDERATIONS

V FARMS LIMITED will apply sustainable farming practices including organic inputs, agroforestry integration, and responsible water use. The project aims to uplift the livelihoods of local communities through job creation, knowledge transfer, and inclusive value chain participation.

**6.1 Environmental Sustainability** Sustainable farming practices will be integral to the project. This will include water conservation, agrochemical-free farming, soil fertility management, and reforestation efforts. The project will adhere to Tanzanian environmental laws and regulations to minimize land degradation and ensure long-term sustainability.

**6.1.1 Environmental Regeneration & Climate Resilience:** We practice a nature-positive model of agriculture, treating the land as a living system. Key initiatives include:

- Regenerative farming (cover crops, composting, low tillage)
- Zero-tillage policy and reduced chemical usage
- Drip irrigation & water harvesting to conserve water
- Carbon farming and tree-based sequestration
- Climate-resilient infrastructure to withstand variability

**6.2 Socio-Economic Impact** The macadamia cultivation project in Kilimanjaro will have several socio-economic benefits:

- **Job Creation:** The project will create direct and indirect employment opportunities for local communities, from farm workers to processing plant operators.
- **Improved Incomes for Smallholders:** Local farmers will be trained and integrated into the value chain, improving their livelihoods and boosting rural economies.
- **Rural Development:** The establishment of processing facilities in rural areas will stimulate local economies, reduce migration to urban centers, and foster community development.
- **Driving Regeneration—For People and Planet:** At the core of V Farms is a powerful belief: that agriculture can transform lives and landscapes. Every acre cultivated is a step toward building not only economic value but also lasting impact for local communities and ecosystems. V Farms is a catalyst for socio-economic upliftment in the Kilimanjaro region. Our commitment includes:
  - 2,000+ direct jobs across farming, hospitality, and logistics
  - Training programmes for youth, women, and farm workers
  - Support for local enterprises and cooperatives
  - Investment in rural infrastructure (roads, water systems, schools)
  - Community outreach in farming, nutrition, and environmental awareness
- **Global Impact Alignment:** V Farms aligns with key UN Sustainable Development Goals, including:
  - SDG 8: Decent Work and Economic Growth
  - SDG 11: Sustainable Communities
  - SDG 13: Climate Action

## 7.0 IMPLEMENTATION STRATEGY

The company will adopt a phased implementation strategy starting with the development of 10,000 acres of macadamia orchard in year one, expanding to 5000 acres by year five. A strong out-grower scheme will be established to include neighboring farmers in the program with training and access to seedlings, inputs, and a guaranteed market.

## 7.1 Development Framework

### Phase 1: Pre-Development (Land Acquisition and Initial Planning)

#### *Land Acquisition and Legal Formalities 1.*

- Securing legal rights and ownership/lease agreements for 10,000 acres.
- Environmental and land-use compliance checks.
- Negotiating and securing necessary permits from local authorities.

#### *Land Survey and Site Assessment 2.*

- Topographic survey of land.
- Soil testing and analysis for fertility and irrigation requirements.
- Assessing water availability and drainage systems.

#### *Initial Land Preparation 3.*

- Clearing and leveling of land.
- Preparing access roads and utilities (electricity, water).
- Soil conditioning and enrichment (if needed).

### Phase 2: Development (Plantation Setup)

#### *Infrastructure Setup 1.*

- Constructing irrigation and fertigation systems (drip irrigation, water storage).
- Installation of power supply and backup systems.
- Constructing worker housing, warehouses, and processing units.
- Construction of roads and internal pathways within the farm.
- Build eco-friendly resort structures, including villas, dining areas, wellness centers, and recreational facilities, utilizing sustainable materials and design principles.
- Construct comfortable and hygienic housing for resort and plantation staff, incorporating communal spaces and amenities to foster a sense of community.

#### *Generation Setup (Wind/Solar) 2.*

- Solar Panels: Install solar panels across strategic locations for electricity generation.
- Wind Turbines: Evaluate wind patterns and set up wind turbines if suitable for the area.
- Energy Storage: Implement battery storage systems to store excess power for continuous use.
- Backup Power: Establish a hybrid energy system combining solar, wind, and backup generators to ensure uninterrupted farm operations.

#### *Planting Design and Layout 3.*

- Finalizing plantation layout and tree spacing.
- Planting roads and windbreaks (e.g., casuarina along the boundaries).
- Marking areas for inter-crops (e.g., cocoa, and organic farming practices).

#### *Macadamia Sapling Procurement*

- Sourcing high-quality macadamia saplings from certified nurseries.
- Planting saplings across the designated areas.
- Initial watering and fertilizer application.

#### *Supportive Crops and Livestock Integration*

- Planting inter-crops like cocoa, coconut, and others.
- Starting beekeeping activities and introducing country chickens for eggs.
- Setting up small-scale livestock management for farm sustainability.

### Phase 3: Execution (Ongoing Operations and Growth)

#### *Routine Care and Maintenance of Plantation 1.*

- Regular watering, mulching, and fertilization.
- Pest and disease management (integrated pest management system).

- Pruning and maintenance of macadamia trees.
- Monitoring for any nutrient deficiencies and addressing them.

### ***Health & Safety Protocols 2.***

- Implementing health, safety, and hygiene standards for workers.
- Setting up first aid, medical emergency responses, and on-site clinics.
- Staff training on health and environmental safety practices.

### ***Integrated Agricultural Operations 3.***

- Ongoing management of inter-crops (cocoa, coconut, etc.).
- Beekeeping activities and honey production.
- Implementing organic farming practices and ensuring farm certifications.

### ***Monitoring and Reporting 4.***

- Regular monitoring of soil health and crop growth.
- Performance tracking (growth rates, yields, pest management, etc.).
- Documenting and reporting growth milestones.

## **Phase 4: Harvesting and Processing**

### ***Harvesting 1.***

- Macadamia harvest begins around Year 7-8, with peak production by Year 10-12.
- Harvesting equipment and logistics set up.
- Proper handling and storage of harvested nuts.

### ***Post-Harvest Processing 2.***

- Dehulling, drying, and sorting of macadamia nuts.
- Storing and packaging products for domestic and export markets.
- Ensuring quality control standards for the final product.

## **Phase 5: Marketing and Sales**

### ***Brand Development and Marketing Strategy 1.***

- Develop a strong brand identity for the macadamia product.
- Create marketing materials (website, brochures, social media).
- Position the brand as eco-friendly, premium, and sustainable.
- Participate in agricultural and food trade shows and exhibitions.

### ***Domestic and International Sales Channels 2.***

- Identify key domestic and international markets (e.g., Europe, North America, Asia).
- Build relationships with distributors and retailers.
- Setup online and direct-to-consumer sales models.

### ***Logistics and Distribution Setup 3.***

- Establish efficient logistics for domestic and international shipping.
- Manage export documentation, custom regulations, and partnerships with shipping companies.
- Customer Support and Feedback 4.
- Set up a customer service team for post-sale inquiries and feedback.
- Track customer satisfaction and respond to issues promptly.
- Utilize feedback for continuous improvement.

## **Phase 6: Long-Term Maintenance and Sustainability**

### ***Sustainability Practices and Monitoring 1.***

- Ongoing monitoring of soil health, water usage, and biodiversity.
- Ensure that farming methods remain sustainable and regenerative.
- Periodic audits for organic certification and compliance with environmental standards.

### ***Operational Expansion 2.***

- Expand production by scaling up farm operations (adding more acres if required).
- Introduce additional sustainable farming practices (e.g., agroforestry, wildlife conservation efforts).
- Explore new revenue streams, like offering farm tours & educational programs.

### ***Community Engagement and Development 3.***

- Continue supporting the local community through job creation and educational programs.
- Initiate outreach programs to share farming techniques, promote sustainable practices, and support local farmers.
- Facilitate partnerships with local authorities for infrastructure development (e.g., roads, schools, healthcare).

## **7.2 Key Interventions for Successful Macadamia Farming**

- **Improved Water Supply and Irrigation:** To ensure year-round production, the project will invest in modern irrigation systems tailored to macadamia crops, ensuring efficient water usage.
- **Farm Mechanization:** The project will introduce mechanized equipment for land preparation, planting, and harvesting to improve efficiency and reduce labor costs.
- **Use of High-Quality Seeds and Fertilizers:** The farm will use improved macadamia varieties with higher yield potentials and implement the use of organic and sustainable fertilizers to boost production.
- **Pest Management:** Integrated pest management techniques will be adopted to minimize the use of harmful agrochemicals while maximizing crop health.
- **Research and Extension Services:** The project will collaborate with agricultural research institutions to ensure the use of best practices and to train local farmers on advanced cultivation techniques.

## **8.0 THE SUSTAINABILITY OF MACADAMIA CULTIVATION AND PRODUCTION**

The sustainability of macadamia cultivation and production in the Kilimanjaro region of Tanzania depends on a combination of environmental, economic, social, and institutional factors. Here's a comprehensive breakdown:

### **8.1. Environmental Factors**

#### **(a) Suitable Agro-climatic Conditions**

- **Altitude:** Kilimanjaro's highland areas provide ideal altitudes (600–1800m) for macadamia cultivation.
- **Climate:** Moderate rainfall (1000–2000mm annually) and well-distributed precipitation are essential.
- **Soil:** Well-drained, slightly acidic to neutral soils (pH 5.0–6.5) with high organic matter content support healthy macadamia growth.

#### **(b) Climate Change Adaptation**

- Use of drought-tolerant and pest-resistant macadamia varieties.
- Adoption of agroforestry and intercropping systems to enhance biodiversity and mitigate climate impacts.
- Efficient water management techniques (e.g., rainwater harvesting, drip irrigation).

### **8.2. Economic Factors**

#### **(a) Access to Markets**

- Reliable local and export markets for macadamia nuts.

- Development of processing infrastructure to add value (e.g., cracking, roasting, packaging).
- Access to fair trade and organic certification to attract premium markets.

**(b) Cost-effective Production**

- Availability and affordability of high-quality seedlings.
- Access to agricultural inputs (organic fertilizers, bio-pesticides).
- Cooperative structures for economies of scale in input purchase and marketing.

**(c) Financial Support**

- Access to credit, insurance, and subsidies for smallholder farmers.
- Public-private partnerships for investment in macadamia value chains.

### **8.3. Social Factors**

**(a) Farmer Education and Training**

- Extension services to train farmers on good agricultural practices (GAP), post-harvest handling, and pest/disease management.
- Farmer Field Schools (FFS) and demo farms to build local capacity.

**(b) Community Involvement**

- Involvement of local communities in planning and benefit-sharing.
- Gender-inclusive programs to involve women and youth in the macadamia value chain.

**(c) Labor Availability**

- Ensuring availability of skilled and semi-skilled labor for cultivation, harvesting, and processing.

### **8.4. Institutional and Policy Support**

**(a) Government Policies**

- Favorable agricultural policies that promote tree crop farming.
- Land tenure security to encourage long-term investment in macadamia orchards.

**(b) Research and Development**

- Investment in R&D to develop improved varieties and best practices suited to local conditions.
- Collaboration between local institutions, NGOs, and international agencies.

**(c) Regulatory Framework**

- Quality standards and certification for macadamia products.
- Supportive legal environment for farmer cooperatives and agribusinesses.

### **8.5. Environmental Conservation and Sustainability Practices**

- Encouraging organic and regenerative agriculture practices.
- Conservation of water catchments and forest areas to maintain ecosystem services.
- Integration of macadamia cultivation with conservation efforts in the Kilimanjaro ecosystem.

**8.6. A Self-Sustaining Agricultural Ecosystem:** V Farms is master-planned to function as a climate-resilient, regenerative agroecosystem. Beyond macadamia cultivation, the estate will include:

- Post-harvest processing & value addition units
- Staff & residential quarters
- Eco-tourism & event infrastructure

### **8.7. Green zones, biodiversity corridors & agri-research areas**

- A portion of the estate is dedicated to environmental stewardship—supporting biodiversity, soil health, and climate-smart agriculture.

## **9.0 SITUATION ANALYSIS OF MACADAMIA AGRICULTURE IN KILIMANJARO**

Kilimanjaro, located in northern Tanzania, has the right climatic conditions for macadamia cultivation. The area's altitudes, rainfall patterns, and fertile volcanic soils make it ideal for macadamia farming. Despite this, macadamia farming in Tanzania remains underdeveloped, with smallholder farmers representing the majority of producers. However, the potential for growth is significant, as demand for macadamia nuts is increasing both locally and globally.

While Tanzanian farmers currently produce macadamia, many lack access to modern farming techniques, sufficient infrastructure, and processing facilities. This leads to low yields and underdeveloped supply chains. The lack of mechanization, access to quality seeds, fertilizers, and extension services poses challenges to increasing productivity.

## **10.0 SECTOR GROWTH/CONTRIBUTION**

The macadamia industry in Tanzania represents an untapped market opportunity. The country's agricultural sector contributes about 24% to GDP, with increasing export demand for value-added products such as macadamia nuts. The global demand for macadamia nuts, driven by growing health-conscious consumption trends, presents a significant export opportunity. However, Tanzania's agricultural sector faces several challenges, including limited mechanization and market infrastructure, which are factors the project aims to address.

## **11.0 POLICY AND REGULATORY FRAMEWORK**

The Tanzanian government has prioritized agricultural development, providing various incentives for agribusiness investments. However, challenges remain in terms of export policies, import regulations, and enforcement. The project will work closely with government agencies such as the Tanzania Food and Drugs Authority (TFDA) to ensure that products comply with regulatory standards. The project will also seek to influence policy development for better support of the macadamia sector.

**Regulatory Requirements:** The project will comply with Tanzanian land laws, agricultural regulations, environmental standards, and export requirements. All licenses and permits will be obtained accordingly.

## **12.0 MARKET ASSESSMENT AND EXPORT OPPORTUNITIES**

### **12.1 Introduction and Overview**

The macadamia production market is influenced by demand for premium, nutritious nuts, often in demand for both local consumption and export markets. Macadamia nuts are prized for their high oil content, rich flavor, and health benefits, making them a popular ingredient in snacks, desserts, and cooking oils. Key variables affecting market dynamics include global consumption trends, competition within the nut industry, and economic conditions that affect purchasing power.

The company plans to primarily focus on macadamia production and related products like macadamia oil, targeting both local and international markets over the next five years.

The growth of macadamia production aligns with global food trends, as health-conscious consumers increasingly seek nuts for their protein, fiber, and healthy fat content.

### **12.2 Market Analysis**

#### **12.2.1 Market Assessment**

The demand for macadamia nuts is growing globally, particularly in Europe, North America, Asia the US, EU, China, and Japan. Tanzanian macadamia products will be marketed through established networks, with a focus on premium quality nuts and processed products. Regional markets such as East Africa will also be targeted, with an emphasis on ensuring that local smallholder farmers are integrated into the supply chain.

The global macadamia market is experiencing robust growth, driven by increasing consumer demand, expanding production, and evolving market dynamics. Here's an assessment of the current state and future outlook of the macadamia market:

The macadamia nut market is growing, with a rising demand for processed and unprocessed nuts. Tanzania, known for its agricultural capacity, offers a significant opportunity for macadamia cultivation due to its favorable climate. However, the sector is competitive, with other food producers (such as AZAM Food Products and Mohamed Enterprises) dominating the market in other sectors.

V FARMS LIMITED is set to leverage its strong financing scheme for agricultural activities, enabling it to compete with established firms by offering macadamia products through innovative approaches, including network marketing and agricultural ventures.

### 12.3 Market Segmentation

The target market for macadamia products includes:

- **Local consumers:** V FARMS LIMITED members, non-members, and local buyers in Tanzania.
- **International consumers:** Export markets, including Dubai, Comoros, and other regional markets.
- **Businesses:** Hotels, supermarkets, NGOs, and government entities seeking nutritious, high-value products.

The market segmentation strategy includes developing a network marketing approach where V FARMS LIMITED will target agents who will distribute macadamia products in various regions. These agents will also help recruit new members to expand the market reach.

### 12.4 Promotion Strategy

To boost visibility and reach, V FARMS LIMITED will use social networks, promotional campaigns, and word-of-mouth marketing via agents. The promotional strategy will include giving agents commissions for each sale they generate, fostering an incentivized sales force. Additionally, the company will enhance its visibility through strategic branding and packaging, emphasizing the health benefits and quality of its macadamia products.

### 12.5 Distribution Strategy

V FARMS LIMITED will adopt a strategic distribution model to reach both local and international customers. This will involve:

- **Packaging enhancements:** Ensuring that macadamia products are packaged attractively to maintain high-quality branding.
- **Network marketing:** Utilizing appointed agents who are familiar with the local market to distribute products effectively.
- **Partnerships:** Collaborating with large-scale distributors and international export channels.

The distribution system will be designed to facilitate growth in both domestic and international markets, ensuring that macadamia products are consistently available and promoted.

### 12.6 Pricing Strategy

The pricing for macadamia products will be competitive, designed to attract both bulk buyers and retail customers. The pricing will be adjusted based on the market price fluctuations and competitors' pricing. By positioning macadamia products as a premium offering, V FARMS LIMITED intends to capture the high-end food and health-conscious consumer segment.

### 12.7 Sales Strategy

V FARMS LIMITED will prioritize expanding its customer base and increasing product availability through agents and established distribution channels. Sales teams will focus on cultivating long-term relationships with key clients in both the retail and wholesale markets. Additionally, V FARMS LIMITED will introduce new macadamia-based products to diversify the market appeal and meet evolving consumer preferences.

### 12.8 Sales Forecasts for Macadamia Production

V FARMS LIMITED anticipates a steady increase in macadamia sales over the next five years, driven by both increasing local demand and expanding export opportunities.

**Table 1: Projected Sales for 2025-2029 (Estimates for macadamia-related products)**

Year	Estimated Customers	Total Kg of Macadamia Nuts Sold	Export Markets	Domestic Market
2025	3,000	100,000 kg	60%	40%
2026	5,000	200,000 kg	70%	30%
2027	7,500	350,000 kg	75%	25%
2028	10,000	500,000 kg	80%	20%
2029	15,000	750,000 kg	85%	15%

### 12.9 Projected Growth and Sales Increase

The customer base is expected to grow at an average rate of 20% annually, thanks to V FARMS LIMITED's effective network marketing strategy. The product offerings will include both raw macadamia nuts and processed items such as macadamia oil, appealing to health-conscious consumers and cooking industries.

This structured plan ensures that V FARMS LIMITED can capture the growing market for macadamia nuts and build a competitive edge in the local and international markets. The company's focus on network marketing, product innovation, and strategic distribution will enable it to scale rapidly and meet both current and future demand.

### 12.10 Market Drivers

**Health Consciousness:** The rising awareness of health benefits associated with macadamia consumption is propelling market growth

**Product Innovation:** Introduction of macadamia products in various forms and flavors, such as salted, roasted, honey-roasted, wasabi, and chocolate, is attracting a broader consumer base

**Cosmetic Industry:** The increasing utilization of macadamia oil in cosmetics and skincare products is contributing to market expansion

### 12.11 Challenges

**Price Volatility:** Fluctuating prices due to supply constraints and demand spikes, particularly around the Chinese New Year, require careful market strategy planning

**Quality Variations:** Variations in nut quality, influenced by weather conditions and agricultural practices, can impact market stability and pricing

### 12.12 Outlook

The macadamia market is poised for continued growth, supported by increasing global demand, expanding applications in food and cosmetics, and ongoing product innovation. Stakeholders should monitor regional production trends, consumer preferences, and market dynamics to capitalize on emerging opportunities.

## **13.0 RISK ANALYSIS**

Risks include climate change, price fluctuations, and policy changes. Mitigation strategies involve crop insurance, diversified markets, and adaptive farm management. Risk is a measure of variability of company' business or returns from expected results or outcomes; consequently, it approximates the amount a company could theoretically lose rather than gauges the likelihood of losses. Thus, companies or businesses must assess the level of risk associated with their businesses or actions. The risks most pertinent to agribusinesses and in particular V FARMS LIMITED business activities are operational risks, foreign exchange risk, market risk, liquidity risk, and country risk. Market risk, also known as price risk, is the risk that the value of a company's assets or liabilities will change as product prices, exchange rates, or other input costs vary. Liquidity risk involves the possibility that assets cannot be sold quickly without a big effect on their price. Country risk, which encompasses political, legal, and economic considerations, refers to the difficulties that companies may confront in collecting what is owed to them by residents in a specific country.

Operational risk refers risks arising from operational problems such as fraud, thefts, incompetence of staff, system failure etc. resulting from non-observation of controls or inappropriate internal control system.

For those risks which are at the control of the company, V FARMS LIMITED plans to have a clear and workable risk management strategy. With regard to risks with wider impact to the income, the regulators of the sector and policy makers have put in place mechanism to mitigate such risks.

### **13.1 Market Risk**

Market risk is the possibility that the value of assets or liabilities will change because of ups or downs in their prices. It is a standard measure of risk in the financial world in part because it is easier to quantify than are many other types of risk: analysts can examine past changes in prices and so calculate the variance of returns. (Variance is a statistical measure of the extent to which returns differ from the average over some period.) The greater that variance, the greater the market risk--that is, the greater the likelihood that returns may swing widely in the future. The volatility of prices or returns has traditionally been used as a proxy for market risk. Accordingly, some analysts refer to market risk as price risk. The company will recruit the necessary experts in particular the finance manager who is equipped with necessary knowledge in these aspects as a mitigation strategy for these particular risks. In addition the company will adopt hedging mechanism to hedge revenues against falling prices by investing revenue funds in diversified assets portfolios hence the functions of Treasury office under the Chief Financial Officer.

### **13.2 Liquidity Risk**

An asset is said to be liquid if it is readily convertible to cash with a minimal loss in value. In a liquid market, sellers of an asset can quickly find buyers willing to pay a price for it that comes close to its current price. Treasury Bills issued by the Government of Tanzania are an example of liquid assets the market for them is deep (many buyers and sellers), so they can be easily traded at virtually any time and in large quantities with little effect on their prices.

When a company holds assets that are liquid, it is able to meet unexpected demands for cash by selling some of them. A company or other entity bears liquidity risk when it holds illiquid assets. If it has to meet demands for cash, it may have to sell the assets at a loss; if the market is very illiquid, it may not be able to sell them at all.

Liquidity risk is not as easy to quantify as is market risk, and there is no commonly accepted way to measure it. In fact, liquidity risk points to a shortcoming of focusing simply on price volatility (or market risk) as the indicator of overall risk. For example, because illiquid assets are infrequently traded, they could show relatively little variance in a series of data on prices over time. Thus, a measure of the volatility

of such assets might make them appear rather safe, even though attempts to sell them in a deteriorating market could result in sharp drops in their prices and possibly substantial losses for their owners. Business such as that envisaged by V FARMS LIMITED is definitely subject to foreign exchange fluctuations since it will be dealing in immediate future with foreign markets for food, and rice requires appropriate skills at all levels, particularly Board and management level. This is one of the best ways to mitigate such risks hence the V FARMS LIMITED plans to recruit highly skilled Board Directors and Management.

### **13.3 Operational Risk**

This risk results from non-compliance with internal controls, systems failures, and staff incompetence in discharging their responsibilities and incompatibility of technology. The company will utilize its Members to obtain its input of raw materials. This method since is not very reliable and to mitigate this risk the company will indulge into cultivation of its own raw materials that is maize grains, rice etc. Plans are in place to acquire more land in addition to the already purchased ones which will be used to cultivate crop farms for maize.

In order to minimize risks associated with incompetence or negligence of staff the company will adhere to provision of appropriate trainings both on job and developmental for its staff on constant basis. Training on other aspects of operations such as accounting, human resources, management etc will also be emphasized in order to mitigate operational risks associated with incompetence or low work skills on the part of employees.

Pests and Termites are another significant risk to maize grains because they destroy the maize grains by eating the maize stalks and maize combs. Other significant operational risks include Climatic Changes (droughts, rains, floods etc) and unreliability of electricity power supply which significantly affects smooth production and operations. The company will make use of agricultural extension services to address all the above problems in time, also use of irrigation schemes will take care of risks associated with droughts spells. The company will have stand by generators for machineries as and when needed.

The company plans to install modern and adequate machineries and equipment in its target milling plants to be established. This will ensure adequate production and processing capacity in tandem with demand of the market. Also provision of safety gears and observance of safety rules at work place will be done. The company offices will be well equipped with equipment such as printers, photocopier machine and other office furniture and fixtures, office telephone line, and internet communication facilities to make operations efficient and secretive

There will be availability of company brochures and staff business cards particularly the marketing officers.

The company will always make sure adequate budgets are allocated to head offices and regional centers to cater for various office requirements, transport and communication etc.

## **14.0 SWOT ANALYSIS**

The SWOT analysis outlines both the internal and external factors that influence the macadamia cultivation project in Kilimanjaro. Here's how each section of the analysis relates to this specific agricultural initiative:

### **14.1 Strengths: Fertile land, experienced management, strong global demand**

**(a) Industrious, competent, and experienced management:** This factor is crucial for the successful cultivation of macadamia in Kilimanjaro, as the local climate and soil conditions are favorable for

macadamia farming. An experienced management team can help optimize agricultural practices, select the right cultivars, and implement efficient harvesting and processing methods.

- (b) **Good reputation:** As macadamia is a high-value crop with growing international demand, the company's reputation will help attract more farmers and customers, further developing the supply chain and promoting the growth of macadamia farming in the region. Reputation can also aid in obtaining certifications for quality products, which are essential for exporting macadamia nuts.
- (c) **Attractive dividend policy and network marketing strategy:** This strategy is beneficial for attracting investors and building long-term relationships with farmers and customers. The network marketing aspect can create a sustainable model by incentivizing local farmers to join and invest in the project, potentially increasing both supply and demand for macadamia nuts.
- (d) **Wider membership base:** A strong membership base will help create a reliable market for the macadamia nuts once harvested, ensuring that farmers have a consistent outlet for their products. This, in turn, ensures financial stability for the project and the community involved.

#### 14.2 Weaknesses: Initial capital requirements, technical skill gaps

- (a) **Lack of storage facilities:** Proper storage is essential in macadamia cultivation to preserve the quality of the nuts after harvest. The lack of storage facilities can lead to spoilage or loss of profits, especially during the peak harvest period. This is a critical weakness that needs to be addressed.
- (b) **Insufficient transport and equipment:** Macadamia farming requires specialized equipment for planting, irrigation, and harvesting. Without transport vehicles to deliver the nuts to processing plants or markets, the project could face logistical challenges that could affect profitability. The company needs to invest in these resources to ensure smooth operations.
- (c) **Capital limitations:** The Company needs adequate funding to purchase necessary equipment, such as tractors, harvesting machinery, and processing units. Without sufficient capital, the scale of macadamia cultivation may be limited, affecting the growth potential of the project.

#### 14.3 Opportunities: Export markets, product diversification, job creation

- (a) **Increased demand for food and agricultural products:** Macadamia nuts are a high-value agricultural product with a growing global demand. With the rising demand for healthy snacks and oils, the macadamia industry is likely to expand, creating more opportunities for the company to grow and sell its products both locally and internationally.
- (b) **Expansion through marketing and customer engagement:** Leveraging its strong reputation, the company can undertake advertising and promotional activities to attract more farmers to participate in the macadamia cultivation project. Additionally, expanding the customer base for macadamia-based products will lead to more revenue.
- (c) **East African market expansion:** The regional trade agreements within East Africa present an opportunity to expand macadamia exports to neighboring countries. Tanzania's fertile land offers an advantage in large-scale macadamia farming, and positioning the company as a regional supplier of macadamia nuts will strengthen its market presence.
- (d) **Fertile land in Bukombe:** If the company decides to expand its operations to other regions like Bukombe, which has suitable land for maize production, there could be cross-benefits in terms of land optimization. This can help diversify the agricultural production portfolio, adding value to the macadamia project.

#### 14.4 Threats/ Challenges: Climate variability, pest outbreaks, market volatility

- (a) **Lack of capital for modern equipment:** As mentioned earlier, purchasing modern agricultural equipment is crucial for macadamia farming. Securing financing through loans, grants, or partnerships will be essential to address this challenge.

- (b) Training and awareness of modern farming methods:** Many farmers may lack the necessary training to implement best practices in macadamia cultivation. Organizing training sessions on modern farming techniques, pest management, and sustainable practices will help increase yields and improve the quality of the product.
- (c) Storage and transport limitations:** As highlighted in the weaknesses, the lack of storage facilities and transport infrastructure can hinder the project's growth. Building or acquiring storage facilities and owning transport vehicles will help mitigate these logistical challenges and improve the efficiency of the operation.
- (d) Support for smallholders and peasants:** The project must work closely with smallholder farmers in the region, providing them with capital, training, and equipment. Addressing their challenges will create a more sustainable and inclusive agricultural model, which could ultimately contribute to the success of the macadamia farming initiative.

By addressing these strengths, weaknesses, opportunities, and challenges, the macadamia cultivation project in Kilimanjaro can capitalize on its potential to become a leading supplier of macadamia nuts, contributing to the region's agricultural development and creating long-term economic benefits for local communities.

## **15.0 CORPORATE GOVERNANCE**

The project will adopt international corporate governance standards, including regular audits, transparent reporting, and stakeholder engagement. The development of proper governance practices for the company is one of the prerequisites for maximizing shareholders value and achieving its mission. The Governance structure entails;

### **15.1 REGULATORY REQUIREMENTS**

#### **15.1.1 Legal framework**

The company will apply for renewal or expansion of a license to undertake agriculture and agro based activities, produce maize grain, process maize grain, and processing and sale of packed maize flour, packed rice and sunflower oil under the relevant laws as indicated in the Compliance section of this business plan and will be required to operate in compliance with Land, food quality and safety and Business laws and regulatory requirements and other laws of the United Republic of Tanzania.

#### **15.1.2 Business License**

The Company is incorporated under, and in accordance with, the companies Act of 2002. The Company's Memorandum and Articles of Association, as amended, will always be available for inspection at the Company's registered offices. The V FARMS LIMITED intends to raise capital from the public through the Enterprise Growth Market (EGM). The proposed company intends to raise at least TZS 7.5 billion (exclusive of floatation costs).

#### **15.1.3 Auditing**

The Companies Act 2002 requires a company to appoint independent auditors. The main objective of this law is to guide companies to appoint independent auditors that are recognized and registered by the National Board of Accountants and Auditors (NBAA). There are currently a substantial number of audit firms registered by NBAA. The company will appoint an auditor among the qualified auditors as mentioned in the foregoing.

## **15.2 SHAREHOLDING PATTERN AND CAPITAL GROWTH PLAN**

### **15.2.1 Shareholding pattern**

Shareholders control: This will be done through Annual General Meetings which will be venue for making major decisions and shareholders representation will be observed. The first AGM will form the Board but at the start of the company the first board will have to be appointed by the major shareholders.

The proposed business is expected to start with a paid-up capital of TZS 20 billion. The target is to have a private company with a national and international outlook, with branches spread throughout the country depending on the feasibility studies to be undertaken for each branch proposed.

The V FARMS LIMITED intends to offer a variety of products mainly Macadamia products, maize flour, rice, beans, milk products and sunflower oil in different pack sizes.

### **15.3 Growth Plan**

The company intends to raise its capital through the Enterprise Growth Market (EGM) by an IPO. It intends to raise TZS 40 billion including capital raised by initial investors. In order to expand the scope of operations of the proposed business, additional capital will be raised but to be guided by market conditions and regulations.

## **15.4 ORGANIZATION**

The company as mentioned above is a private one that aims to have a network of branches throughout the country. Establishment of branch networks will be based on results of feasibility studies which will be conducted before any branch is established.

The company will continue to run its operations from Ushirombo town in Bukombe District, and work later towards establishing further new branches within its five years of operations. The company is subsequently geared towards extending its activities and services to other regions and districts through customer service centers and establishment of own farms and processing factories or milling plants. Agro business will remain the core business of the company and will be established in the selected regions and in particular the company will concentrate on maize flour, rice, beans, milk products and groundnuts and sunflower oil business.

The future of V FARMS LIMITED is to acquire and own lands all over the country especially in fertile regions. The proposed regions are Geita, Kilimanjaro, Dodoma, Kagera, Mwanza, Shinyanga, Mara, Tabora and Simiyu so as to engage totally in agricultural activities to feed our factories and satisfy our customers' and export demand.

A board of directors will oversee the project, supported by a management team experienced in agribusiness, finance, and sustainability. Local community leaders will be involved in governance to ensure inclusive growth.

V FARMS LIMITED will be managed by a team of experienced managers and agriculture experts, and a team of highly competent and dedicated engineers and staff. These will be responsible to run the company with the overall guidance of an equally competent and dedicated Board of Directors who have qualities in finance, agriculture, manufacturing, ICT, Engineering, Micro finance and business industry.

In accordance with best industry practices, the company's Board of Directors will initially consist of four members, including a Chairperson. The Board will be tasked with the overall responsibility for the direction, supervision and monitoring of the company. It will be responsible for approving all policies,

recruit senior management and evaluate management’s performance and compliance, approve budgets and business plans, delegate authority, review internal reports and ensure that all pertinent laws, regulations, regulatory authorities directives are observed. The Board of Directors will establish standing committees which shall include:

**15.4.1 Board Composition:** All members to the Board will be non-executive except the Executive Director. The positions of Board Chairperson, Vice Chairperson and chairpersons of Committees will be held by non-executive board members.

**15.4.2 Board operations:** Meetings processes, formation of committees and sub committees and delegation of authority will ensure effectiveness of the Board of Directors in creating a profitable and sustainable business.

**15.4.3 Board Executive Committee:** The committee is expected to consist of the Chairperson of the Board of Directors, the Managing Director, and other two Directors. Reporting to the Board of Directors, this committee shall have the power and responsibility;

- (a) Monitoring results achieved by management in comparison to the objectives as reflected in the annual budget and business plan,
- (b) The implementation by management of policies established by the Board of Directors,
- (c) To review, approve/disapprove, modify terms and conditions applicable to products development as recommended to it by the management of the company; and
- (d) To monitor products reports which are to include summarizing of daily/weekly transactions for all types of products; and review and make recommendation to the Board of all policies regarding product activities such as:
  - Product s’ policies and procedures e.g. production technology, storage etc.
  - Credit limits
  - Risk management strategies and procedures
  - Review of products’ budget and business plan.

**14.4.4 Board’s Audit Committee;** The Committee shall consist of not less than two and not more than three Directors; one of whom must have an accounting expertise. The Committee should report directly to the Board. The internal audit functionally will report to the audit committee.

The committee shall review and recommend to the full Board;

- (a) Policies and procedures with respect to internal audit and internal control;
- (b) Policies and procedures to safe guard the company’s assets;
- (c) Monitoring of compliance by the company with regulatory requirements and any other statutory compliances; and Review external auditors report.

**15.4.5 Board of Directors/Promoters committee:** The Board of Directors or the Promoters Committee consists of the following individuals:

**Table 2: List of Directors**

No	Name	Nationality	Title
1	Vijaya Nasaramha Reddy Marella	Indian	Chairperson
2	Suresh Avutapalli	Indian	Member
3	Edwin Bitenda Rumazi	Tanzanian	Member
4	Srinivasa Rao Avutapalli	Indian	Secretary

## 15.5.6 Organization Chart

1. Board of Directors
2. CEO
3. Farm Manager
4. Processing Plant Manager
5. Finance & Admin
6. Sales & Marketing
7. Community Liaison

**15.4.7 Staffing:** The V FARMS LIMITED will start with 48 employees. Subsequent recruitments will be linked to opening of new branches, and estimate the staff turnover to stand at 5%. The staff cost are estimated to increase by 10% annually in line with inflation rate.

**Table 3: Staff Budget for years one through Year Five**

<b>Annual growth 10%</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>Salary per month</b>
	<b>(TZS 000)</b>	<b>(TZS 000)</b>	<b>(TZS 000)</b>	<b>(TZS 000)</b>	<b>(TZS 000)</b>	<b>(TZS 000)</b>
Managing Director	30,000	33,000	36,300	39,930	43,923	2,500
Operations Manager	24,000	26,400	29,040	31,944	35,139	2,000
Chief Financial Officer	21,600	23,760	26,136	28,750	31,625	1,800
Internal Auditor	19,200	21,120	46,464	51,110	56,221	1,600
Accountant	54,000	59,400	65,340	71,874	79,061	1,500
Human Resource Manager	12,000	13,200	14,520	15,972	17,569	1,000
Legal Officer	24,000	26,400	29,040	31,944	35,139	1,000
IT Officer	36,000	39,600	43,560	47,916	52,708	1,000
Sales & Marketing Officer	28,800	31,680	48,000	52,800	58,080	800
Administrative Driver	4,200	4,620	5,082	5,590	6,149	350
Truck Drivers	54,000	59,400	65,340	71,874	79,061	450
Machine Operators	21,600	23,760	26,136	28,750	31,625	450
Production Manager	36,000	39,600	43,560	47,916	52,708	1,500
Procurement Officer	24,000	26,400	29,040	31,944	35,138	1,000
Engineers	43,200	47,520	52,272	57,499	63,249	1,800
Quality Control Officer	19,200	21,120	23,232	25,555	28,111	800
Electrical Technician	7,200	7,920	8,712	9,583	10,542	600
Water technician	7,200	7,920	8,712	9,583	10,542	600
Mechanics	10,800	11,880	13,068	14,375	15,812	450
Security Officer	14,400	15,840	17,424	19,166	21,083	600
Cashier	9,600	10,560	11,616	12,778	14,056	400
<b>Total</b>	<b>501,000</b>	<b>551,100</b>	<b>642,594</b>	<b>706,594</b>	<b>777,538</b>	

*Source: Tanzania Labor Market Survey, March 2025*

## 16.0 INVESTMENT

Initial investment required is TZS 40 billion, covering land development, nursery, irrigation, and processing infrastructure. ROI expected within 6-8 years, with increasing profitability thereafter. The company will invest all excess liquidity in low risk assets. The investment policy which will be established by the Board of Directors will provide the basis for making decisions of such investments. The investment policy among others will be in such a way that any excess liquidity at any point of time will be invested prudently in low risk assets such as Treasury Bills and Bonds.

## 17.0 FINANCIAL DATA & ANALYSIS

### 17.1 Financial projections

V Farms is structured to deliver strong, stable, and sustainable financial returns, making it one of the most attractive opportunities in global agriculture today. Built on a high-density plantation model, long-lived crop lifecycle, and diversified income streams, the project offers investors consistent cash flows, excellent operating margins, and intergenerational value creation. The revenue model is built around macadamia kernel production, with additional income generated from value-added processing, export premiums, carbon credit monetization, and hospitality-linked earnings from eco-retreat and senior living facilities.

**Table 4: Activity-Based Budget (in TZS)**

No	Activity	Budget (TZS)
1	Land preparation and nursery development	37,350,000,000
2	Irrigation systems and farm infrastructure	62,250,000,000
3	Macadamia planting and agronomy setup	74,700,000,000
4	Post-harvest, logistics, and storage facilities	37,350,000,000
5	Eco-retreats, wellness centers, and senior living units	37,350,000,000
<b>Total Investment</b>		<b>249,000,000,000</b>

### 17.2 Internal Rate of Return (IRR)

- Estimated IRR: ~39.6%

This IRR is higher than the originally conservative or base-case estimates (15–25%), reflecting strong long-term net cash flow and high operational efficiency.

**Table 5: Proposed Project Implementation Timeline**

No	Activity	Implementation Period
1	Land preparation and nursery development	Year 1
2	Irrigation systems and farm infrastructure	Year 1–2
3	Macadamia planting and agronomy setup	Year 2–3
4	Post-harvest, logistics, and storage facilities	Year 3–4
5	Eco-retreats, wellness centers, and senior living units	Year 4–5

### 17.3 Dividends Policy:

The declaration of dividends by the Board of Directors will depend on the performance of the company and shareholder approval. It is planned that a dividend payout policy of not less than 30% will be adopted.

## 17.4 PROJECTED FINANCIAL STATEMENTS

The following is a projected of statement of financial position of the company as at 31st December Year 1 & Year 2. According to the projected financial statements, V FARMS LIMITED will make progress in terms of increase in profitability by 152% for two years. Similarly its assets base will grow significantly by about 7% over the same period. This impressive trend appears to be a result of good management of business and committed leadership in steering the company for growth which in turn can be counted for future prospects of the company.

**Table 6: Statement of Financial Position as at 31st December 2025 & 2026**

Description	Year 2 (TZS)	Year 1 (TZS)
Non-Current Assets	6,795,370,133.92	4,470,638,246.00
Current Assets	867,497,721.20	570,722,185.00
<b>Total Assets</b>	<b>7,662,867,855.12</b>	<b>5,041,360,431.00</b>
Equity	4,227,080,130.40	2,780,973,770.00
Liabilities	3,435,787,724.72	2,260,386,661.00
<b>Total Equity &amp; Liabilities</b>	<b>7,662,867,855.12</b>	<b>5,041,360,431.00</b>

**Table 7: Statement of Comprehensive Income for two years**

Description	Year 2 (TZS)	Year 1 (TZS)
Sales	17,496,661,182.08	11,510,961,304.00
Cost of Sale	1,399,554,224.16	920,759,358.00
<b>Gross Profit</b>	<b>16,097,106,957.92</b>	<b>10,590,201,946.00</b>
Other Income	197,051,786.16	129,639,333.00
<b>Total Income</b>	<b>16,294,158,744.08</b>	<b>10,719,841,279.00</b>
Operating costs	277,423,573.68	182,515,509.00
<b>Profit Before Tax</b>	<b>16,016,735,170.40</b>	<b>10,537,325,770.00</b>
Tax (30%)	4,805,020,551.12	3,161,197,731.00
<b>Profit after tax</b>	<b>11,211,714,619.28</b>	<b>7,376,128,039.00</b>

## 17.5 CASH FLOW PROJECTION

The projection considers major capital expenditures, revenue development timeline, staff costs, and other relevant financial aspects.

This includes major investment phases, staffing, operating costs, and projected revenues, keeping in mind that macadamia trees won't generate significant revenue until Year 7–8. Hence, in the first five years, cash outflows dominate while income is largely from ancillary services and strategic diversification (like eco-retreats).

### Assumptions for Cash Flow Projection

- Initial investment (TZS 40B) is made in Year 1.
- Plantation begins generating revenue from macadamia and eco-tourism in Year 4, increasing in Year 5.
- Capital expenditures are based on the implementation timeline.
- Staff costs increase by 10% annually.
- No dividends are paid during the 5-year development period.
- Tax rate is 30%.
- IRR indicates long-term returns, but early years focus on investment and operational setup.

**Table 8: Cash Flow Projection Table (TZS '000)**

Year	Capital Expenditures	Operating Revenue	Operating Costs	Staff Costs	Tax	Net Cash Flow
<b>2025 (Y1)</b>	(50,000,000) Land prep, irrigation start	0	(277,424)	(501,000)	0	<b>(50,778,424)</b>
<b>2026 (Y2)</b>	(62,250,000) Irrigation, planting starts	0	(305,166)	(551,100)	0	<b>(63,106,266)</b>
<b>2027 (Y3)</b>	(74,700,000) Planting, post-harvest start	0	(335,682)	(642,594)	0	<b>(75,678,276)</b>
<b>2028 (Y4)</b>	(37,350,000) Eco-retreat construction	5,000,000	(369,250)	(706,594)	(1,388,078)	<b>(34,814,922)</b>
<b>2029 (Y5)</b>	(24,700,000) Final setup + operations	15,000,000	(406,175)	(777,538)	(4,443,839)	<b>(15,327,552)</b>

**Key Notes:**

- **Capital Expenditure Distribution:** Spread based on project phases (Table 2).
- **Revenue Growth:** Starts modestly in Year 4 (TZS 5B), increases in Year 5 (TZS 15B). Full yield expected from Year 7.
- **Operating Costs:** Based on projection (Year 1 = 277M TZS, growing ~10% yearly).
- **Tax Calculation:** Based on a 30% rate on estimated pre-tax income (assumed as Revenue - Op. Costs - Staff Costs).
- Net Cash Flow: Reflects outflows in initial years due to heavy investment.
- **Revenue Sources (Years 1–5):**
  - No revenue from macadamia nuts until Year 7–8.
  - Early cash inflows include eco-tourism, wellness programs, and carbon credits starting in Year 4.
  - Hospitality and event services provide diversifying early income.
- **Investment Allocation:**
  - Project rollout follows the implementation schedule.
  - Heaviest cash outflows are in Years 1–4 for infrastructure, planting, and post-harvest facilities.
  - Total estimated investment of TZS 249B spans all components.
- **Staff Costs:**
  - Increase by 10% annually, as per your detailed staff budget.
  - Starts at TZS 501M in Year 1, reaching ~778M in Year 5.

**Financial Strategy Implications:**

- **Funding Gap:** Beyond the initial TZS 40B, further financing (equity, grants, or concessional loans) will be needed to bridge the TZS 100B+ shortfall until revenue from nut production starts.
- **Break-even timeline:** ROI projected between Years 6–8, aligns with macadamia yield maturity curve.
- **IRR of 39.6%:** Remains promising, contingent on efficient operations and market conditions by Years 7+.
- **Dividend Payout:** Not feasible in the first 5 years; reinvestment strategy advisable.

## **18.0 BENEFITS OF THE PROJECT/BUSINESS**

The following have been found to be benefits associated with the project or business of agro business of production, processing and sale of maize flour, rice and sunflower oil.

- (a) The business will provide alternative income generating activity to smallholders in particular V FARMS LIMITED Members and non-members and thereby alleviate poverty and thereby build a population of healthy and energetic people
- (b) There will be creation of employment (direct and indirect) to villagers and other cadres of staff to be recruited all over the country
- (c) Improved infrastructure such as electricity, roads will be possible within the village and communities which surround the program areas.
- (d) Increased trade with people outside the country for the case of export of food products
- (e) Export of food products will contribute to foreign exchange reserves of the country (Foreign exchange earnings)
- (f) Increased productivity since the project will make use of professionals.
- (g) Income to be generated by the business will give rise to tax in the form of corporate tax, employment tax, development levies that will accrue to central government and the local government as well.
- (h) Increased income to members of V FARMS LIMITED /small holders will uplift their living conditions.
- (i) Increased awareness on environmental conservation thanks to aggressive awareness campaigns that will be propagated by V FARMS LIMITED in pursuit of enlightening small holders on importance of environmental conservation and modern agriculture (Climate resilience through agroforestry)
- (j) Land-Lease Holding Shares: Investors participate through secure, long-term leasehold shares—combining land-backed security with transparent, structured ownership.
- (k) Sustainable Agricultural Income: Returns are generated through collective macadamia cultivation, with profits shared proportionately among all shareholders after expenses.
- (l) Eco-Luxury Living Access: Stakeholders enjoy access to a 200-acre eco-retreat within the estate, offering wellness experiences, farm stays, and nature escapes in one of Africa’s most iconic landscapes.
- (m) A Gift of Legacy: V Farms is more than an asset—it's a gift you can give yourself your family, rooted in purpose, land, and long-term impact.
- (n) Open Participation: Anyone—regardless of geography—can invest, become shareholder, and be part of this global agri-legacy.

## **19.0 REASONS FOR FUNDING AND INVESTING IN THE PROJECT**

V Farms offers a compelling, future-ready investment opportunity at the intersection of profitable agriculture, sustainable land use, and purpose-driven development. It is designed for investors who seek more than returns—who want to build long-term value aligned with ethics, security, and environmental responsibility. This is not just an agricultural project. It is a platform for intergenerational wealth, powered by regenerative farming and global market access, delivered by a trusted management team, and supported by a vision that serves both people and the planet.

- **Exceptional Financial Returns** – Projected IRR of 20–25% – High operating margins of up to 80% – Long-term cash flow from a 40+ year productive crop cycle
- **Diversified Revenue Streams** – Macadamia exports – Hospitality and eco-tourism – Senior living and wellness – Carbon credits and environmental incentives
- **Professionally Managed**– Proven experience in regenerative agriculture – Strong operational governance and stakeholder transparency – On-ground leadership and international partnerships
- **Secure & Structured Investment Model** – No land ownership complexities – Stakeholder participation through regulated agreements – Access to annual reports, audited accounts, and real-time dashboards
- **Global Relevance, Local Impact** – Participation in Africa’s green revolution – Contribution to climate goals, rural employment, and biodiversity – Alignment with ESG mandates and sustainable investment frameworks
- **Lifestyle Access & Legacy Building** – Optional benefits including eco-stays, retreats, and estate experiences – Reinvestment, resale, and diversification options for long-term wealth strategies V Farms is more than an investment—it’s a movement toward a better, more resilient, and rewarding way to create value. Join us in shaping the future of agriculture, and shared prosperity.

## 20.0 CONCLUSION

The Kilimanjaro’s Integrated Macadamia Farm Estate represents a transformative opportunity to harness Tanzania’s agricultural potential through sustainable macadamia cultivation. By integrating social, environmental, and economic goals, the project is poised to generate long-term wealth and shared prosperity.

The macadamia cultivation project in Kilimanjaro represents a promising venture that aligns with Tanzania’s agricultural development goals. By addressing key challenges such as limited mechanization, low productivity, and market access, the project will contribute to the growth of the macadamia sector, create jobs, and support local communities. Through value addition, sustainable farming, and strategic marketing, this initiative has the potential to become a key player in both the local and global macadamia nut market.

Based on the foregoing explanations and analysis it is obvious that the project is financially feasible as it indicates reasonable financial returns in terms of return on investment and return on equity as well as profitability which suggests it is sustainable and on the other hand it maximizes shareholders wealth. Furthermore the analysis indicates the company will have its total assets growing reasonably and consistently likewise the net worth growth is impressive suggesting an increase in wealth of the business hence the shareholders’ wealth.

Besides being financially feasible the business is economically, technologically and socially feasible as it will provide employment opportunities to local manpower and across the country. The business will also offer market for petty traders including suppliers of stationeries, fuel and other supplies which will be forming inputs to business processes and operations hence contributing to uplifting the living conditions of people around the program areas and the country wide in general.

The business similarly will employ affordable and available food production and processing technology including cultivation, storage, transport, and milling, grading and packing the foodstuffs among others. Furthermore it will pay taxes to the government and other levies to the local governments. Furthermore the business will incorporate small famers, peasants/villagers as partners/members to the business hence promoting them by way of skills development, economic empowerment and will provide other linkages to the economy in general hence boosting the economy of the communities and the country as a whole.

Based on the foregoing, It is reasonable to conclude that the products, regulatory environment, technological, economic, and social environment which have been assessed and analyzed appear to support establishment of the proposed food production, processing, packing and sale of the same in particular maize, rice and sunflower to start with. Furthermore the market assessment reveals that the size, depth and other related factors appear to support and are consistent with the idea to establish or carry on the proposed business in the target areas and therefore conclusively the project or business appears to be feasible in many material respects as detailed and explained in the foregoing.

**Prepared and Approved by the board of Directors of V FARMS LIMITED On behalf of the Shareholders of V FARMS LIMITED, this document is hereby signed this day 30th of May, 2025.**

Signed by:



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**CHAIRMAN**



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**SECRETARY**

**DATE: 30 May, 2025.**

**DATE: 30 May, 2025.**

