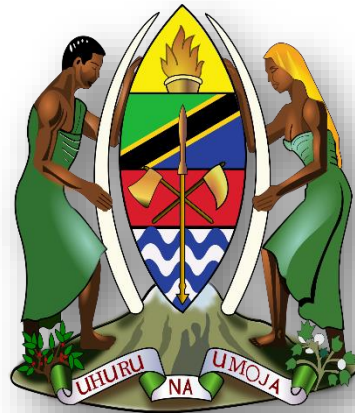




# BUSINESS PLAN FOR CONSTRUCTION OF ORGANIC FERTILIZER PLANT IN UNITED REPUBLIC OF TANZANIA





---

## DISCLAIMER

All materials included in this document are based on data / information gathered from various sources and certain assumptions. Due care and diligence are taken into accounts within the preparation of this study. The document may contain human, mechanical or non-accuracy errors of the information at the source which were not done intentionally. Therefore, there will be no liability for errors, omission, or misrepresentation will be accepted. **SELFINA** and **ROKOVIA** reserve the right to make corrections and changes wherever desired in this document or its subsequent versions.

## TABLE OF CONTENTS

PROJECT SUMMARY	5
1. PROJECT DESCRIPTION	6
1.1 Overview of this Business Plan	6
1.2 Purpose of the Business Plan	7
1.3 Scope of Work and Report	7
1.4 Approach and Methodology	7
2. SPONSORSHIP, GOVERNANCE AND TECHNICAL ASSISTANCE	9
2.1 Legal Status and License	9
2.2 Company's Profile	9
2.3 Location of the Business	9
2.4 Company's Mission	9
2.5 Company' Goals	10
2.6 Certificates and Patents	11
3. MANAGEMENT AND MANAGEMENT INFORMATION SYSTEMS	12
3.1 Operation Plan	12
3.2 Operation Office and Equipment Yards	12
3.3 Operation Hours	12
3.4 Organization Structure	15
3.5 Management Plan	15
4. TECHNICAL FEASIBILITY, MANPOWER, RAW MATERIAL RESOURCES, AND ENVIRONMENT	20
4.1 Products and Services to be offered by the ROKOSAN TANZANIA	20
4.1.1 Products overview	20
4.2 Business Implementation Strategy	24
4.3 Source of Raw Materials	24
4.3.1 The state of livestock in the country	26
4.3.2 Slaughterhouses in the country and neighboring countries	28
4.4 Safety	36
4.5 Machinery, Equipment and Manpower	36
4.6 Keys to Success	37

---

5. INVESTMENT REQUIREMENTS, PROJECT FINANCING, AND EXPECTED RETURNS	38
6. THE MARKET AND COMPETITORS	43
6.1 Market Analysis	43
6.1.1 Our Target Market	43
6.1.2 Our Competitive Advantage	44
6.2 Competitors	45
6.3 SWOT Analysis	47
6.3.1 Strengths	48
6.3.2 Weaknesses	48
6.3.3 Opportunities	49
6.3.4 Threats	50
7. INDUSTRY DYNAMICS	51
7.1 Product Proposition	51
7.1.1 Pricing Strategy	51
7.2 Sales Management	52
7.2.1 Sales Strategy	52
7.3 Marketing Strategy	52
7.3.1 Main Marketing Goals	52
7.3.2 Customer differentiation	53
7.3.4 Channel of Distribution	54
7.3.5 Promotion Strategy	56
7.3.6 Main propagation tools	56
8. GOVERNMENT/DONOR SUPPORT AND REGULATIONS	59
9. SECURITY AND RISK MITIGATION	60
10. IMPLEMENTATION SCHEDULE OF THE PROJECT	63
11. ECONOMIC BENEFITS AND ENVIRONMENTAL ISSUES	64
12. CONCLUSION AND RECOMMENDATIONS	66

## LIST OF TABLES AND ILLUSTRATIONS

Figure 1: Factory location .....	13
Figure 2: Factory overview.....	13
Figure 3: Visualization of the factory, offices and housing.....	14
Figure 4: Organizational structure of the company.....	15
Figure 5: ROKOHUMIN liquid fertilizers.....	21
Figure 6: ROKOLAN soil treatment, ROKOAKTIV seed treatment and ROKOHUMIN LOOSE fertilizer, ROKOSAN fertilizer.....	23
Figure 7: Location of the collection center .....	25
Figure 8: Collection point overview .....	26
Figure 9: Visualization of the collection point .....	26
Figure 10: Distribution of Cattle Population in Tabzabua.....	27
Figure 11: SWOT analysis.....	47
Figure 12: ROKOHUMIN mobile fuel station.....	55
Table 1: Meat Production in 2012/13 - 2018/19 .....	28
Table 2: Livestock slaughtered July 2018 to June 2019 .....	29
Table 3: CURRENT STATUS FOR ABATOIRS AND MEAT PROCESSING PLANTS (JULY, 2018 TO JUNE, 2019) .....	30
Table 4: List of operating abattoirs.....	30
Table 5: List of operating meat processing plants .....	33
Table 6: List of abattoirs and meat processing plants under construction .....	34
Table 7: Comparison of fertilizer use in Africa.....	44
Table 8: Price/Quality Ratio Strategy.....	51
Table 9: Project Schedule.....	63

## PROJECT SUMMARY

<b>Name of the Company</b>	SELFINA limited liability company	
	ROKOVIA limited liability company	
<b>Nature of Business</b>	Organic Fertilizer Manufacturing in <b>Dar Es Salaam region, United Republic of Tanzania</b>	
<b>Total New Project Cost</b>	Machinery and Equipment:	10,526,000 €
	Intellectual property:	6,000,000 €
	Construction and assembling work:	4,050,000 €
	Vehicles:	628,000 €
	<b>Total:</b>	<b>21,204,000 €</b>
<b>Project Loan Duration</b>	7 Years	

## 1. PROJECT DESCRIPTION

This business plan has been prepared for **SELFINA** and **ROKOVIA** with the primary objective of explaining the project concept of establishing a **Slovak-Tanzanian Innovative Industrial Park**. In the first phase of the project, **Amino-acid organic fertilizer manufacturing** from birds and animal residues in **Dar Es Salaam** will be constructed. Both companies agreed on establishment of joint venture **ROKOSAN TANZANIA**, which will be implementer of the project. Part of the planned **Slovak-Tanzanian Innovative Industrial Park** would be construction of **Solar electricity plant** to supply the electricity to the facility, **Rendering plant**, for utilization of animal carcasses into form of animal feed and cosmetic materials and expansion into **Food processing**. Social aspect of the project is secured by planned **accommodation for workers**. The location of the business and principal office of the Company are located in the **Dar Es Salaam, Tanzania**. This business plan explores the first phase of the project – establishment of **Amino-acid organic fertilizer manufacturing**.

To take measure towards implementing one of the Company's objectives, **ROKOSAN TANZANIA** wishes to carry on the business as processors of animal by products into form of organic fertilizer. Organic fertilizer will be used for agricultural purposes. The Company will procure the organic fertilizer production machinery and equipment's to be installed at the production sites.

The projected Income Statements show good trend over the period of five years as the company is expected to record accumulated total revenue of **316.8 million €** and net profit of **26.9 million €** over the period. The project as per projections is financially viable, economically feasible and will provide meaningful sources of revenue for the government and shareholders as a whole. This business plan is specifically written to give out the details of **ROKOSAN TANZANIA** projects' concept and its underlying requirements; one of them being, the need for the external financial resource to facilitate the implementation of the Organic fertilizer Production business.

### 1.1 Overview of this Business Plan

This business plan has been prepared for **ROKOSAN TANZANIA** with the purpose of outlaying the concept of setting up the business in **Dar Es Salaam** in Republic of Tanzania. The company wishes

to use the basis of this business plan to assess the financial projections of the project and be confident to seek for external sources of funds to support the implementation of the business. Preliminary research and market analysis have been conducted to assess the viability and applicability of this business; the outcome provided concrete evidence for the need and support of this kind of business. Furthermore, preliminary financial projections demonstrate the company will generate substantial income from this project at an affordable risk.

## 1.2 Purpose of the Business Plan

The specific objectives of this business plan are:

- ❖ Assess the viability of the proposed business.
- ❖ Assess the general viability of the proposed business, the supply and demand situation in the market, and the amount of financing required for the entire project.
- ❖ Discuss the technical, management, and operational options of the entity.
- ❖ Review the technical, structural set-up, management and operational aspects to verify if **ROKOSAN TANZANIA** management teams are capable of handling projects of this nature.
- ❖ Prepare a detailed business plan, financial projections, and financing plan for the selected project.

## 1.3 Scope of Work and Report

This business plan has undertaken the following summarized specific tasks:

- ❖ A thorough review of what will be the **ROKOSAN TANZANIA** business operations.
- ❖ Consideration for the technical aspect of the projects.
- ❖ Organizational structure and management of the **ROKOSAN TANZANIA**.
- ❖ Economic and social aspects associated with the project.
- ❖ Financial analysis of the project.

## 1.4 Approach and Methodology

- ❖ Assess the suitability of the key credit items such as: capital, size of the project, infrastructure for the set up, and workforce required to support this nature of business.

- 
- ❖ Review the project's requirements, financing, and commitment to meet the obligations necessary for the successful project implementation.
  - ❖ Documentary review to know the standards and regulations with regard to intended project.
  - ❖ Using the information gathered above, develop the base financial assumptions detailing varieties selected, production, market prices, and the cost structure so as to establish the economic viability of the project.

---

## 2. SPONSORSHIP, GOVERNANCE AND TECHNICAL ASSISTANCE

### 2.1 Legal Status and License

It is proposed to operate the business through the legal entity of a Tanzania based Limited Liability Company called **ROKOSAN TANZANIA**.

### 2.2 Company's Profile

The implementer of the business plan will be joint venture **ROKOSAN TANZANIA**, which will be backed by founders with more than 20 years of experience and market success in utilization of animal waste and the production and sale of organic fertilizers. Technology is well recognized and was awarded as one of top 40 technologies in EU Gateway Program in both 2012 and 2017 and as one of the three most innovative Slovak technologies by CIDIC in 2016. Currently, our products are part of official Slovak Aid program in Rwanda. Our company's vision is to bring a revolution in fertilizers and agriculture to the African continent, which will increase the affordability and availability of organic fertilizers, promote human health, promote soil and environmental protection, and ultimately promote food self-sufficiency and country security.

**ROKOSAN TANZANIA**'s vision is to bring a revolution in fertilizers and agriculture to TANZANIA. This will increase the availability of organic fertilizers, promote human health, promote soil and environmental recovery, and ultimately promote food self-sufficiency and security.

### 2.3 Location of the Business

**ROKOSAN TANZANIA** main office will be situated in **coastal region** where the Company has already identified land for the organic fertilizer factory, rendering plant and Agriculture scientific center.

### 2.4 Company's Mission

We consider construction of factory for organic fertilizers in target country and every neighboring country on the African continent, which has raw materials for their production as our main mission. By producing fertilizers directly on the African continent from domestic raw materials, we will reduce fertilizer prices and increase their availability. By increasing the use of organic

fertilizers, we will promote the protection of human health, eliminate soil impoverishment and reduced yields. Higher agricultural yields will support poverty eradication and food security. By utilization of animal carcasses, we can prevent the spread of the diseases such as anthrax. Thanks to the newly created jobs, the production of organic fertilizers will ultimately support the resolution of the migration crisis.

## 2.5 Company' Goals

### Short-term goals up to 1 year

- ❖ Provide funding for the construction of Stage 1 of the production plant
- ❖ Build a collection points for raw material across the country
- ❖ Build a production plant and collection points
- ❖ Equip the plant with production facilities and other equipment
- ❖ Employ qualified personnel

### Medium-term objectives over a 5-year period

- ❖ Successfully penetrate the target market by offering high-quality organic fertilizers with a focus on health, environmental and land reclamation
- ❖ Successfully penetrate the markets of neighboring countries by offering high-quality organic fertilizers with a focus on health, environmental and land reclamation
- ❖ Achieve company profitability and positive cash flow
- ❖ Support the development of agriculture and its greening in Tanzania
- ❖ Construction of Slovak Tanzanian Innovative Industrial Park
- ❖ Construction of Rendering plant
- ❖ Construction of Agriculture scientific center

### Long - term objectives

- ❖ Achieve a reputation for a socially significant enterprise in supporting farmers in TANZANIA and the neighboring countries in Sub Saharan Africa

## 2.6 Certificates and Patents

Products of **ROKOSAN TANZANIA** are certified in several countries and technological process of utilization of animal waste into amino acid organic fertilizer is protected by patents.



Russian Patent



Ukrainian Patent



US Patent



Chinese Patent



Ukrainian Certificate



Cuban Certificate



Californian Certificate



Russian Certificate



Moldavian Certificate



Czech Certificate



Belarusian Certificate



Spanish Certificate



Hungarian Certificate



Colombian Certificate



Panamanian Certificate



Tanzanian Certificate

### 3. MANAGEMENT AND MANAGEMENT INFORMATION SYSTEMS

#### 3.1 Operation Plan

The operation plan of **ROKOSAN TANZANIA** will be under the supervision of Chief Executive officer to be recruited. However, the projects collection sites will be under the supervision of specific project supervisors depending on their complexity process, entailing a range of operations management tasks such as purchasing, scheduling, transportation, inventory control, coordinating and supervising the network of customers.

#### 3.2 Operation Office and Equipment Yards

**ROKOSAN TANZANIA** main office is proposed to be located in **Dar Es Salaam, TANZANIA** where the sponsors have secured land big enough for the factory operations. The region is perfect location for the project from several reasons. The first reason is the abundance of the raw material, since the majority of animal production is located in coastal region. Second reason is its proximity to naval port, which offers us opportunity for export of our products. Third reason is the proximity to **universities**, which will offer us well trained personnel for our factory. Part of our project is support of education in the region by establishing partnership between Slovak and Tanzanian universities.

#### 3.3 Operation Hours

**ROKOSAN TANZANIA** will be operating following the following business hours:

Day	Operating hours
Monday to Friday	8AM to 5PM
Saturday	8AM to 1PM

Figure 1: Factory location



Figure 2: Factory overview

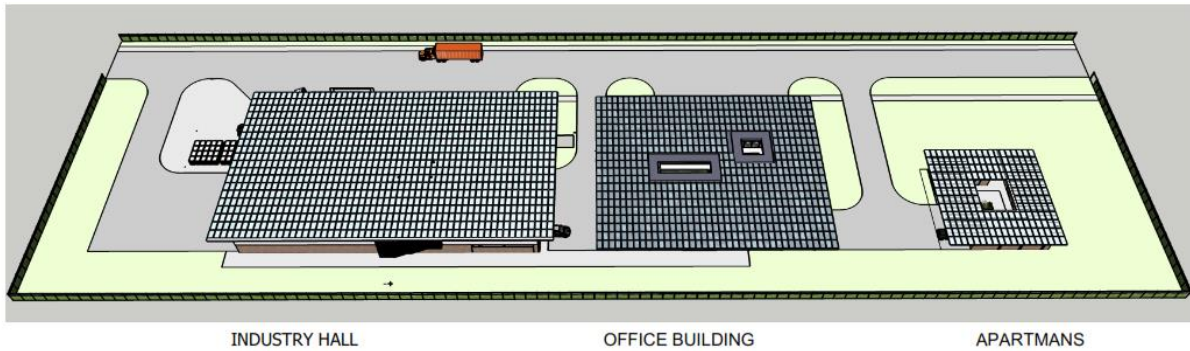
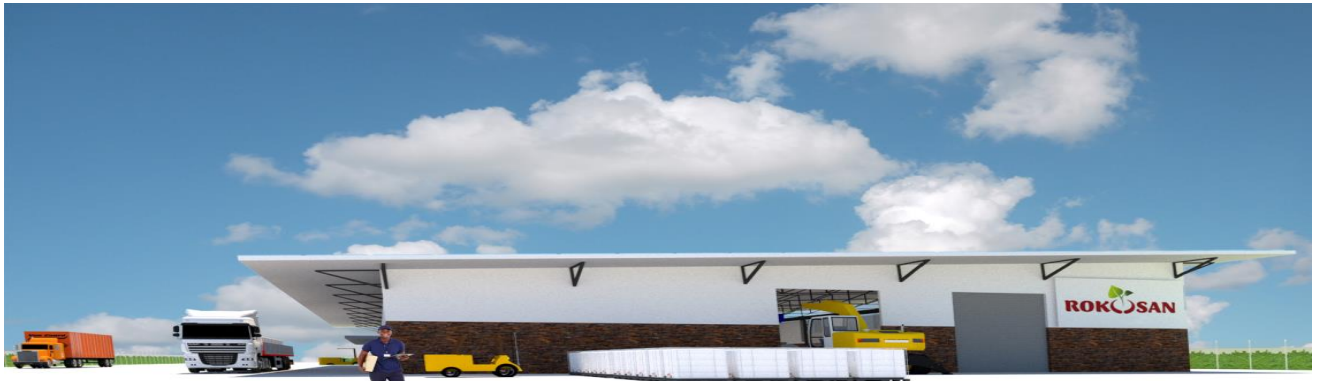
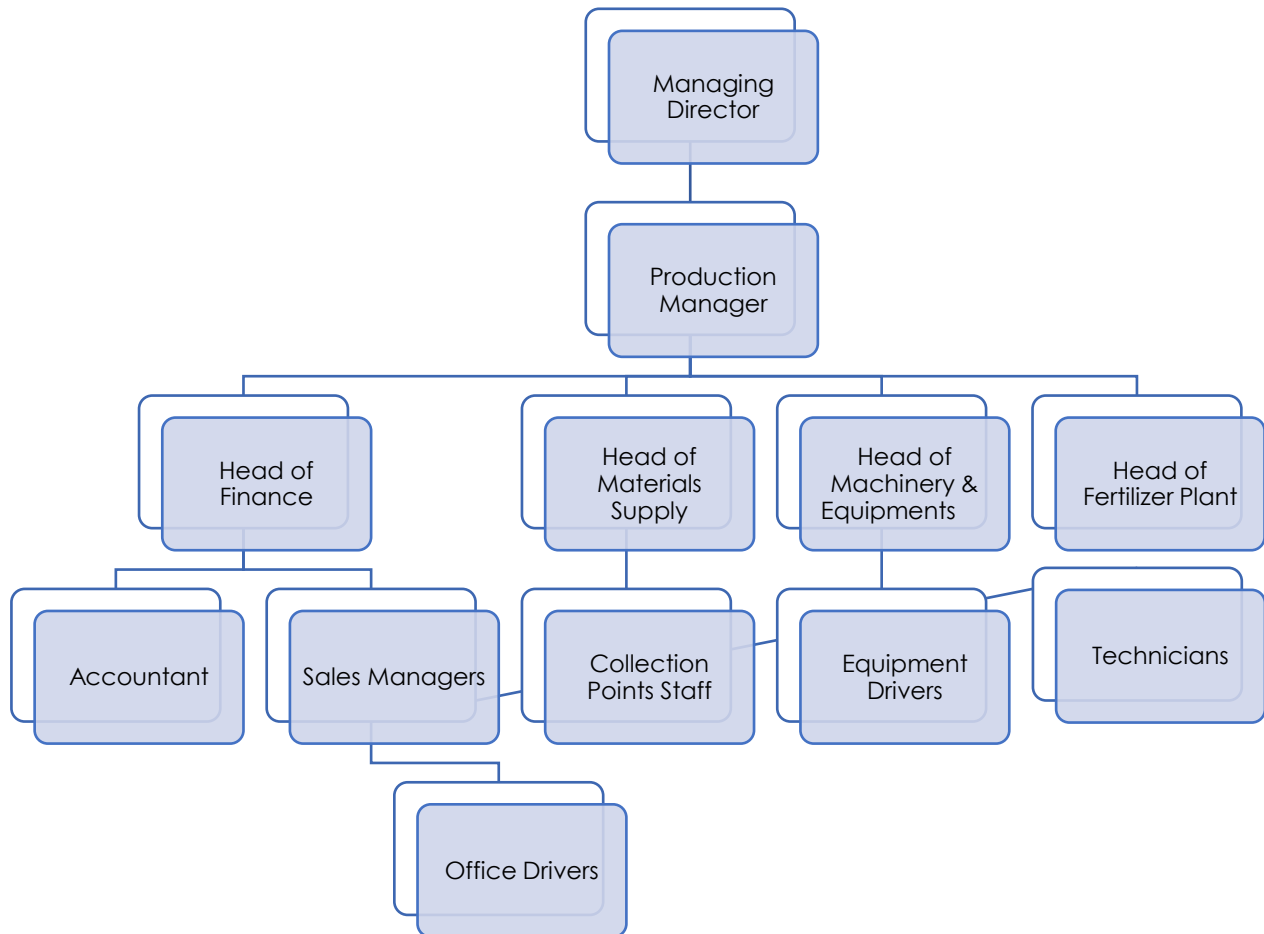


Figure 3: Visualization of the factory, offices and housing



### 3.4 Organization Structure

Figure 4: Organizational structure of the company



The proposed organizational structure for organic fertilizer plant in **Dar Es Salaam, TANZANIA** is presented below. The Promoters of the business are proposing a simple and narrow organized chain of command in order to facilitate flexible and efficient management of the organic fertilizer manufacturing project.

### 3.5 Management Plan

Upon the start of full business operation, **ROKOSAN TANZANIA** will employ a total of 130 employees to be hired upon the installation of the machinery and equipment and starting of the operations.

---

## Board of Directors

**ROKOSAN TANZANIA** management teams will be under supervision of the **Board of Directors**.

The board consists of members with different professional background such as engineering, accounts, marketing and business management. The roles of the board of directors of **ROKOSAN TANZANIA** include:

- ❖ Establish vision, mission and values
- ❖ Determine the company' vision and mission to guide and set the pace for its current operations and future development.
- ❖ Determine the values to be promoted throughout the company.
- ❖ Determine and review company' goals.
- ❖ Determine company policies
- ❖ Set strategy and structure
- ❖ Review and evaluate present and future opportunities, threats and risks in the external environment and current and future strengths, weaknesses and risks relating to the company.
- ❖ Determine strategic options, select those to be pursued, and decide the means to implement and support them.
- ❖ Determine the business strategies and plans that underpin the corporate strategy.
- ❖ Ensure that the company' organizational structure and capability are appropriate for implementing the chosen strategies.
- ❖ Delegate authority to management, and monitor and evaluate the implementation of policies, strategies and business plans.
- ❖ Determine monitoring criteria to be used by the board.
- ❖ Ensure that internal controls are effective.
- ❖ Communicate with senior management.

---

### **Board Chairman** – PhDr. Štefan Szöke

The Chairperson’s role includes managing the board's business and acting as its facilitator and guide. Other duties include:

- ❖ Determining board composition and organization;
- ❖ Clarifying board and management responsibilities;
- ❖ Planning and managing board and board committee meetings;
- ❖ Developing the effectiveness of the board.

### **Managing Director** – Dr. Victoria Kisyombe

The Chief Executive Officer is the most senior full time executive of the company. The managing director is responsible for Company performance as dictated by the board’s overall strategy. Other responsibilities include

- ❖ Formulating and successfully implementing company’ policy
- ❖ Directing strategy towards the profitable growth and operation of the company
- ❖ Maintaining an ongoing dialogue with the chairman of the board
- ❖ Putting in place adequate operational planning and financial control system
- ❖ Building and maintaining an effective executive team
- ❖ Representing the Company to major customers and professional associations.

### **Production Manager** – To be recruited

The Production Manager will be an overall in charge of **ROKOSAN TANZANIA**. The Production Manager will report to the Managing Director, and will represent Business Management into the Board as the Secretary. The Production Manager will have responsibilities of submitting various reports to the Board meeting and supervise implementation by the Business Management. The minimum qualifications of the Production Manager will be an advanced degree in chemical engineering; the incumbent will also be the head of the production plant. The prospective candidate will provide guidance for supervisors and subcontractor in developing and implementing the organic fertilizer strategy at project site, and providing technical support and

corrective measures for all problems in coordination with discipline engineer and production as a whole. Project management is a complex field, requiring knowledge in many different areas like finance, mediation, law, business, and more.

#### **Organic fertilizer Manager at site** – To be recruited

- ❖ Responsible for overseeing the smooth running of the organic fertilizer sites
- ❖ Makes sure that quality is maintained at all times
- ❖ Maps out strategy that will lead to efficiency amongst workers in the organic fertilizer
- ❖ Responsible for training, evaluation and assessment of the workforce
- ❖ Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- ❖ Ensures that the organic fertilizer site meets the expected safety and health standard at all times.

#### **Organic fertilizer Casual Workers** - To be recruited

- ❖ Responsible for operating organic fertilizer machinery and equipment in the organic fertilizer site
- ❖ Responsible for the production of organic fertilizer
- ❖ Assist in loading and offloading of our products into and out of the tippers /trucks

#### **Head of Material Supply** – To be recruited

The Company will hire the person in charge of material supply. The prospective candidate must have knowledge of material purchase and supply, and well connected with different organic fertilizer consumers in the market.

#### **Accountant** – To be recruited

The Company will hire an accountant who will be responsible to keep records of all business transactions. Upon the start of operations, the accountancy functions will be done manually using excel spreadsheet during year one, but it is intended to invest in a computerized software accounting package during year two.

---

### **Administrative Manager** - To be recruited

The Company will hire an Administrative Assistant to support the office with day-to-day operation of the business. The incumbent must have knowledge of operating different types of office tools such as phone, fax, scanner, photocopy, printer, projector and computer in general.

### **Distribution Truck / Tipper Drivers** – To be recruited

- ❖ Assist in loading and unloading raw materials and finished goods.
- ❖ Maintain a logbook of their driving activities to ensure compliance with federal regulations governing the rest and work periods for operators.
- ❖ Keep a record of vehicle inspections and make sure the truck is equipped with safety equipment
- ❖ Assist the transport and logistics manager in planning their route according to a delivery schedule.
- ❖ Local-delivery drivers may be required to sell products or services to stores and businesses on their route, obtain signatures from recipients and collect cash.
- ❖ Transport finished materials over land to and from organic fertilizer site to production sites all across Tanzania
- ❖ Inspect vehicles for mechanical items and safety issues and perform preventative maintenance
- ❖ Comply with truck driving rules and regulations (size, weight, route designations, parking, break periods etc.) as well as with company policies and procedures
- ❖ Collect and verify delivery instructions
- ❖ Report defects, accidents or violations

## 4. TECHNICAL FEASIBILITY, MANPOWER, RAW MATERIAL RESOURCES, AND ENVIRONMENT

**ROKOSAN TANZANIA** will create a legally registered company in TANZANIA with primary objectives of production of organic fertilizer products. **ROKOSAN TANZANIA** will be involved in the manufacturing of organic fertilizer for consumption in the agriculture sector.

Normally, the company will sell their products from their factories to the following production industry major segments:

- ❖ The Government, through the Ministry of Agriculture, Livestock, Forest and Environment
- ❖ Individuals Farms and Farmers
- ❖ Farmer cooperatives

### 4.1 Products and Services to be offered by the ROKOSAN TANZANIA

The company will produce Organic fertilizer for agricultural purposes from locally available raw materials. It is anticipated that the company will produce 10,600,000 liters in the first year, 13,000,000 liters in the second year, 16,000,000 liters in the third year and 18,000,000 liters in the fourth year and stabilize at 20,000,000 liters of **ROKOHUMIN DUPLO** per annum from the fifth year onwards.

#### 4.1.1 Products overview

##### Characteristics

The plant will be able to produce a range of organic fertilizers in both liquid and solid form. The main product is **ROKOHUMIN LIQUID** organic fertilizer and its super concentrated version **ROKOHUMIN DUPLO**, which contains a complete set of proteinogenic amino acids. The main raw material is a feather meal, which can be replaced by hooves and horns. Other products are **ROKOLAN** organic soil treatment, **ROKOAKTIV** seed treatment and **ROKOHUMIN LOOSE** and **ROKOSAN** granulated fertilizers.

## Features and Benefits

**ROKOHUMIN LIQUID / ROKOHUMIN DUPLO** fertilizer excels due to its quality parameters, positive impact on the environment and soil quality.

**ROKOHUMIN LIQUID** is organic fertilizer in liquid form with content of amino acids and humic acids, for both foliar fertilizing as well as application by sealing or incorporating into the soil as an extension to the basic fertilization with solid fertilizers. The product can be also used in drip irrigation systems which are usually used in greenhouses. The final product has positive effects not only to the immunity system of the crop, or impact on higher yield of harvest, but also very beneficial effects on soil quality and revitalization processes. We offer universal fertilizer as well as fertilizers designed for specific types of crops.

The effectiveness of the product is based on years of testing in various climatic conditions. Based on the particular plants, our products can increase the harvest from 4 – 24%.

The strength of the product is its low production costs, which make it possible to sell this quality product at a reasonable price and various packaging options.

Figure 5: ROKOHUMIN liquid fertilizers



**ROKOLAN** is a basic fertilizer on an organic basis intended for root nutrition of agricultural crops. Its effect provides a better start in the initial phase of growth due to better development of the

root system and the starting a dose of nutrients with a high amino acid content. **ROKOLAN** is a substitute for manure.

Due to the use of industrial fertilizers, water and wind erosion, soil degradation occurs, i.e. a reduction in the content of humic substances, a reduction in the formation of microbial biomass and an unnatural reduction in biological activity in the soil.

**ROKOLAN** is a way to improve the quality properties of the soil and increase the number of microorganisms in the soil - to increase humus in the soil

**ROKOAKTIV** is an organic-based stimulant adjuvant acting as a germination activator with a stimulating effect on rooting and the initial stage of plant growth.

**ROKOAKTIV** prevents the negative effect of the feed dresser, increases the percentage of seed germination and ensures a better start in the initial phase of growth due to better root system development and a starting dose of nutrients with a high content of amino acids and humic substances.

**ROKOAKTIV** is widely used as a rooter for cuttings or young seedlings and as a regenerating agent for damaged roots of larger plants or woody plants.

**ROKOHUMIN LOOSE** serves as rich, harmonically balanced source of all nutrients supplied evenly during all vegetation period. It contributes to richness and colorfulness of the flowers, increases fertility and enhances biological activity of the soil.

**ROKOHUMIN LOOSE** is produced from keratin increasing biological resistance against diseases and pests; by regular supply of nutrients in their sufficient amount it improves physical features of soils, adjusts the water regime in the soil, enriches soil for microorganisms and other. It contains nitrogen and phosphorus in the natural form in small amount as well as other nutrients and trace elements. Ecologically favorable nitrogen form prevents harmful nitrates from accumulating in plants and fruits of vegetables or berries; it prevents underground water from being polluted by unwanted nitrates. Specialty of keratin is its ability to bundle nitrogen from the

air. Universality and significantly ecological character represent the main advantage of this fertilizer. As with **ROKOHUMIN LIQUID**, we offer variety of products designed for specific crops.

**ROKOSAN** serves as rich, harmonically balanced source of all nutrients supplied evenly during all vegetation period. It contributes to richness and colorfulness of the flowers, increases fertility and enhances biological activity of the soil.

Loose fertilizer **ROKOSAN** is produced from keratin increasing biological resistance against diseases and pests; by regular supply of nutrients in their sufficient amount it improves physical features of soils, adjusts the water regime in the soil, and enriches soil for microorganisms and other. It contains nitrogen and phosphorus in the natural form in small amount as well as other nutrients and trace elements. Ecologically favorable nitrogen form prevents harmful nitrates from accumulating in plants and fruits of vegetables or berries; it prevents underground water from being polluted by unwanted nitrates. Specialty of keratin is its ability to bundle nitrogen from the air. Universality and significantly ecological character represent the main advantage of this fertilizer.

Figure 6: ROKOLAN soil treatment, ROKOAKTIV seed treatment and ROKOHUMIN LOOSE fertilizer, ROKOSAN fertilizer



Our products can be packed in various packaging or containers. In case of liquid fertilizer, we offer following packaging options: **0.5l** and **1l** PVC bottles; **5l**, **10l**, **25l** PVC canisters or **1000l** IBC. Granulated fertilizer can be packed in **0.5kg**, **1kg**, **5kg**, **10kg** and **25kg** paper bags or big bags.

## 4.2 Business Implementation Strategy

**ROKOSAN TANZANIA** will offer its services to both public and private individuals. The company's staff will collect the raw materials needed for the production of the organic fertilizer. The factory will be supervised by a competent project engineer/ manager who will specify the types of raw materials and the packaging sizes of the products according to the needs of the clients.

**ROKOSAN TANZANIA** wishes to develop alliances with industry leaders and pursue new sales of its products to their customers. The objective of this strategy is to capitalize on the network to be developed by these alliances to secure government support and contracts. As a way of adopting a corporate strategy, **ROKOSAN TANZANIA** will be dedicated towards improving the performance of their project undertakings. That means the company will develop its strength by using locally available animal left raw materials, innovative production machinery and equipment, engineering expertise, proper site and project management and excellence environment safety measures. In general, the company will most likely focus on supplying its products to the government Ministry of Agriculture, Livestock, Forest and Environment and individual farm enterprises, which will provide the company with a great return.

## 4.3 Source of Raw Materials

Primary sources of main raw material are animal by-products, specifically poultry feathers, bone meal and horns and hooves. Other additional raw material is **Humic acids**. One of the sources is Lignite.

To produce 1000 liters (1 ton) of liquid fertilizer ROKOHUMIN, **300 kg** of poultry feathers are needed or **172 kg** of horns and hooves.  
To produce 1 ton of loose fertilizer ROKOHUMIN, **500 kg** of hooves and horns are needed.  
To produce 1 ton of loose fertilizer ROKOSAN, **1000kg** of hooves and horns are needed.

Yearly capacity of the factory shall be **150,000,000 liters (150,000 tons)** of double concentrated liquid fertilizer ROKOHUMIN DUPLO / **300,000,000 liters (300,000 tons)** of ROKOHUMIN LIQUID, **100,000 tons** of loose fertilizer ROKOHUMIN, **50,000 tons** of loose fertilizer ROKOSAN.

Therefore, the amount of the main raw material needed is:

FERTILIZER	MT/ year
<b>ROKOHUMIN liquid double concentrated</b>	8.000 MT of feathers or 3440 MT of hooves and horns
<b>ROKOHUMIN loose</b>	10.000 MT of horns and hooves
<b>ROKOSAN loose</b>	10.000 MT of horns and hooves
<b>TOTAL scenario A (with feathers)</b>	<b>8.000 MT Feathers + 20.000 MT of horns and hooves</b>
<b>TOTAL scenario B (no feathers)</b>	<b>23.440 MT of horns and hooves</b>

**ROKOSAN TANZANIA** proposes to use collection points in Shinyanga and Singida regions to establish stable raw material supply. Collection points should be located near animal farms or slaughterhouses and could serve as selling points for the fertilizer.

*Figure 7: Location of the collection center*



Figure 8: Collection point overview

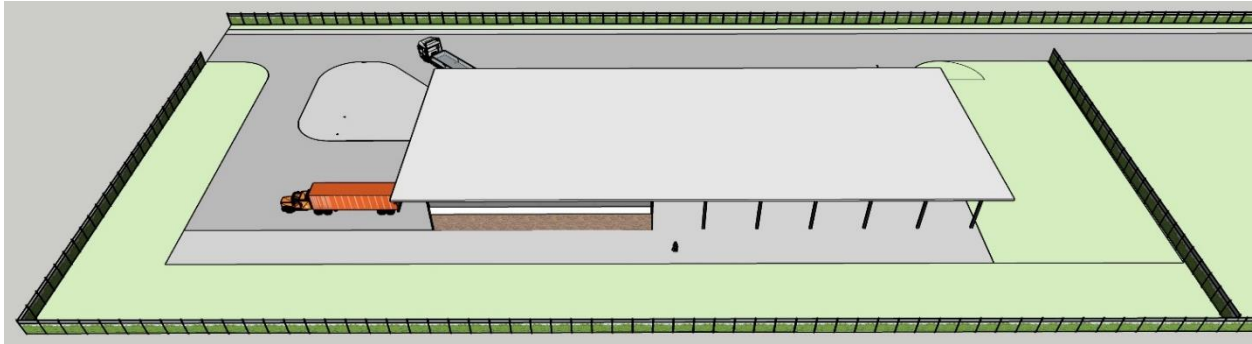


Figure 9: Visualization of the collection point

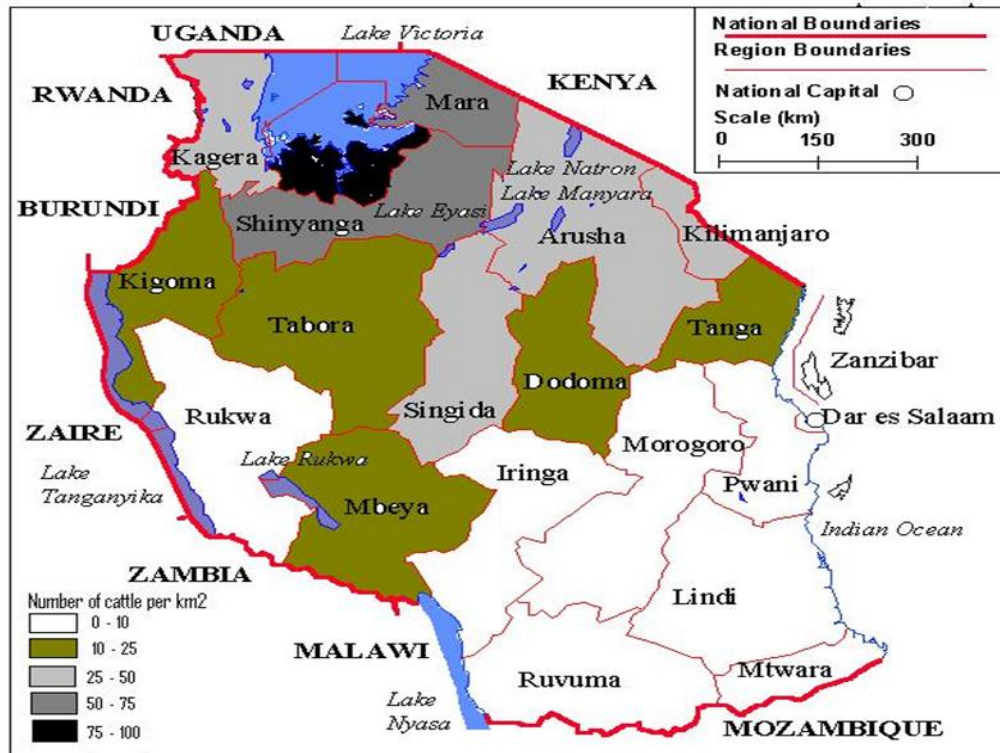


#### 4.3.1 The state of livestock in the country

Tanzania is estimated to have approximately 32.2 million cows, 20.0 million goats, 5.5 million sheep and 38.5 million local chicken breeds, modern poultry 40.6, 2.0 million pigs and 636,997.0 donkeys (Source: Tanzania Livestock Program and National Bureau of Statistics, 2017 and the budget of the Ministry of Livestock and Fisheries, Development 2019/2020). The livestock industry is one of the sectors that provides employment, nutrition, energy, fertilizers and is used as livestock and live banking. Some livestock including cattle, goats, sheep, poultry and pigs are a source of immediate income in times of drought and famine, especially in rural areas.

Figure 10: Distribution of Cattle Population in Tabzabua

Distribution of Cattle Population in Tanzania



Meat production totals 690,629.00 tones for 2018/2019 including beef, Goat / Sheep, Pig and Chicken produced through slaughterhouses owned by both the Government and the Private Sector. In addition, the production of beef, goats, and poultry appears to increase year by year as shown in Table No. 1.

Table 1: Meat Production in 2012/13 - 2018/19

Type / Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes
Cattle	299,581	309,353	319,112	323,775	394,604	471,692	479,071
Goat / Sheep	115,652	120,199	124,745	129,292	81,064	92,999	94,453
Pigs	50,814	79,174	54,360	79,200	18,899	37,191	37,773
Chicken	87,408	54,360	99,540	104,292	63,597	78,110	79,332
<b>Total</b>	<b>553,455</b>	<b>563,086</b>	<b>597,757</b>	<b>636,559</b>	<b>558,164</b>	<b>679,992</b>	<b>690,629</b>

(Source: Ministry of Livestock and Fisheries Development, Ministry Budget 2019/2020)

#### 4.3.2 Slaughterhouses in the country and neighboring countries

Cattle, goats and sheep meat are produced in three (3) types of infrastructures including 970 Slaughter Slabs, located in rural villages and wards, 150 slaughterhouses located in major cities of the district and the Municipal and 23 Modern Slaughterhouse (Abatoir) for cattle, goats and sheep. Also, the production of pork and poultry largely takes place in almost 500 ordinary infrastructure across the country with four (4) modern slaughterhouses for pigs and six (6) modern slaughterhouses for poultry. More recently, donkey meat has been produced for export purposes where there are currently two slaughterhouses. In addition, there are 32 meat / slaughterhouses with the ability to produce meat (poultry, pigs and goats), to process international quality meats and products. The number of slaughtered livestock from July 2018 to June 2019 is shown in Table 2 below.

Table 2: Livestock slaughtered July 2018 to June 2019

Region	Cattle	Sheep	Goat	Poultry	Local chicken	Modern Chicken	Rabbit
Arusha	51342	49156	28552	8746	120649	194652	0
Dar	405588	23566	91688	29966	430039	4633012	0
Dar es Salaam	24185	15388	48695	12390	983559	19451	4
Geita	30146	2745	21651	2587	103189	4842	0
Iringa	34118	7351	28341	31983	564184	2331203	
Kagera	14838	1209	17449	15948	17339	11710	
Katavi	15909	202	11261	2420	74194	5116	19
Kigoma	16867	2957	37021	11210	77804	80693	321
Kilimanjaro	66469	13365	20372	13116	42850	89931	
Lindi	6316	585	10981	817	156037	8470	
Manyara	52131	16124	39780	10250	134978	55349	
Mara	40835	31133	23466	446	208049	22585	
Mbeya	54378	64276	21500	40225	269069	252935	468
Morogoro	77116	8182	31978	18780	838248	558436	195
Mtwara	16561	1283	17395	1605	79998	32582	
Mwanza	88086	23220	34149	3267	286265	9004	97
Njombe	20448	1110	7734	27994	257378	208431	80
Pwani	48389	5498	17389	1693	172176	276819	0
Rukwa	10282	1712	10787	5825	57717	70476	5
Ruvuma	18649	545	23378	33726	42360	5	
Shinyanga	37038	17591	29092	6990	649842	105683	
Singida	36729	19161	36334	6209	148840	16881	
Songwe	23631	1887	28247	21014	93074	7808	6
Tabora	28759	3588	11810	2656	260728	34061	35
Tanga	52404	15818	55078	3752	193474	250350	

(Source: RDS)

In addition, meat / slaughterhouses (cattle, goats, sheep, pigs and poultry), processing and processing of international quality products have continued to increase as shown in table 3.

Table 3: CURRENT STATUS FOR ABATTOIRS AND MEAT PROCESSING PLANTS (JULY, 2018 TO JUNE, 2019)

S/N	CURRENT STATUS	NUMBER OF PREMISES
1.	Abattoirs Operating	23
2.	Meat Processing Plants Operating	9
3.	Abattoirs/Processing plants not operating	6
4.	Abattoirs/Meat processing plants under construction	9

Table 4: List of operating abattoirs

S/N	COMPANY/OPE RATOR	LOCATION		TYPES OF LIVESTOCK	INSTALLED CAPACITY (SINGLE SHIFT/DAY)	TYPES OF MEAT/MEAT PRODUCTS
		Region	District/Town			
1.	Tanzania Meat Company (TMC)	Kizota	Dodoma	Cattle Goats/Sheep	1500 Cattle 3000 Goats + Sheep	Slaughtering & producing Meat cuts (Cattle Goats/Sheep)
2.	Arusha Meat Company (SAKINA ABATTOIR)	Arusha	Sakina	Cattle Goats/Sheep	500 Cattle 1000 Goats + Sheep	Slaughtering & producing Meat cuts (Cattle Goats/Sheep) & meat products (Sausages)
3.	S and Y Group Meat Gourmet Co. Ltd	Dodoma	Zuzu	Cattle Goats/Sheep	1500 Cattle 3000 Goats + Sheep	Slaughtering & producing Meat cuts (Cattle Goats/Sheep)
4.	Alpha Choice LTD	Mwanza	Magu	Cattle Goats/Sheep	100 Cattle 500 Goats + Sheep	Slaughtering & producing Meat cuts (Cattle Goats/Sheep) & meat products

5.	Chobo Investment Ltd	Mwanza	Misungwi	Cattle Goats/Sheep	600 Cattle 1000 Goats + Sheep	Slaughtering & producing Meat cuts (Cattle Goats/Sheep) & meat products (Sausages)
6.	SAAFI Ltd	Rukwa	Sumbawanga	Cattle Goats/Sheep	100 Cattle 1500 Goats + Sheep	Slaughtering & producing Meat cuts (Cattle Goats/Sheep) & meat products (Sausages)
7.	MTANGA FARMS	Iringa	Kilolo	Cattle Goats/Sheep	50 Cattle 100 Goats + Sheep	Slaughtering & producing Meat cuts (Cattle Goats/Sheep) & meat products
8.	Maasai Export Butcher	Arusha	Arusha DC	Cattle Goats/Sheep	10 Cattle 50 Goats + Sheep	Slaughtering & producing Meat cuts (Cattle Goats/Sheep)
9.	KUKU POA	Mwanza	Ilemela	Poultry	5,000 chicken	Slaughtering & producing Whole chickens & chicken parts
10.	Delish Foods	Mwanza	Magu	Poultry	9,000 Chicken	Slaughtering & producing Whole chickens & chicken parts
11.	Kilitan	Arusha	Kisongo/Arusha Dc	Poultry	4,000 Chicken	Slaughtering & producing Whole chickens & chicken parts
12.	Kiliagro	Arusha	Meru/Mbuguni	Poultry	5,000 Chicken	Slaughtering & producing Whole chickens & chicken parts
13.	HEBO Group	DSM	Kawe	Poultry	500 Chicken	Slaughtering & producing Whole chickens & chicken parts
14.	Interchick	DSM	Kinondoni	Poultry	3,000 Chickens	Slaughtering & producing

						Whole chickens & chicken parts
15.	Kijenge Farms	Arusha	Arusha	Poultry	4,000 Chickens	Slaughtering & producing Whole chickens & chicken parts
16.	Mkuza Chicks	Pwani	Kibaha	Poultry	3,000 Chicken	Slaughtering & producing Whole chickens & chicken parts
17.	Mitoboto Farm	Pwani	Kibaha Dc	Poultry	3,000 Chicken	Slaughtering & producing Whole chickens & chicken parts
18.	Happy Sausage	Arusha	Sakina	Pig	50 Pig	Slaughtering & producing Meat cuts & meat products (pork)
19.	One Mile	Pwani	Kibaha	Pig	10 Pig	Slaughtering & producing Meat cuts & meat products (pork)
20.	Brich Company Ltd	DSM	Ubungo	Pig	20 Pig	Slaughtering & producing Meat cuts (Pork)
21.	Huacheng International Ltd (Punda)	Dodoma	Kizota	Donkey	200 Donkey	Slaughtering & producing Frozen donkey boneless meat
22.	Fan Hua Investment Co. Ltd (Punda)	Shinyanga	Shinyanga	Donkey	200 Donkey	Slaughtering & producing Frozen donkey boneless meat
23.	Bwedo Fatuma Chillo	Pwani	Mkuranga	Pig	10 pigs	Slaughtering & producing Meat cuts & meat products (pork)

Table 5: List of operating meat processing plants

S/N	COMPANY/OPE RATOR	LOCATION		TYPES OF LIVESTOCK	INSTALLED CAPACITY (SINGLE SHIFT/DAY)	TYPES OF MEAT/ME AT PRODUCT S
		Region	District/Town			
1.	Meat King Distributor Ltd (KIWANDA)	Arusha	Moshono	beef Goats/mutton & pork	25 tones	Producing Meat cuts & meat products (Cattle Goats/Sheep, Pork)
2.	Happy Sausage	Arusha	Sakina	Cattle Goats/Sheep & pork	20 tones	Producing Meat cuts & meat products (Cattle Goats/Sheep, Pork)
3.	Swedtan	Arusha	SIDO	Cattle Goats/Sheep & pork	10 tones	Producing Meat cuts & meat products (Cattle Goats/Sheep, Pork)
4.	Maasai Export Butcher	Arusha	Arusha Dc	Cattle Goats/Sheep	10 tones	Producing Meat cuts & meat products (Cattle Goats/Sheep)
5.	Frostan	Mikocheni	DSM	Cattle Goats/Sheep & Chicken, pork	200 tones	Producing Meat cuts & meat products (Cattle Goats/Sheep, poultry, Pork)
6.	GES Group	DSM	Kinondoni/Bunj u	Cattle Goats/Sheep & Chicken, pork	10 tones	Producing Meat cuts & meat products (Cattle Goats/Sheep, poultry, Pork)
7.	Ori Meat	DSM	Msasani	Chickens	9 tones	Producing meat

						products (Chicken Sausages)
8.	Next Level Supply	ARUSHA	Arusha	Cattle, Goat, Sheep & Pig	10 tones	Producing Meat cuts & meat products (Cattle Goats/Sheep, Pork)
9.	Rulenge Agricultural Products Co. Ltd	Pwani	Kibaha Tc	Pig	500 tones	Producing Meat cuts & meat products (Pork)

Table 6: List of abattoirs and meat processing plants under construction

S/N	COMPANY/OPE RATOR	LOCATION		TYPES OF LIVESTOCK	INSTALLED CAPACITY (SINGLE SHIFT/DAY)	TYPES OF MEAT/MEAT PRODUCTS
		Region	District/Town			
1.	Nguru Hills Ranch Previous known as: Tanzania Pride Meat Company	Morogoro	Mvomero	Cattle Goats/Sheep	400 Cattle 1000 Goats + Sheep	Slaughtering & producing Meat cuts (Cattle Goats/Sheep) & meat products
2.	Tandan Farms	Pwani	Mkuranga	Pig	6,000 Pig	Slaughtering & Producing Meat cuts & meat products (Pork)
3.	Orpul Ltd	Arusha	Simanjiro	Cattle Goats/Sheep	600 Cattle 1500 Goats + Sheep	Slaughtering & Producing Meat cuts & meat products (Cattle Goats/Sheep)
4.	Tanganyika Packers	Shinyanga	Shinyanga	Cattle Goats/Sheep	1000 Cattle 1500 Goats + Sheep	Slaughtering & Producing Meat cuts & meat products (Cattle Goats/Sheep)
5.	Tanganyika Packers	Mbeya	Mbeya	Cattle Goats/Sheep	1000 Cattle 1500 Goats + Sheep	Slaughtering & Producing Meat cuts & meat products (Cattle Goats/Sheep)

6.	Tanzania Meat Processors 2002 (Evarist N. Maembe)	DSM	Kinondoni	Cattle Goats/Sheep, Poultry	10 Tones	Meat processor
7.	Iringa Municipal Council	Iringa	Iringa	Cattle Goats/Sheep	400 Cattle 600 Goats + Sheep	Slaughtering & producing Meat cuts (Cattle Goats/Sheep) & meat products
8.	Mbeya Municipal Council	Mbeya	Mbeya	Cattle Goats/Sheep	400 Cattle 600 Goats + Sheep	Slaughtering & producing Meat cuts (Cattle Goats/Sheep) & meat products
9.	BIMJIANG Company Ltd	Shinyanga MC	Shinyanga	Cattle Goats/Sheep	600 Cattle 1000 Goats + Sheep	Slaughtering & producing Meat cuts (Cattle Goats/Sheep) & meat products
10.	Kampuni ya Ranchi za Taifa (NARCO)	Ruvu	Pwani	Cattle Goats/Sheep	1500 Cattle 3000 Goats + Sheep	Slaughtering & producing Meat cuts (Cattle Goats/Sheep) & meat products
11.	Shinyanga Municipal Council Abattoir	Shinyanga	Shinyanga	Cattle Goats/Sheep	600 Cattle 1500 Goats + Sheep	Slaughtering & producing Meat cuts (Cattle Goats/Sheep) & meat products
12.	Tan Choice Ltd	Kibaha-Soga	Pwani	Cattle Goats/Sheep	1000 Cattle 4500 Goats + Sheep	Slaughtering & producing Meat cuts (Cattle Goats/Sheep) & meat products
13.	Elia Food Overseas LTD	Arusha	Longido	Cattle Goats/Sheep	1000 Cattle 1500 Goats + Sheep	Slaughtering & producing Meat cuts (Cattle Goats/Sheep) & meat products
14.	Timberland Company Limited	Dsm	Kigamboni	Cattle Goats/Sheep	100 Cattle 500 Goats + Sheep	Slaughtering & producing Meat cuts (Cattle Goats/Sheep) & meat products

Therefore, the factory will easily obtain the required raw materials as indicated above without any difficulties.

#### 4.4 Safety

**ROKOSAN TANZANIA** will be committed to conducting business in a manner that will protect the health and safety of all employees, customers, and persons living in the community where the projects are getting developed. The Company will comply with safety laws as well as maintaining its operations, procedures, and policies accordingly. Utilization of dangerous animal waste will be realized under strict hygienic rules to prevent contamination of an environment. Our technology is certified as safe by EU regulations as one of few technologies for animal waste utilization and disposal. A health and safety statement will be prepared prior to commencement of operations commensurate with **Occupational Safety and Health Authority** (OSHA) regulations.

#### 4.5 Machinery, Equipment and Manpower

The machinery and equipment for the envisaged fertilizer factory in **Dar Es Salaam** will be supplied by from the Slovakia Republic who are conversant with the type of the machinery and being shareholders, they will be careful in the selection of the machinery and equipment commensurate with the availability of raw materials.

The premises of the production plant will be reserved primarily for production and necessary production equipment. They will also include sufficient space for the storage of raw materials and materials, as well as intermediate and final product storage. A small part of the premises will be intended for administrative staff and a basic research facility. Solar power plant is planned on the roof of factory, to provide the electricity to the complex and the neighboring communities.

We will occupy production premises and equipment with specially trained staff for the needs of our production plant. In addition to regular production workers and line managers, it will also include technical personnel, including maintenance and mechanics. Workers responsible for safety will be located in the production area as well as in the entire plant area. The administrative premises will be designed for plant management, marketing department, sales team, economic employees or human resources department.

## 4.6 Keys to Success

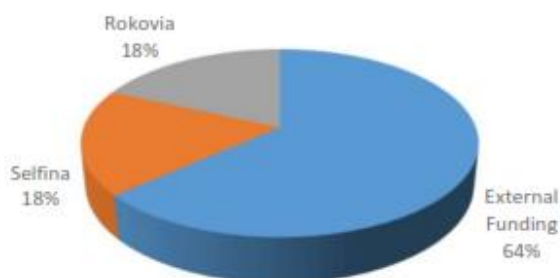
**ROKOSAN TANZANIA** keys to success will be:

- ❖ Using the locally available materials and imported modern machinery and equipment to assure quality production projects.
- ❖ Educating the customers and providing valuable advice.
- ❖ Helping to confirm customer's research about targeting markets and specific sectors.
- ❖ Overseeing the logistics associated with a project, this can include arranging local transportation of the products.
- ❖ Assigning the actual work to an experienced and qualified employee

## 5. INVESTMENT REQUIREMENTS, PROJECT FINANCING, AND EXPECTED RETURNS

The launch of the project requires an investment of approximately € 21.9 mil. The amount consists of capital expenditures for the construction of production halls and 2 collection points, the purchase of machinery and other production equipment, licenses, trademarks, and the establishment of a fleet. Capital expenditures will be financed from the founders' own resources and combined with external financing through business loans.

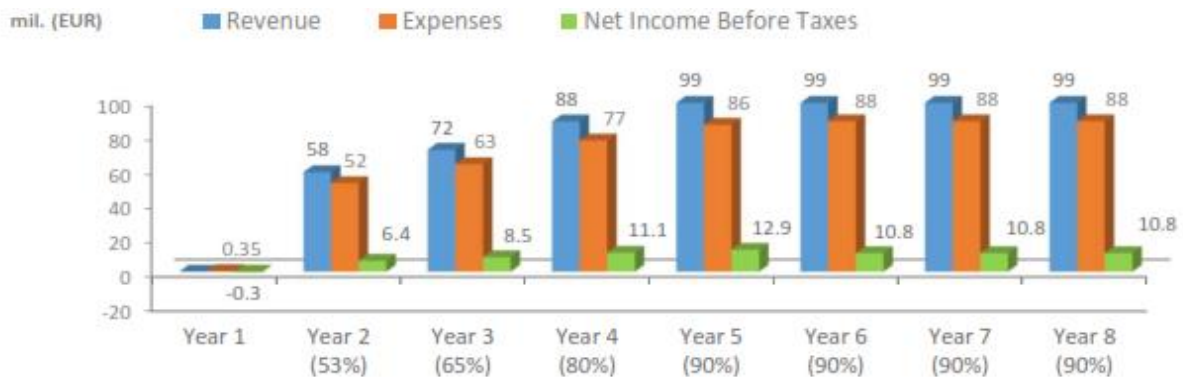
### Investment and Funding Sources



<b>Investment Total</b>	<b>21,904,000 €</b>
<b>External Funding</b>	<b>13,904,000 €</b>
Selfina	4,000,000 €
Rokovia	4,000,000 €

<b>Investment Total</b>	<b>21,904,000</b>
<b>Building and Construction</b>	<b>4,200,000</b>
Fertilizer Factory	3,900,000
Collection Point	300,000
<b>Machinery and Equipment</b>	<b>10,852,000</b>
Factory Equipment	10,000,000
Collection Points Equipment	652,000
Software	200,000
<b>Intellectual Property</b>	<b>6,000,000</b>
License	5,000,000
Trademark	1,000,000
<b>Vehicles</b>	<b>852,000</b>
Trucks (4)	480,000
Delivery Vans (4)	120,000
Automobiles (6)	180,000
Forklifts (4)	72,000

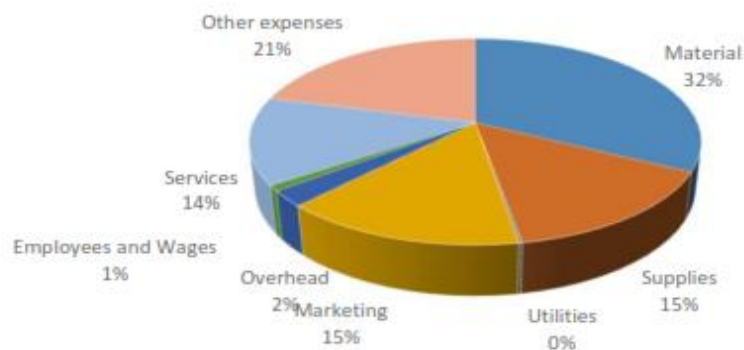
## Expenses and Income Overview



Expenses and Income Model above accounts for the lower starting production capacity utilization in the initial phase, with production growth in the following years.

<b>Annual Revenue Total</b>	<b>110,000,000 €</b>
ROKOHUMIN DUPLO sales	110,000,000 €

<b>ROKOHUMIN DUPLO</b>	
100% Utilization - Production Output (in litres)	20,000,000
Price per litre	5.50 €



<b>Annual Expenses Total</b>	<b>95,418,282 €</b>
Material	31,061,320 €
Supplies	14,000,000 €
Utilities	199,170 €
Marketing	14,000,000 €
Overhead	2,348,320 €
Employees and Wages	809,472 €
Services	13,000,000 €
Other expenses	20,000,000 €

## Operational Expenses

Annual operating expenses at 100% production capacity utilization

	Unit Price	Units	EUR
<b>Material</b>			<b>31,061,320</b>
Input Ingredients - Feathers	20 € / tonne	5,446 tonnes/p.a.	108,920
Input ingredients - Chemicals	600 € / tonne	18,254 tonnes/p.a.	10,952,400
Ionized water	1,000 € / tonne	20,000 tonnes/p.a.	20,000,000
<b>Supplies</b>			<b>14,000,000</b>
Packaging			14,000,000
<b>Utilities</b>			<b>199,170</b>
Electricity	0.082 € / kWh	900,000 kWh/p.a.	73,800
Fuel	0.8 € / litre	151,200 km/p.a.	120,960
Utility water	0.63 € / cubic meter	7,000 tonnes/p.a.	4,410
<b>Marketing</b>			<b>14,000,000</b>
Marketing and Advertising			14,000,000
<b>Overhead</b>			<b>2,348,320</b>
Factory Overhead			530,200
Administration			1,818,120
<b>Employees and Wages</b>			<b>809,472</b>
<b>Services</b>			<b>13,000,000</b>
Manipulation			5,000,000
Machinery Servicing			2,000,000
Education			2,000,000
Logistics			4,000,000
<b>Other expenses</b>			<b>20,000,000</b>
License Fee			10,000,000
Trademark License Fee			10,000,000
<b>TOTAL EXPENSES</b>			<b>95,418,282</b>

## Profit and Loss Account Overview

(in EUR)	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Investment</b>					
Tangible long term assets	15,904,000	-	-	-	-
Intangible long term assets	6,000,000	-	-	-	-
<b>REVENUE TOTAL</b>	-	58,300,000	71,500,000	88,000,000	99,000,000
<b>Operating Revenue</b>	-	58,300,000	71,500,000	88,000,000	99,000,000
Rokohumin Duplo Sales	-	58,300,000	71,500,000	88,000,000	99,000,000
<b>Non-operating Revenue</b>	-	-	-	-	-
Interest Income	-	-	-	-	-
Rental Income	-	-	-	-	-
<b>EXPENSES TOTAL</b>	348,990	51,938,298	63,027,476	76,895,908	86,135,989
<b>Operating Expenses</b>	348,990	51,938,298	63,027,476	76,895,908	86,135,989
Materials and Supplies	-	23,882,500	29,289,858	36,049,056	40,555,188
Services	-	16,606,223	19,910,377	24,040,568	26,794,029
Other costs	-	10,600,000	13,000,000	16,000,000	18,000,000
Wages and Salaries	-	550,441	577,963	606,861	637,204
Interest Paid	348,990	299,135	249,279	199,423	149,567
Depreciation	-	-	-	-	-
<b>Non-recurring Expenses</b>	-	-	-	-	-
<b>Net Income Before Taxes</b>	(348,990)	6,361,702	8,472,524	11,104,092	12,864,011
Income Tax Expense	-	1,908,510	2,541,757	3,331,228	3,859,203
<b>Net Income</b>	(348,990)	4,453,191	5,930,767	7,772,864	9,004,808

## Cash Flow Overview

(in EUR)	Year 1	Year 2	Year 3	Year 4	Year 5
<b>OPERATIONS</b>					
<b>Cash received</b>	-	58,300,000	71,500,000	88,000,000	99,000,000
Goods Sold	-	58,300,000	71,500,000	88,000,000	99,000,000
<b>Cash paid</b>	348,990	53,846,809	65,569,233	80,227,136	89,995,192
Inventory purchases	-	23,882,500	29,289,858	36,049,056	40,555,188
General operating and administr	-	27,206,223	32,910,377	40,040,568	44,794,029
Wage expenses	-	550,441	577,963	606,861	637,204
Interest	348,990	299,135	249,279	199,423	149,567
Income Taxes	-	1,908,510	2,541,757	3,331,228	3,859,203
<b>Net CF from operations</b>	<b>(348,990)</b>	<b>4,453,191</b>	<b>5,930,767</b>	<b>7,772,864</b>	<b>9,004,808</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>	-	-	-	-	-
Sale of property and equipment	-	-	-	-	-
Collection of Principal on Loans	-	-	-	-	-
Sale of investment securities	-	-	-	-	-
<b>Cash paid</b>	-	-	-	-	-
Purchase of property and equipr	-	-	-	-	-
Making loans to other entities	-	-	-	-	-
Purchase of investment securitie	-	-	-	-	-
<b>Net CF from investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>	-	-	-	-	-
Borrowing	-	-	-	-	-
<b>Cash paid</b>	-	1,986,286	1,986,286	1,986,286	1,986,286
Repayment of loans	-	1,986,286	1,986,286	1,986,286	1,986,286
<b>Net CF from financing activities</b>	<b>-</b>	<b>(1,986,286)</b>	<b>(1,986,286)</b>	<b>(1,986,286)</b>	<b>(1,986,286)</b>
<b>NET CASHFLOW</b>	<b>(348,990)</b>	<b>2,466,905</b>	<b>3,944,481</b>	<b>5,786,579</b>	<b>7,018,522</b>

Units provided in metric system

Financial data provided in EUR

Exchange rate: 2815 TZS / EUR

Income tax: 30% p.a.

---

## 6. THE MARKET AND COMPETITORS

### 6.1 Market Analysis

#### 6.1.1 Our Target Market

When it comes to supplying Amino-acids organic fertilizer, there is indeed a wide range of available customers. In essence, our target market can't be restricted to just a group of people or government department/organizations. This goes to show that the target market for products from Amino-acids organic fertilizer company is far reaching. In view of that, we have conducted our market research and we have ideas of what our target market would be expecting from us.

Amino-acids organic fertilizers are not only a trend, but also a necessity in times of the growing demand for food and sustainable food production. Unsustainable farming practices, mono cropping, the use of pesticides and chemical fertilizers increase soil quality losses in Tanzania and require a change in attitude to farmland management. Market potential in Africa is more than 870 million hectares of agricultural land with sufficient fertility and rain for farming and approximately 3.6 million hectares of artificially irrigated land. The target market is a wide range of end-users ranging from household farmers to large farm businesses in the field of agricultural crops.

**ROKOSAN TANZANIA** will at all-time demonstrate her commitment to sustainability, both individually and as a firm, by actively participating in our communities and integrating sustainable business practices wherever possible.

The utilization of fertilizers by target customers in the country and the wider region is lagging behind the world average in several countries in Europe and the Americas. The fertilizer utilization rate speaks about the use of fertilizers by farmers in the country. According to World Bank data, there is a huge disparity in fertilizer use across countries. The reasons for the differences vary between African countries, but the common ones are:

- ❖ the low availability of fertilizers due to their relatively high cost,
- ❖ low availability of fertilizers in terms of difficult / non-existent distribution,
- ❖ low awareness of the importance of fertilizers in agriculture.

Table 7: Comparison of fertilizer use in Africa

Region	Usage of fertilizer
World average	104 kg/ha
Africa (average)	41.6 kg/ha
Sub-Saharan Africa	16.2 kg/ha
South Africa	58.5 kg/ha
Tanzania	12.6 kg/ha

Not too long ago, the environmental movement leadership was concerned that high rates of fertilizer use were bad for the environment. The production increase can no longer come largely by expanding the farmed area into biologically fragile areas.

Growth must come from yield increase and that requires raising the nutrient level of soils and replacing nutrients that are extracted. Inorganic fertilizer and organics are complements and so increase in the one increases the returns and hence the input of the other.

Having said this, it is important to recognize that farmers and the larger society both benefit when inorganic fertilizer is used in an environmentally sound manner. That requires a major emphasis on increasing the productivity and use of organic matter.

Organic matter is a complement to inorganic fertilizers that increases their productivity and reduces the amount needed for a given level of output.

### 6.1.2 Our Competitive Advantage

**ROKOSAN TANZANIA**, which will produce Amino-acids organic fertilizer, will operate in a very competitive industry with inorganic fertilizers as the majority of competing products on the market are inorganic fertilizers. Although there is no direct competition in terms of product attributes, inorganic fertilizers are currently a dominant product in the fertilizer market. Given the different parameters of inorganic fertilizers and the disadvantages of their use, there is a clear opportunity to increase the application of our products based on organic amino acids. The qualitative differentiation of our products against inorganic fertilizers is our opportunity. Organic fertilizers are clearly and positively differentiated from inorganic fertilizers in terms of their

impact on human health, the environment and sustainable soil quality. The differentiation strategy is also unambiguous in relation to direct competing products thanks to the unique technology and the resulting better-quality parameters, lower production costs and lower selling price.

### **Advantages of our Amino-acids organic amino acid fertilizers**

- ❖ Affordability over competing products with attractive profit margin thanks to efficient production
- ❖ Health safety in comparison with inorganic fertilizers and high attractiveness for all types of customers
- ❖ Positive impact on soil quality and increase agricultural production

In regards to the information above, the possibility of entering the fertilizer market - which is currently covered by existing products, in particular of inorganic origin, is liquid and has a high added value - is fully realistic and very interesting for business.

All the advantages that our company has in this area will enable us to fill the market of the given segment and gain a very stable position in the sale of product.

## **6.2 Competitors**

There are currently several organic fertilizer manufacturers worldwide, but there is no market leader among them. The main barriers for the production of organic fertilizers include the problem of using specific basic raw materials in the production process, which is limited by two factors: the available volume of these raw materials in specific regions and the transport costs to transport to the target country. As a result of these constraints, the final competing products become relatively expensive. Affordability, especially in Africa, is one of the major barriers to the increased use of organic fertilizers.

One of the main competitive advantages, but not the only one, is a unique and patented solution for the production of organic amino acid fertilizers by processing hazardous organic waste into

environmentally friendly products based on waste-free technology. Regarding the inorganic fertilizers, there are several key players on the Tanzanian market.

Tanzania Mbolea and Petrochemical Company (TMPC), a Tanzanian company that was specifically formed to design, build and operate a fertilizer-manufacturing factory in the Mtwara Region of Tanzania, using natural gas as raw material. When completed, the plant will be the largest fertilizer-manufacturing factory in Africa, with capacity of 3.8 million metric tons of product annually.

YARA Tanzania's parent company, YARA International ASA, is a Norwegian chemical company whose major business is production of nitrogen fertilizers. Founded in 1905 to solve emerging famine in Europe, today, YARA has a worldwide presence, with close to 13,000 employees and sales in more than 150 countries. In 2005, YARA established a strong team and started operations in Tanzania where it has become a major fertilizer distributor. Yara is now well established in Tanzania, with an experienced team of agronomists and a complete structure of logistics and warehouse in order to identify the most appropriate combination of nutrients to the different soil types. Yara converts energy, natural minerals and nitrogen from the air into essential products for farmers and industrial customers. The main application is fertilizers, while industrial uses and environmental solutions are also important growth segments. Their global activities range from phosphate mining and ammonia production, through commodity trade and energy arbitrage, to building local market knowledge and developing customer relationships. Yara benefits from its scale advantages, as the world's largest producer of ammonia, nitrate and complex fertilizer, and with about 20% of global ammonia trade.

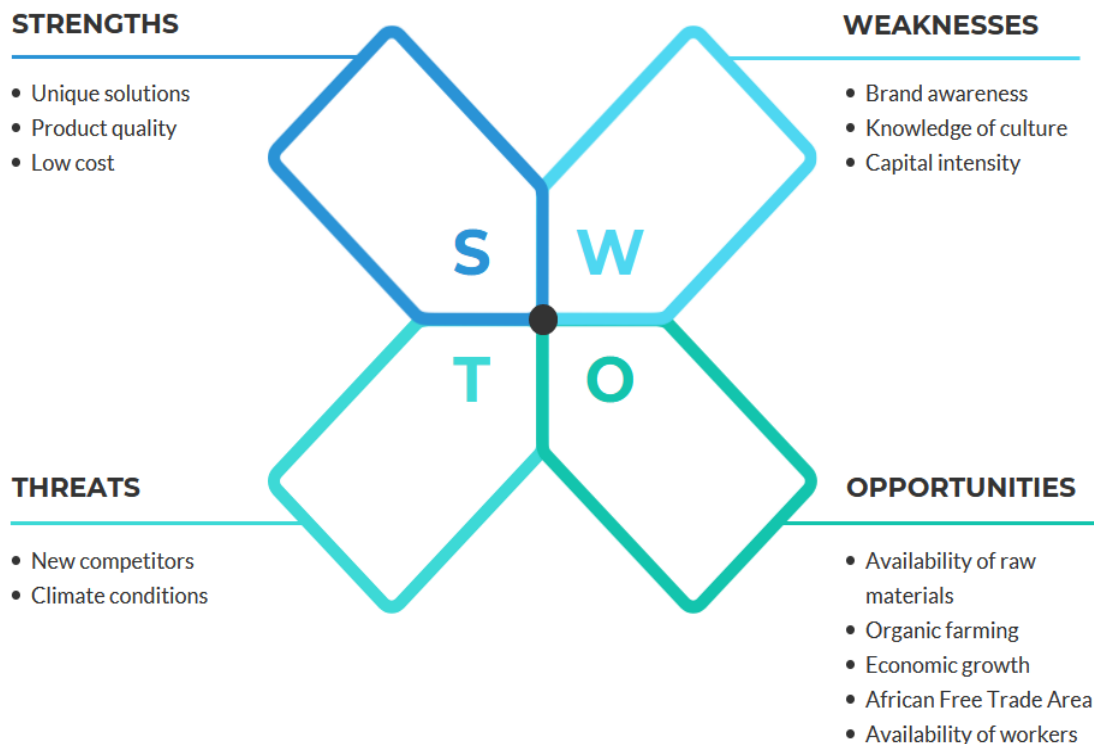
OCP produces DAP fertilizers. It has 50 years of phosphate processing experience, 28% market share of world exports of phosphate in all its forms. OCP, a major earner of foreign currency for Morocco, reported a 23.2 percent fall in first-half net profit to 3.07 billion dirhams (\$317 million) due to low prices in the international markets. It has invested heavily and made a series of acquisitions to improve its infrastructure and boost its output. It is also targeting an increase in fertilizer production to 12 million tons by 2017 from 7 million in 2014, which would make it the world's leading producer. In 2017 OCP opened their branch in Tanzania.

### 6.3 SWOT Analysis

Because of our drive for excellence when it comes to running a standard organic fertilizer company, we were able to engage some of the finest business consultants in TANZANIA to look through our business concept and together we were able to critically examine the prospect of the business and to assess ourselves to be sure we have what it takes to run a standard organic fertilizer business that can compete favorably in the organic fertilizer line of business in Tanzania.

In view of that, we were able to take stock of our strengths, our weakness, our opportunities and also the threats that we are likely going to be exposed to in TANZANIA. Here is a preview of what we got from the critically conducted SWOT Analysis for **ROKOSAN TANZANIA**;

Figure 11: SWOT analysis



---

### 6.3.1 Strengths

#### Unique solution

One of the most important, but certainly not the only major advantages is the unique organic amino acid fertilizer solution that is part of the investment. The solution is backed by a valid patent and enables to reduce barriers to raw material availability and high transport costs and to effectively produce Amino-acids organic fertilizers with unique quality parameters. At the same time, this advantage creates a barrier to the entry of potential competitors.

#### Product quality

The main product stands out from existing competing products due to its quality parameters, positive impact on the environment, human health and soil quality. It contains a complete set of proteinogenic amino acids, and its manufacturing costs allow a low price compared to the competition. The strength of the product is also its proven efficiency and various packaging options.

#### Low cost

The solution of the production of Amino-acids organic fertilizers and the technologies used make it possible to produce products at low production costs, especially on the side of energy and raw materials inputs, and at the same time to appreciate the working capital. At the same time, they create the possibility to realize production at low prices and provide sufficient margin able to generate resources for further development.

### 6.3.2 Weaknesses

#### Brand awareness

We bring a new product whose brand is not known in the target market. Low awareness of our brand and the products represents one of the most important challenges. Branding is supported by the proposed marketing strategy.

#### Knowledge of culture

The company enters the new and culturally specific market of the African continent. Our weakness is the relatively low knowledge of the environment, especially in areas such as local supplier relationships, working with employees and building a corporate culture, or marketing communication. The proposed strategy of this business plan, using external partners, established international consulting firms and activities, especially in the area of corporate social responsibility, will help to gradually eliminate our gaps and shortcomings.

### **Capital intensity**

The cost of purchasing a license and the uniqueness of the solution, as well as the need to set up a manufacturing plant, are capital intensive activities. On the one hand, both factors represent an important strength and at the same time they are a barrier to the entry of new competitors into the industry.

### **6.3.3 Opportunities**

#### **Availability of raw materials**

Our intention is to locate the production in a locality with good accessibility to the whole country, which currently produces a sufficient volume of input raw materials and whose availability in the long term has the expected growing tendency. The potential volume increases the availability of raw materials from neighboring and other African continent countries. Sufficient feedstock is an important prerequisite for future production growth.

#### **Organic farming**

Unsustainable farming practices, mono cropping, the use of pesticides and chemical fertilizers, increase soil quality losses in Africa and require a change in attitude to farmland management. These include integrated approaches using a combination of increasing the proportion of organic matter in the soil with other measures such as irrigation or mechanization.

#### **Economic growth**

Despite the great disparity among African countries, Africa's average GDP growth is at and at 3.65% and is rising year on year. Most countries' GDP growth is above this average, with the

economy of 13 African countries showing a GDP growth rate of more than 6% per year. However, situation was worsened by COVID-19 situation.

According to the World Bank, the recovery of agriculture in several countries of the continent, the increase in industrial activity and the continuing robust service sector have contributed to the growth. Economic growth is also reflected in improved household consumption and renewed private investment.<sup>1</sup>

### **African Free Trade Area**

The African Continental Free Trade Area, officially launched in 2019 with effect from 1 July 2020, will create the largest trading zone in the world with enormous potential for increased economic activity and further growth in African countries.<sup>2</sup>

### **Availability of workers**

Low production demands open up the potential for employing the lowest-educated employees, who will be approximately 80%, creating an investment and providing important jobs. The countries of the African continent, on the other hand, also have enough educated workers for all qualified positions.

## **6.3.4 Threats**

### **New Competitors**

The entry into the industry for new competitors is limited by several key entry barriers. However, the entry of new competitors into the market is still a potential threat. In addition to traditional business risk management approaches, we will use product quality, low cost, and the uniqueness of our solution as strengths that create a sufficient margin for branding and product development.

### **Climate Conditions**

---

<sup>1</sup> WORLD BANK. The World Bank In Africa. 2020. [ONLINE] <https://www.worldbank.org/en/region/afr/overview#3>

<sup>2</sup> WORLD BANK. The African Continental Free Trade Area. 2020. [ONLINE] <https://www.worldbank.org/en/topic/trade/publication/the-african-continental-free-trade-area>

Many African countries suffer from water scarcity. Nevertheless, there are many areas with an environment suitable for agricultural production. In cooperation with the local government, we will look for suitable resources to eliminate the risk of unavailability in terms of the necessary energy for production, namely utility water.

## 7. INDUSTRY DYNAMICS

### 7.1 Product Proposition

**ROKOSAN TANZANIA** business will produce Amino-acids organic fertilizer in **Dar Es Salaam**.

#### 7.1.1 Pricing Strategy

The pricing strategies to be adopted by the Company will be to undercut the prices by some % (low cost providers) compared to other players in the market, deliver quality products which are on top of mind contributions. This along with lower overheads base, will lead to high turnover and low operation costs. These will contribute to a very attractive bidding price to the market.

*Table 8: Price/Quality Ratio Strategy*

	High Price	Medium Price	Low Price
High Quality	Special prize strategy	High value strategy	Extremely high value strategy
Medium Quality	Overcharging strategy	Strategy of median value	The corresponding value strategy
Low Quality	Theft strategy	Inefficient strategy	Saving strategy

Based on these options, it is necessary to choose a strategy of providing high value to customers, which is characterized by high quality at medium to low price. Extremely high value strategy is appropriate for the company's marketing and growth phases. This is a relatively aggressive

strategy. In the future, the pricing strategy may change depending on the changing market conditions. The proposed price for Amino-acids organic fertilizer **ROKOHUMIN DUPLO** per liter is **5.5 € / 15 488 TZS**.

## 7.2 Sales Management

In the early stages, the shareholders will be responsible for sale activities. However, it is company's intention to recruit Business Development personnel (sales person) who will be trained in the Product and service specifications, management, philosophy, to ensure full-service knowledge. This will ensure that the sales persons will be in a position to fully understand customer needs and make intelligent recommendations.

### 7.2.1 Sales Strategy

As part of a successful implementation, we will build a sales team to ensure sales in the short and long term. The sales team will be motivated by performance commissions and bonuses.

Under the leadership of executive management, we provide a sales team of internal employees as well as external traders. The internal team will focus mainly on various areas of general customer relations and customer care. The external sales team will primarily focus on participation in fairs, comprehensive tracking of potential customers, building customer relationships, contracting and referrals.

## 7.3 Marketing Strategy

We tailored the planned marketing activities to the specifics of the target country. The main barrier to the development of the fertilizer market in Africa and the use of Amino-acids organic fertilizers is the low accessibility of products due to their high price and high travel distance.

### 7.3.1 Main Marketing Goals

- ❖ Maximize market share
- ❖ Build a strong brand that penetrates customer awareness
- ❖ Build a customer relationship management system

- ❖ Increase the accessibility and affordability of Amino-acids organic fertilizers

### 7.3.2 Customer differentiation

For better classification of the potential clients, we decided to divide the market into several segments. Target customers for all produced and sold products are domestic growers, respectively small farmers, medium-sized farmers and large-scale farmers.

The total arable land capacity in TANZANIA for which our products are applicable amount to more than 13.5 million hectares, which accounts various variants of the use of potential 67.5 million liters of **ROKOHUMIN DUPLO**. This means that we could make Tanzania self-sufficient in production of organic amino acid fertilizer and export the rest of the production to Sub Saharan countries.<sup>3</sup>

The distribution of potential customers was based on estimates of the number of farmers within 3 main groups, which are recorded in surveys and statistics at different times.

#### Domestic Farmers

Domestic farmers represent farmers with small farms. The group is characterized by very low purchasing power, respectively there are farmers, many of whom live on income below the poverty line. This group is characterized by very low purchasing power, respectively farmers are living far below the poverty line. Farmers in this group make little or no use of the agricultural machinery.

#### Farmers with 5-100 hectares

The methodologies for classifying farmers vary by division, so for the purposes of our business plan we will list farmers with 5 to 100 hectares of land in a medium-sized group. Farmers in this group make more frequent use of mechanization and are characterized by higher purchasing power. This is the main target segment of customers.

---

<sup>3</sup> WORLD BANK. Arable land (hectares) - TANZANIA. 2021. [ONLINE]  
<https://data.worldbank.org/indicator/AG.LND.ARBL.ZS?locations=TZ>

## Large farmers

The group of large farmers in our plan represents farmers with 100 or more hectares of land. These are farmers covering a relatively small part of agricultural land. Large farmers have higher purchasing power, use mechanization, fertilizer and irrigation systems.

By classification of potential customers, we are able to choose the right propagational tools to ensure the sales.

### Segment: Domestic farmers

- ❖ Focus on affordability
- ❖ Public awareness
- ❖ Advertising communication channels

### Segment: Medium-scale farmers

- ❖ Public expert discussions
- ❖ Education and counseling
- ❖ Advertising communication channels
- ❖ Focus on affordability
- ❖ Publication of a popular journal

### Segment: Large-scale farmers

- ❖ Individual consultancy and advice
- ❖ Individual approach to customers
- ❖ Involvement in field testing and measurement of results
- ❖ Publishing of professional journals

## 7.3.4 Channel of Distribution

Potential customers will be sourced across all market segments. Going direct to customers will be the most effective route to market strategy. To ensure customer specification face to face and service will be required. By offering expert advice, it will be possible to identify customer needs

and find solutions that will offer quality product and service at as low a price as possible. **ROKOSAN TANZANIA** plans to have mobile **ROKOHUMIN fuel stations**, which will transport fertilizer to remote areas directly to farmers. Tanker trucks will function not only as transportation but they will be mobile selling point of fertilizer. By supporting a package less economy, we are going to sustain trend of reduction of plastic waste in TANZANIA. Farmers will be offered to buy the **ROKOHUMIN canisters**, which can be reused and refilled or they will fill their own canisters. Package less options will reduce price of the product, which in turn will become more affordable to small farmers.

Another part of the offered services will be **fertilization by drones**. Utilization of drones is excellent in hard-to-reach places, where usage agricultural machinery is not possible and manual fertilization is labor intensive process. Implementors of the project have vast experience with utilization of drones in agriculture in Europe.

*Figure 12: ROKOHUMIN mobile fuel station*



### 7.3.5 Promotion Strategy

Supply of Amino-acids organic fertilizer to clients is a relationship dominated industry and will remain so for quite some time. The subjective criteria including referrals have significant influence over the decision-making process. For the success of the company, the message needs to be taken to the senior executives and decision-makers in purchasing, operations, and finance. A direct sales model would be needed to establish relationship and network with these senior level executives.

The initial communication strategy will rely on the personal contacts. **ROKOSAN TANZANIA** will adapt the following promotion strategy:

- ❖ Becoming part of the local community and having relationships with local planning departments and Boards and agricultural programs.
- ❖ Establishing relationships and partnerships with Agricultural managers, engineers and consultants to generate word of mouth leverage and references.
- ❖ Email list notification about the industry developments and **ROKOSAN TANZANIA** Amino-acids organic fertilizer works.
- ❖ Organization of Slovak-Tanzanian Agroforums with experts in agriculture, ecology and animal production.

### 7.3.6 Main propagation tools

#### Advertisement

High-quality and well-distributed promotional materials with products offering are an important part of the company's presentation strategy. A website with professionally designed graphics and content will act as an effective marketing tool. It is essential that this site provides the most up-to-date product information, in the future, with the option to book, order and pay for it. The bonus for customers will be the opportunity to get online support. Advertising banners can be a benefit and will be displayed on the business partner's website.

#### Main forms of advertising:

- ❖ Internet, TV and radio
- ❖ Outdoor banners and boards
- ❖ Regional press advertising
- ❖ Banners in specialist stores for farmers
- ❖ Distribution of promotional products and samples

### Sales support

A specific feature of the African continent, despite the development of Internet services, is the high use of text-based mobile phone services. In addition to the now standard use of Internet sales promotion services, we will set up a specialized digital telephone service. By setting up a customer relationship management phone system through text-based mobile phone services, we will increase the availability of customer information. Activities for which this tool can be used:

- ❖ Provide weather information and more accurate weather forecasts
- ❖ Product pricing and availability information
- ❖ The potential of ordering and distance selling to replace an online store
- ❖ Helping and supporting farmers in selling their agricultural products by providing market information.

### Popular-educational bulletin for farmers

This is a relatively unpretentious sales promotion activity that aims to increase brand awareness as well as product use. At the same time, it supports the growth of the market, the development of customers - commercial farmers who sell their production. As a popular-educational regular publication, the newsletter will offer articles on professional cultivation topics, the correct application of fertilizers, business, management and organizational advice for farmers and others.



---

## Public relations

Building brand awareness is essential for our new products on the market. Educational and popularization seminars and presentation workshops will be the main platform in public relations:

- ❖ Product training or thematic seminars, including organic farming
- ❖ Participation in regional fairs, cultural events,
- ❖ Participation in national agricultural exhibitions
- ❖ Engaging in and supporting local community activities and more.

---

## 8. GOVERNMENT/DONOR SUPPORT AND REGULATIONS

The project will need government support in terms of provision of certificate of incentives on imported assets and of course from the local financial institutions in the case of the long-term loan and the working capital requirements.

Strategic partnerships with the regional government and all public organizations and institutions covering the agricultural and food production sectors are an essential part of the implementation of **Ecological project of greening, self-sufficiency and food security of Republic of Tanzania**. New regulations for the utilization and disposal of animal by products must be set by the government to prevent ecological impact of improper collection of animal waste.

Organic fertilizer produced in Tanzania could become a part of **farmer subsidy program** to increase the food security of the country. By supporting of local producers and minimizing the needs for the import of foreign fertilizers, government can increase its tax revenue while promoting its self-sufficiency goals.

## 9. SECURITY AND RISK MITIGATION

As with any new venture, there are risks in plans, therefore **ROKOSAN TANZANIA** has made recognition of these risks, and has evaluated their severity, and has made proper contingency planning for their possible occurrences. While the following discussion of the specific risks is not intended to be all-inclusive, it is felt to cover those considered to have significant possible impact. Risks are not listed in order of probability of occurrence or degree of possible impact.

### **Evaluation: Inflation risk**

There is a potential risk that inflation might rise at higher rates than projected. This may increase the replacement cost and reduce the capital capacity. Also, it is likely that the cost of local borrowing could increase with increase of inflation. While this risk is ever present in developing economies, such as Tanzania, the government appears committed to continue maintaining the macroeconomic stability and bring inflation further down although current data shows an increasing trend.

**Contingency:** The projections in this business plan have incorporated inflation adjustments based on the current trends assuming an average of 3% over the next 8 years.<sup>4</sup>

### **Evaluation: Exchange rate fluctuation**

Organic fertilizer business requires the importation of goods from other countries. The exchange rate fluctuation has significant impact in buying price of buying materials or equipment's whether new goods or used equipment's. Assuming that the long-term debt capital will be drawn in dollars, its depreciation against other major currencies may impact the investment in buying the machinery & equipment's as its replacement prices will continue to increase. In addition, a depreciation of a Tanzanian Shilling against the Euro will not favor the business operation, since all revenues are in terms of TZS. The current exchange rate is about TZS 2815 per 1 €. Given that

---

<sup>4</sup> AFRICAN DEVELOPMENT BANK GROUP. TANZANIA Economic Outlook. 2020. [ONLINE]  
<https://www.afdb.org/en/countries/east-africa/tanzania>

Tanzanian inflation is consistently higher than € inflation, then it is expected that XAF will continue to depreciate against €. <sup>5</sup>

**Contingency:** The expected devaluations have been reflected in projections for this business plan.

#### **Evaluation: Market Risk**

There is a risk that the market will be highly competitive that make the **ROKOSAN TANZANIA** to operate below the full capacity.

**Contingency:** The Company will continue with intensive promotion campaign consistently and mobilize support of local communities and customers in their operational regions. In case of price fall due to decrease in demand or increase in competition in supplying of the company' products the businesses have planned to expand their extent of market from expected nearby markets in **Jigawa state** to distant markets around the country and the neighboring countries.

#### **Evaluation: Contracts Risks**

In the process of implementation of the project, the costs of loss of or damage of the properties and equipment occur which affect the duration of the project and cost of repairing of the equipment which is out of the project budget.

**Contingency:** The project has in its projections included costs for repair and maintenance of the machinery, equipment and vehicles

#### **Evaluation: Delay of Payment**

Delay of payment is serious problem in production business, where the mode of payment depends on the financial situation the Ministry or Institute in charge off for example.

**Contingency:** One of our major goals of starting **ROKOSAN TANZANIA** are to build a business that will survive off its own cash flow without the need for injecting finance from external sources

---

<sup>5</sup> NATIONAL BANK OF SLOVAKIA. Exchange Rates of Selected Foreign Currencies against the EUR. 2021. [ONLINE] <https://www.nbs.sk/en/statistics/exchange-rates/exchange-rates-of-selected-foreign-currencies-against-the-eur>

once the business is officially running. We know that one of the ways of gaining approval and winning over other customers apart from the government contracts is to retail our products a little bit cheaper than what is obtainable in the market and we are well prepared to survive on lower profit margin for a while during the delay in payments by the central government.

#### **Evaluation: Weather**

Change of weather affect the accomplishment of the organic fertilizer project and sometimes disturb production process especially in organic fertilizer manufacturing. This increase cost of operation repairing of equipment as it results into delay of the project completion.

**Contingency:** The projects will intensify operations during the non-rainy periods and stock pile adequate finished products for sale during bad weather.

#### **Evaluation: Project's Location**

Some of the raw material collection centers are located in interior area with poor infrastructure which causes damage of the equipment and increases cost of running the project.

**Contingency:** The project will procure machinery and equipment that is suited to being stationed in the interior where the raw materials are available. Moreover, the machinery and equipment for organic fertilizer will be accommodated in a good production shed.

## 10. IMPLEMENTATION SCHEDULE OF THE PROJECT

Table 9: Project Schedule

	2021				2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Start of negotiations with partners and regional government	Yellow							
Start of cooperation in the preparation of the project	Yellow							
Analysis of essentials necessary for construction of factory	Light Blue							
Approval of deliveries of technology, machinery and equipment	Light Blue	Light Blue						
Preparation of the project for the construction of the plant	Light Blue	Light Blue						
Providing a site for the construction of the plant	Light Blue	Light Blue						
Securing financial resources	Yellow	Yellow						
Project approval process		Red						
Production plant construction			Blue	Blue				
Delivery of technologies, machines and equipment for production			Blue	Blue				
Installation services of technology, machinery and equipment for manufacturing			Blue	Blue				
Staffing				Orange	Orange			
Training and staff training				Orange	Orange	Orange	Orange	Orange
Trial operation of production plant					Green			
Start of production					Green	Green	Green	Green

---

## 11. ECONOMIC BENEFITS AND ENVIRONMENTAL ISSUES

The successful operation of the Amino-acids organic fertilizer project to be operated by **ROKOSAN TANZANIA** will have significant economic and social benefits to the country as a whole.

In summary, some of the benefits which will be realized include:

- ❖ Creation of permanent employment opportunities for over 130 Tanzanian employees.
- ❖ The project will be an important contributor to the provision of consumer goods in Tanzania.
- ❖ The neighborhoods of the project will benefit from domestic lighting from the electrification of the factories.
- ❖ Feeder roads leading to the factory from the organic fertilizer will be frequently repaired by the project hence affording easy transportation of goods and people around the project.
- ❖ Provision of income to employees and other service providers (individual entrepreneurs) thus contributing to Government efforts in improving citizens' living standards.
- ❖ Provision of a new market for food products and other goods required at the organic fertilizer sites, thus generating an economic multiplier effect to the project area and surrounding areas.
- ❖ Provision of organic fertilizer which is very good for the soils. Some of the advantages of the organic fertilizer include rich nutrient content, acceleration of growth, builds stronger roots, revitalization of soil, suitability for organic agriculture, economical advantage in comparison to chemical fertilizer
- ❖ The project will build **low-cost houses for employees**, where payment for mortgages would be subtracted from paycheck.
- ❖ Supporting the research and development inside planned **Agriculture scientific center**. The project will establish education programs for the farmers and student exchange programs between Tanzanian and Slovak universities.

- ❖ Cleansing of the environment by collection of animals by products and its utilization in planned **rendering plant**. This will prevent the spread of the pathogens and diseases from the dangerous animal waste.
- ❖ Ensuring the self-sufficiency in production of organic fertilizer from local resources thus lowering the amount of fertilizer to be imported in Tanzania.
- ❖ Factory will have **self-sufficient power source** thanks to planned solar power plant on the roof of the factory. Neighboring communities will benefit from access to affordable and ecologically produced power.

---

## 12. CONCLUSION AND RECOMMENDATIONS

This project document has provided descriptions of a detailed investment proposal by **SELFINA** and **ROKOVIA** for establishment and operation of an Amino-acids organic fertilizer project in **Dar Es Salaam**.

The company is seeking for finance for the purchase of land for the organic fertilizer factory and its collection center, machinery and equipment, furniture and fittings and the remaining as working capital.

Through the various parameters, which have been considered, it has been established that the proposed projects are technically feasible, financially viable, economically and socially beneficial.

In view of the above intended investment, it is therefore recommended that the **SELFINA** and **ROKOVIA** be provided with financial support by any financial institution.