



**TOVA**<sup>TM</sup>  
SUSTAINABLE FARMS



# Sustainable Avocado Farm

Tanzania Agricultural  
Investment - 2021

Presented By  
**Michael J. Coudrey**

# Executive Summary

- Global Avocado Market was valued at USD 9.14 Billion in the year 2020.
- Rising number of buyers for healthy food products either for clinical reasons or for practicing healthy lifestyle are impelling market growth of avocado.
- Rising middle class population and growing awareness of nutritional value and health benefits among millennials.
- Rising import demand for avocado facilitating the avocado demand.

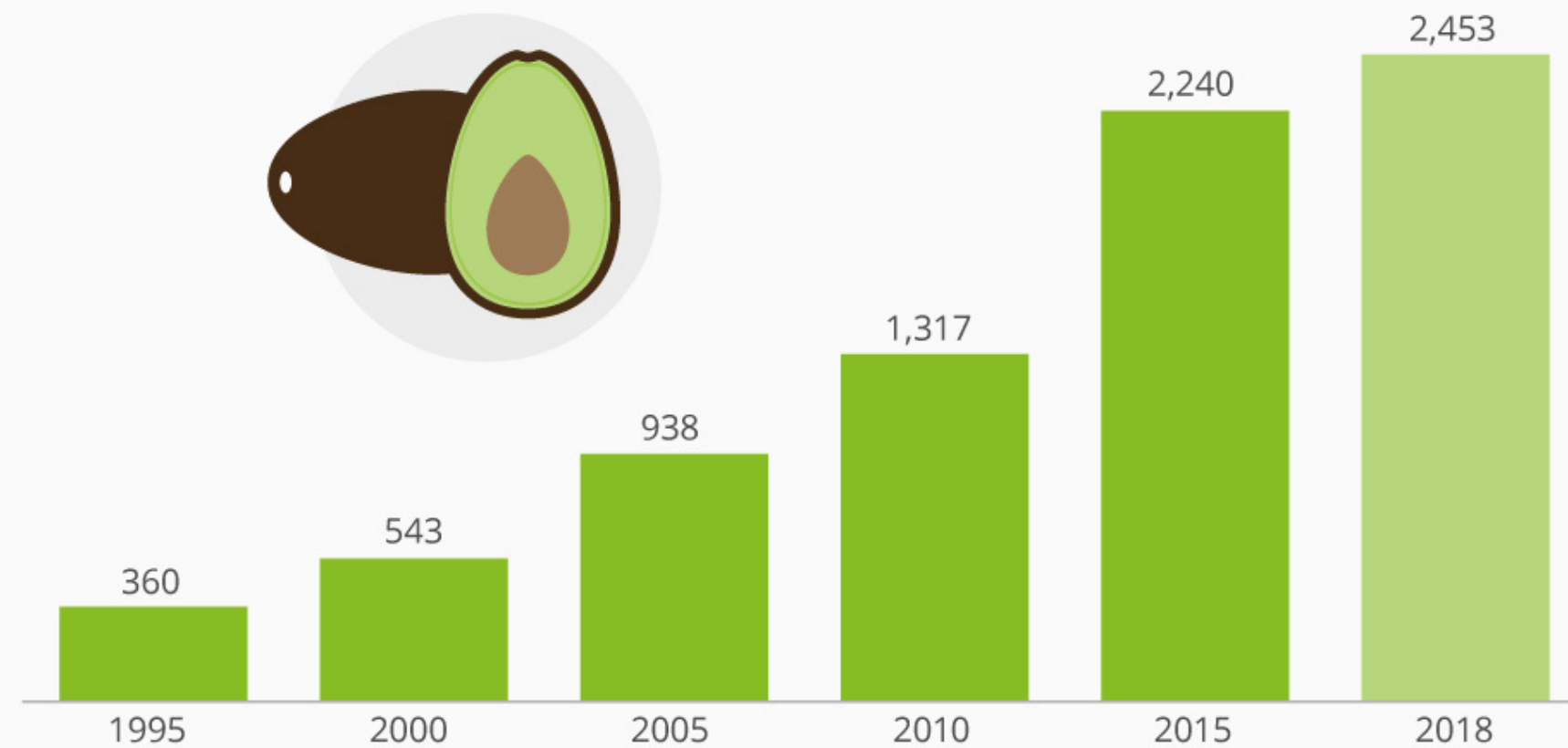


## Why Invest in Agriculture?



## U.S. Avocado Consumption is Growing Fast

Annual avocado consumption in the United States from 1995 to 2018 (in million pounds)



@StatistaCharts Source: U.S. Department of Agriculture Economic Research Service

statista

# Avocado Consumption is Rising

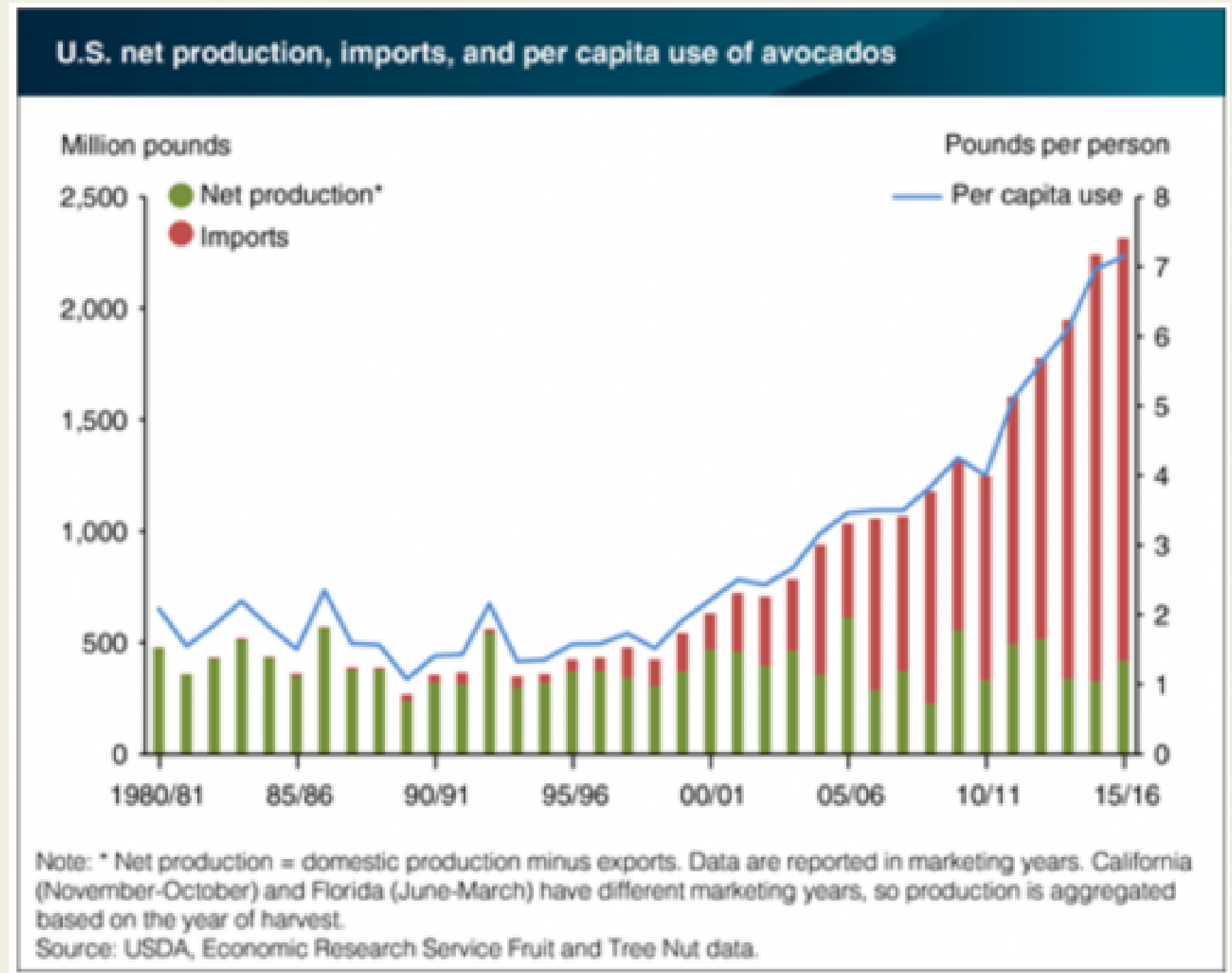
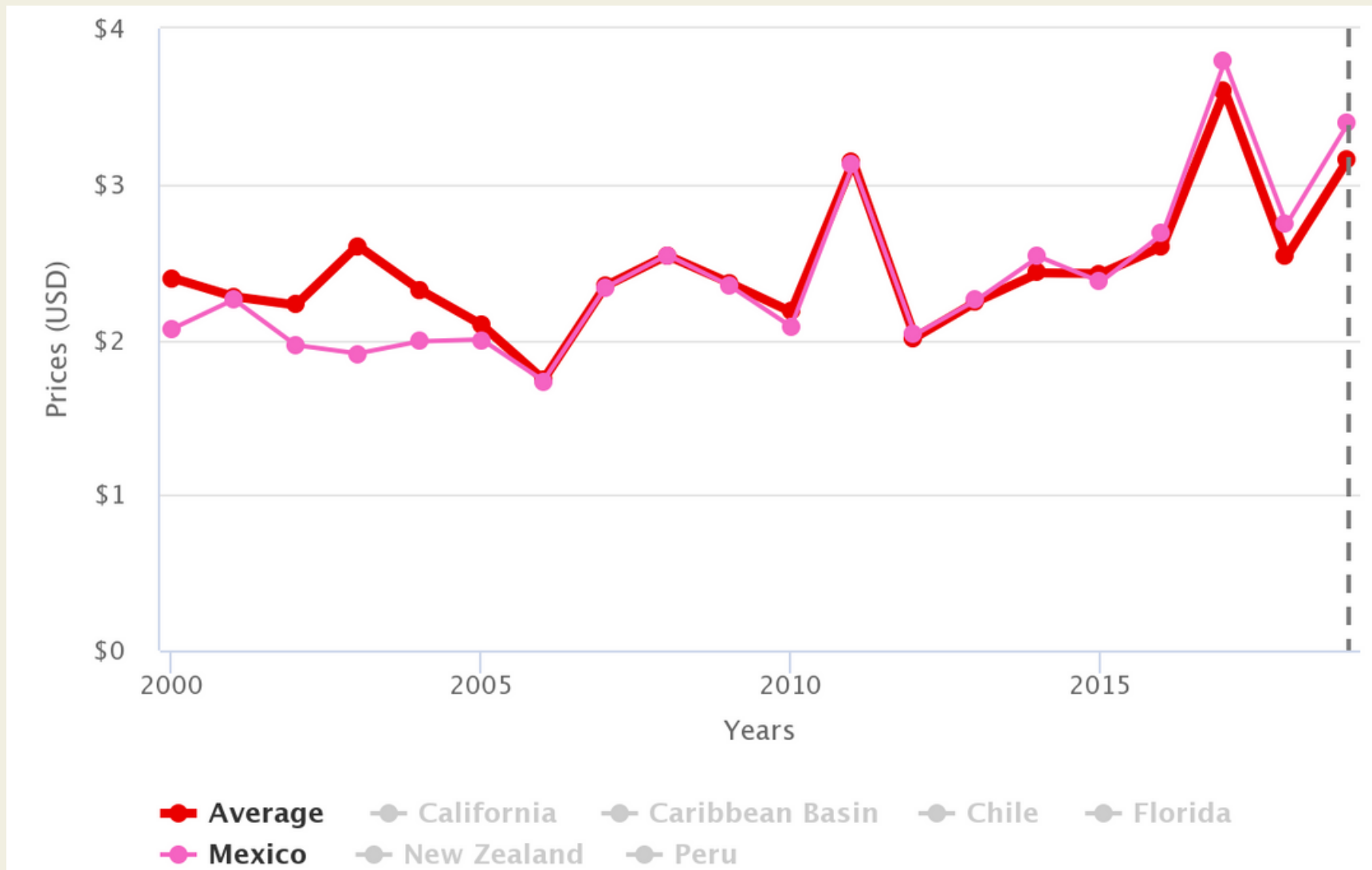
The average consumption of avocados in the United States amounted to 2.6 billion pounds in 2019.

A recent survey regarding the main drivers for buying avocados in the U.S. revealed that about 74 percent of consumers believe that avocados are healthy and some 69 percent of respondents think that the fruit has good fats.



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# Production is Stagnant, Prices are Increasing

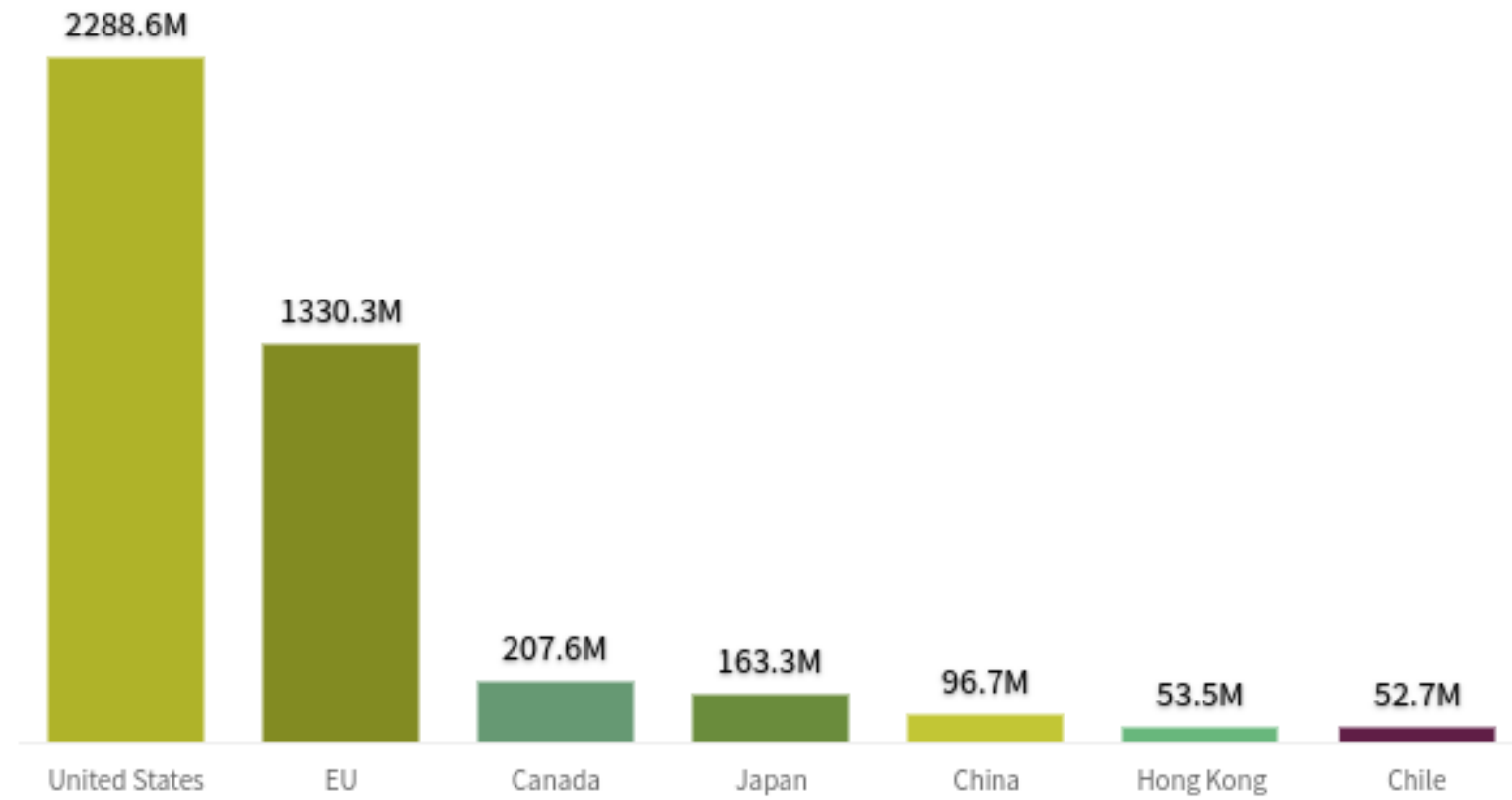


# US Imports & Consumer Trend Data

## TOP IMPORTING COUNTRIES

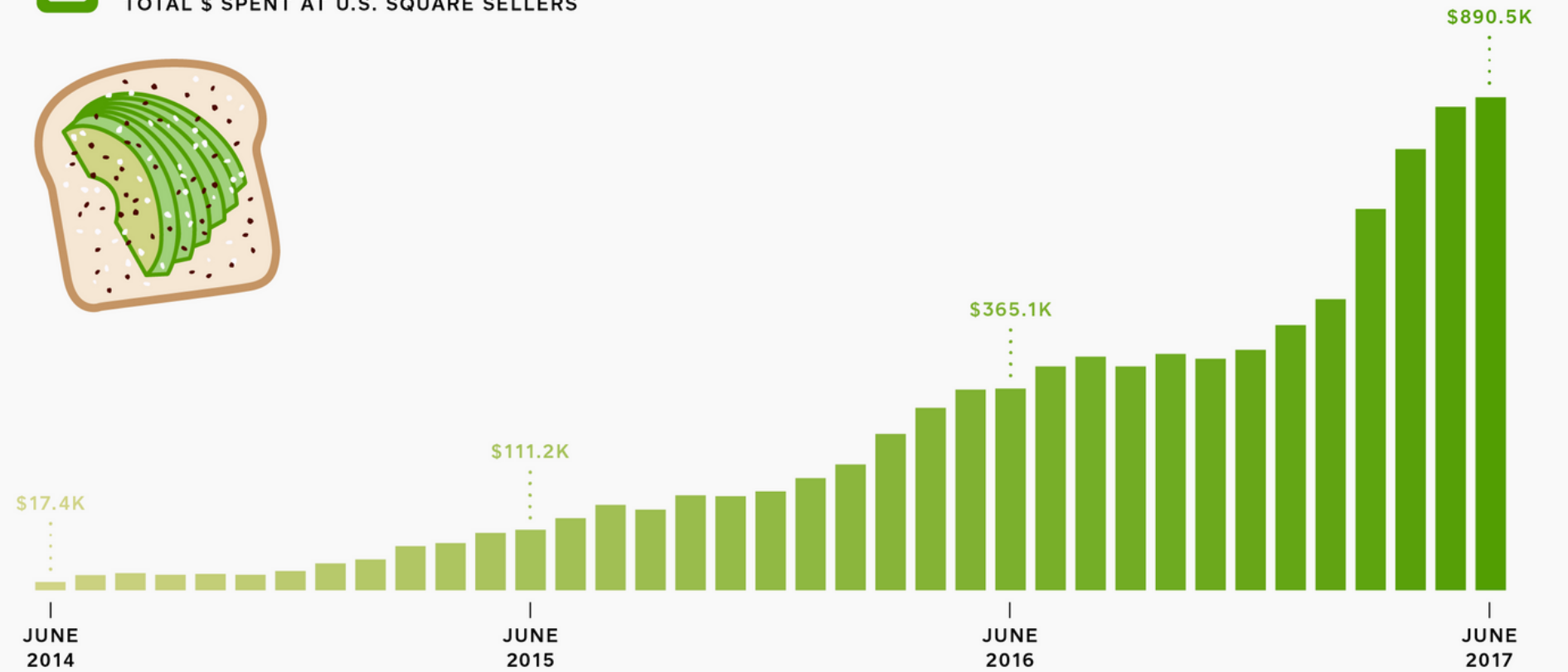
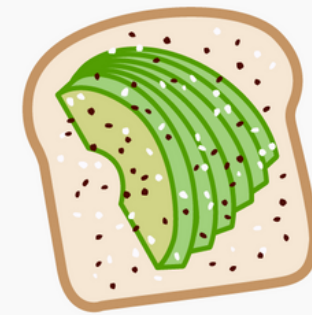
Number in millions of pounds (lbs)

1 Year 2 Years 3 Years



## AVOCADO TOAST SALES

TOTAL \$ SPENT AT U.S. SQUARE SELLERS



# Message from our leaders

"The company will focus this investment opportunity on building a sustainable and profitable farm in Tanzania's lower western region, where sunlight is constant and freshwater sources are ample.

We aim to start with 1000 Hectares of land (approx. 2400 acres), and expand by leveraging current operations to secure funding and acquire additional land.

We also intend to create additional revenue streams by building in-house infrastructure to process and refine avocado oil and other avocado products."

**Michael Coudrey** is an American entrepreneur, investor, and speaker who serves as the chairman and CEO of the Pharos Investment Group. Its subsidiaries are involved in e-commerce, manufacturing, agriculture, marketing, real estate development, and investing.

Michael has over 12 years of experience building businesses in a variety of industries and holds a Bachelor's Degree in Business Administration.



**"Tanzania is a country with great agriculture opportunity, an investor-friendly government, and fertile farmland filled with investment possibility."  
- Michael Coudrey**



# Pharos Investment Group Company Profile

crunchbase Search Crunchbase Advanced Search Solutions Products Resources

ORGANIZATION  
**Pharos Investment Group Inc.** CONNECT TO CRM SAVE

Summary Financials People Signals & News

### About

Investment firm with subsidiaries involved in e-commerce, manufacturing, biotechnology, marketing, real estate development, and investing.

- Los Angeles, California, United States
- 11-50
- Private
- 296,132

### Highlights

Acquisitions [2](#)

### Recent News & Activity

- Acquisition • Mar 3, 2019  
Pharos Investment Group Inc. acquired Zendora for an undisclosed amount  
[Discover more acquisitions](#)
- Acquisition • Sep 3, 2018  
Pharos Investment Group Inc. acquired YukoSocial for an undisclosed amount  
[Discover more acquisitions](#)

### Details

Headquarters Regions Greater Los Angeles Area, West Coast, Western US	Founded Date Mar 3, 2018
Founders Michael Coudrey	Operating Status Active
Also Known As Pharos Investment Group	Legal Name Pharos Investment Group Inc.
Company Type For Profit	
Contact Email inquiries@pharosinvestmentgroup.com	

Pharos Investment Group is an American corporation based in Los Angeles, California. Its subsidiaries are involved in e-commerce, manufacturing, biotechnology, marketing, real estate development, finance, and investing.

### Lists Featuring This Company

Los Angeles Companies (Top 10K)  
9,597 Number of Organizations • \$33.8B Total Funding Amount • 6,605 Number of Investors TRACK

# Investment Information



## WHOLESALE

Our wholesale rate per Avocado when exported to our trade partners in Europe is approximately \$1/piece. With output projected at 10,000,000 pieces, we project US \$10,000,000 in revenue in 3-5 years.



## YIELD TIME

Average time to first yield is 3 years when purchasing seedlings, which expedites the process for avocado trees to grow and develop into maturity.



## GROWTH

After 5-7 years, avocado trees grow significantly larger, and as a result produce more fruit. It is estimated 7 year old avocado trees produce roughly 200-300 pieces per tree.

Tova Sustainable Farms has raised \$500,000 from US based investors with Pharos Investment Group to begin business operations in Tanzania. We will start with 1000 hectares (approximately 2400 acres). At 200 trees per hectare, this will equate to 200,000 avocado trees on the initial plot. This will produce roughly 10,000,000 avocados every 3 years, averaging 50 pieces per tree.

After 5-7 years, avocado trees will become larger and produce roughly 200-300 pieces per tree, quantifying our revenue by approximately 5x.

# Investment Information

Percentage equity will equate to each shareholders revenue split percentage of net profits in the form of quarterly distributions.

INVESTMENT	PERCENTAGE OWERSHIP	REVENUE SPLIT NET PROFIT	DISTRIBUTION*
\$100,000	15%	• 15%	• US \$1,500,000
\$50,000	7.5%	• 7.5%	• US \$750,000
\$25,000	3.75%	• 3.75%	• US \$375,000

Calculation:  
\$10,000,000 x (Equity %)



\*Profit distribution is based on revenue estimate of US \$10,000,000 after 3 years, based on proposed farm size and tree per hectare.

# Investment Information

Dividend profit sharing will continue throughout the lifetime of the company, distributing profits on a quarterly basis to its shareholders. Tova Sustainable Farms estimates roughly \$10,000,000 in revenue after 3 years, and \$50,000,000 in revenue after 6 years based on the size of trees and farm, and output per hectare.

INVESTMENT	PERCENTAGE OWNERSHIP	REVENUE SPLIT	NET PROFIT	DISTRIBUTION**:	6Y / 9Y
\$100,000	15%	• 15%		<ul style="list-style-type: none"> <li>• 6 Year Accumulative Return: US \$9,000,000</li> <li>• 9 Year Accumulative Return: US \$16,500,000</li> </ul>	
\$50,000	7.5%	• 7.5%		<ul style="list-style-type: none"> <li>• 6 Year Accumulative Return: US \$4,500,000</li> <li>• 9 Year Accumulative Return: US \$8,250,000</li> </ul>	
\$25,000	3.75%	• 3.75%		<ul style="list-style-type: none"> <li>• 6 Year Accumulative Return: US \$2,250,000</li> <li>• 9 Year Accumulative Return: US \$4,125,000</li> </ul>	Calculation: $\$50,000,000 \times (\text{Equity \%})$ + Previous Distribution(s)



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\*\*After 5-7 years, avocado trees grow significantly larger, and as a result produce more fruit. Increased output factored into distribution payment calculation for 6Y, 9Y timeframes. It is estimated 5-7 year old avocado trees produce roughly 200-300 pieces per tree, as compared to 50 pieces per tree in the first 3 years. With increased output, increasing avocado prices and Tanzania's ability to produce in the "off-season", we expect revenues to be substantially higher.

# Revenue & Expenses Projection

For years 2021-2023, no revenue will be recorded as it will take 3 years for produce to develop.

P&L Exercise				
	P&L			
<i>Growth rate 60%</i>	2024	2025	2026	2027
<b>Revenue</b>				
Produce	\$ 10,000,000	\$ 16,000,000	\$ 25,600,000	\$ 40,960,000
<b>Net sales</b>	<b>\$ 10,000,000</b>	<b>\$ 16,000,000</b>	<b>\$ 25,600,000</b>	<b>\$ 40,960,000</b>
<b>Expenses</b>				
Variable overhead	\$ 10,000	\$ 16,000	\$ 25,600	\$ 40,960
Payroll / labor	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000
<b>Total variable costs</b>	<b>\$ 145,000</b>	<b>\$ 151,000</b>	<b>\$ 160,600</b>	<b>\$ 175,960</b>
Fixed overhead	\$ 10,000	\$ 16,000	\$ 25,600	\$ 40,960
<b>Total costs</b>	<b>\$ 155,000</b>	<b>\$ 167,000</b>	<b>\$ 186,200</b>	<b>\$ 216,920</b>
<b>Net income</b>	<b>\$ 9,845,000</b>	<b>\$ 15,833,000</b>	<b>\$ 25,413,800</b>	<b>\$ 40,743,080</b>
<i>% margin</i>	98%	99%	99%	99%
<b>Income tax payments at 5%</b>	\$ 492,250	\$ 791,650	\$ 1,270,690	\$ 2,037,154
<b>Income tax payments at 3%</b>	\$ 295,350	\$ 474,990	\$ 762,414	\$ 1,222,292
<b>Total tax at proposed rate (8%)</b>	\$788,200	\$1,266,640	\$2,033,104	\$3,259,446
<b>Total payroll</b>	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000

# Employee Salary Projection

Headcount Exercise				
	2022	2023	2024	2025
<i>Employees by activity</i>				
Full-time employees	30	30	30	30
Part-time seasonal employees	200	200	200	200
<b>Total employees</b>	<b>230</b>	<b>230</b>	<b>230</b>	<b>230</b>
<i>Employees by type</i>				
Count of non-Tanzanian employees	1	1	1	1
Count of Tanzanian employees	229	229	229	229
<i>Payroll by activity</i>				
Payroll allocated to employees	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000
	\$ -	\$ -	\$ -	\$ -
<b>Total payroll</b>	<b>\$ 135,000</b>	<b>\$ 135,000</b>	<b>\$ 135,000</b>	<b>\$ 135,000</b>
<i>Payroll by job type</i>				
Clerical-based payroll	\$ -	\$ -	\$ -	\$ -
Labor-based payroll	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000
Management-based payroll	\$ -	\$ -	\$ -	\$ -
<b>Total payroll</b>	<b>\$ 135,000</b>	<b>\$ 135,000</b>	<b>\$ 135,000</b>	<b>\$ 135,000</b>

# Next Steps



## Execution Strategy

### AQQUIRE LAND

We will acquire 1000 hectares of land in the lower western region of Tanzania, where the climate is optimal and freshwater sources are abundant.

### PURCHASES

We will purchase 200,000 seedlings to average 200 avocado trees per hectare.

We will purchase farmland equipment, fertilizers, irrigation supplies, reservoir tanks, and miscellaneous items, as needed.

### IMPLEMENTATION

We will set up operations which include, but are not limited to:

1. Irrigation preparation
2. Soil preparation
3. Planting
4. Farmland maintenance & oversight

## Government Approvals & Business Registration

1

### INCORPORATE

Business incorporated in accordance with the Tanzania Business Activities and Registration Act of 2007.

2

### STRUCTURE

Business registered with Tanzania's Revenue authority and received a Tax Identification Number.

3

### BUSINESS LICENSE

Business will file for a business license with the Ministry of Trade & Industry and open a company bank account in Tanzania.

4

### LAND PURCHASE

Purchase land under company ownership.

5

### COMMENCE OPERATIONS

Export of avocados to trade partners in Europe, and locally supply larger firms such as Africado within their cooperative agreement structure.

**Tanzania offers investors a friendly business and tax environment for agriculture.**



# Local Economic Benefit



## **Cash contribution:**

Tova Sustainable Farms will inject an initial capital investment into the country in the amount of \$500,000. We intend to invest up to \$25,000,000 in Tanzania over the next 20 years to grow our agricultural project, expand our business operations, and increase our output capacity. This investment will be in the form of capital goods purchased locally, additional farmland acquisition, labor and employment costs, Federal Government taxes, Regional taxes, and fees.

## **Local expenditures:**

- We will purchase a significant amount of farmland equipment, irrigation equipment, tools, hardware, lumber, and other capital goods from locally sourced Tanzanian businesses.
- We will employ 30 Tanzanian citizens full time to start operations, and will increase our employment to 200-300 persons during our harvest seasons.

## **Infrastructure improvements:**

-With Government approval, we will improve 20km of existing roads by paving, leveling, adding additional soil, and laying pavement materials. Transportation infrastructure improvements are needed from the main road to our project site to ensure of quick, safe, and efficient transportation of produce. In making these improvements, hundreds of Tanzanian citizens who live in the villages within our route will benefit with increased infrastructure, better access, faster transportation times, increased access to food and supplies. This adds additional economic benefit to both citizens and businesses.

## **Local employment:**

Tova Sustainable Farms intends to hire 30 full time workers to commence business operations. We will pay higher than average wages and provide our workers high quality living accommodations with all amenities, food, benefits, and transportation. We also intend to hire up to 200 seasonal workers during harvest seasons. This will positively impact many families and provide significant employment and economic benefit.

# Government Requests

## CORPORATE TAX

Tova Sustainable Farms will provide significant economic benefit to the Government of Tanzania, bring years of investment and business expertise, and will positively impact thousands of Tanzanian citizens through direct economic stimulus. In doing so, Tova Sustainable Farms must decide Tanzania is the right country to host our business operations, rather than a different country that can provide more benefits to us in the form of lower corporate taxes, easier logistics transportation, and better access to electricity, roads and highways. Our business must be provided additional benefits and have a contract with both federal government and regional governments to ensure of longtime viability and success.

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Tova Sustainable Farms weighs many choices when deciding to invest in a particular country. We are currently surveilling land and investment opportunity in Tanzania, South Africa, Brazil, Columbia and Puerto Rico. Puerto Rico, a US Territory, has offered us a tax rate of 4% via Act 60 Incentives.

For us to invest in Tanzania, we must receive a favorable tax rate comparable to other countries offers. **We request a federal tax rate of 5% of net-profits, indefinitely.** For regional taxes, we request a rate of 3% of net-profits, bringing our effective tax rate to 8%. If we cannot get this, we are very inclined to choose a country more favorable to our business.

## PURCHASES

Tova Sustainable Farms will be investing \$500,000 US Dollars into Tanzania immediately upon commencement of business operations. We will also invest an estimated \$25,000,000 over a period of the next 20 years.

In order for us to bring this economic benefit, we request 0% VAT **and** import duty on all equipment and capital goods as outlined in the TIC brochure, **in addition to ALL finished goods required for our business.** As there are finished items we need to add infrastructure to our proposed farmland, we will need ease of access to bring them into the country without heavy fees and taxes. Our goods will NOT involve any re-sale, and will strictly be used for our business operations.

## POINT OF CONTACT

Tova Sustainable Farms has high profile investor Michael Coudrey as its Chief Executive Officer. Michael has a combined following of 500,000 people across his social media, is frequently cited in US news and media publications, and is featured on News TV involving business and investing. Michael maintains a fan-base and significant social media following in influential circles of finance and investing. As Michael documents the opportunities of Tanzania, it will attract many investors into the country, adding significant tax benefit to the Government.

Michael seeks a point-of-contact in government to facilitate additional requests for business expansion.

# Conclusion

Popularity of avocados has driven a +8% CAGR in US consumption over the last 10 years. With household penetration still below other common fruits, consumption of avocados is poised for further growth.

Consumers growing desire for convenient, on-the-go healthy foods is driving sales of value-added fruit and vegetables to outpace broader produce category growth.

As inflation rises, avocado prices also increase. Investment in avocado agriculture is also ideal to hedge investor capital against inflation.



## HIGHLIGHT 1

- Investor should be looking to add productive land to their portfolio.



## HIGHLIGHT 2

- Invest in a crop that taps into a enormous and growing global demand.



## HIGHLIGHT 3

- Avocado is one of the most lucrative farming investments based on production output quantity per hectare and average sale price per fruit.





**TOVA**<sup>™</sup>  
SUSTAINABLE FARMS

We thank you for your time and interest.

## Contact

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