



TANZANIA INVESTMENT CENTRE

PROJECT VERIFICATION VISIT REPORT

ON

APPLICATION FOR EXTENSION OF

IMPLEMENTATION PERIOD

BY

AGRI COMMODITIES COMPANY LIMITED

28TH NOVEMBER, 2021

TABLE OF CONTENTS

1.0 INTRODUCTION.....	3
2.0 PROJECT VISIT FOR VERIFICATION.....	5
3.0 CONCLUSIONS.....	9
4.0 RECOMMENDATIONS.....	10
5.0 ANNEXES.....	11

1.0 INTRODUCTION

M/S Agri Commodities Tanzania Limited is a TIC registered project TIC No. 043309 in Makambako in Njombe Region. The project is located on farming land at Kihanga Village at Mlowa Ward.

The Southern Highland Zone officer conducted a project physical verification visit (PVV) on Tuesday, 24th November 2021 for the purpose of generating PVV report that would help Executive Director to make a decision as per investor's request on whether to grant the extension of Implementation period or not.

The investor has requested the extension of their certificate so they can have fiscal incentives on materials imported for the second phase of the project. The project promoters expect to increase more machines for mixing feeds, and abattoir accessories from Botswana. The investor has already submit the exemption request to TRA for Tax incentives.

2.0 PROJECT VISIT FOR VERIFICATION (PVV)

2.1 Findings

During the visit, our officer observed and discussed with the company's management some developments on the sited to-date as follows:

2.1.1 Company's General Information obtained at the site

S/N o.	Information	Description	Current Project Status		
1.	Shareholder's Information	Current Shareholders names, nationality, and percentage of ownership	Shareholder	Nationality	Percentage
			Dumisani Ndebele	Botswana	99%
			Boitumelo Molefhe-	Botswana	1%

			Ndebele		
					100%
2.	Company Communication Information	Email address	1. amlilima@yahoo.com COPY 2. dumisani.1.ndebele@gmail.com		
		Mobile Number	1. Dumisani Ndebele - +267 71305935 2. Abubakar Saleh Mlilima - +255 752530201		
		Land Line Telephone Number	None		
		Physical Address (Plot No., Block No, Street, District and Region)	Makambako, Njombe Region		
3.	Contact Person	Name	1. Dumisani Ndebele - +267 71305935 2. Abubakar Saleh Mlilima - +255 752530201		
		Position	1. Dumisani Ndebele – Director and Shareholder 2. Abubakar Saleh Mlilima – Director and Project Coordinator		
		Communication Details (Email, Mobile and telephone)	1. Dumisani Ndebele - +267 71305935; Email address: dumisani.1.ndebele@gmail.com 2. Abubakar Saleh Mlilima - +255 752530201, Email address: amlilima@yahoo.com		
4.	Incorporation	Certificate of Incorporation No.	129605		
5.	TIN information	TIN Certificate No.	123-556-281		
6.	Project	Integrated: 1. Feedlot, 2. Abattoir and 3. Trading	Integrated: 1. Feedlot, 2. Abattoir and 3. Trading and retailing in fresh meat		

	Objective	and retailing in fresh meat products.	products.
7.	Capacity	Feedlot – 3,000 animals standing during Operation Phase 1. Up to 6,000 animals standing during Full Operational Phase 2.	Feedlot – 3,000 animals standing during Operation Phase 1. Up to 6,000 animals standing during Full Operational Phase 2.
8.	Direct Employment	Foreign-Men	1 – During Pilot Phase
		Foreign-Women	None during Pilot Phase
		Local-Men	9 - During Pilot Phase
		Local-Women	None during Pilot Phase
9.	Indirect employment	Estimated Total No.	30
		Type/areas of Indirect Employment	1. Gathering of maize stocks for fibre, 2. Purchase and delivery of maize bran

2.1.2 Project Financial Expenditure

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings		167,000	167,000
Plant and machinery	493,000		493,000
Vehicles/Aircrafts			
Furniture			
Office equipment			
Insurance Cover			
Pre-operational expenses		225,000	225,000

Working sub-total capital			
GRAND TOTAL	493,000	392,000	885,000

2.1.3 Project Financing

	Amount (USD)	Source Country
Local Equity	Nil	
Local Loans	Nil	
Foreign Equity	635,000	Botswana
Foreign Loans	250,000	Botswana
Total Investment	885,000	

2.1.4 Remaining Activities

As per investor's explanations, to date the pending activity is the implementation of Full Operational Phase 1 and 2. During Phase 1, the Company will scale up the number of cattle to 3,000 animals standing whilst for Phase 2 this will be increased to 6,000 cattle standing. Both Phase 1 and 2 require scaling up and expanding on the following infrastructure: (i) Cattle pens, (ii) Water supply and reticulation, and (iii) Feeding ration mixing capacity. The scaling up and capacity expansion requires additional capital that has to be raised.

2.2 Challenges

During the conversation with the management, the company is experiencing few challenges which in one way or another may affect the project functionality as follows;

Due to the COVID 19 Pandemic fund raising efforts for Operational Phase 1 and 2 led to project to be behind schedule. They request for support from TIC for the extension of TIC Certificate of Incentives to bring all the equipment that is in Botswana to Tanzania in order to commence Phase 1 full operations. Having a valid TIC Certificate of

Incentives will assist application and clearance process of required equipment with Tanzania Revenue Authority (TRA) and Tanzania Bureau of Standards Pre-shipment Verification of Conformity (PVoC) processes that are now very critical and urgent for to proceed with the project. Further, having a valid TIC Certificate of Incentives will assist Agri Commodities Tanzania Ltd to accomplish its fund raising initiatives to secure the required funds from various interested investors that have been targeted. Currently the project use a 120KW 3 Phase Generator for generating power that is used at the feedlot. We await Tanesco to install electricity up to the feedlot. Progress regarding possible installation of electricity has been very slow.

2.3 Future Plans

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

Main focus is to raise the required capital for Full Operational Phase 1 amounting to USD 417,000. This will enable the project to operate at a reasonable commercial scale to establish the business and bed down processes so that we can launch Full Operational Phase 2 of the project that requires additional capital of USD1.8 million. The stocking capacity of animals during Full Operational Phase 2 will increase from 500 standing cattle to 3000. The breakdown of the project's funding requirements included the associated capital expenditure is outlined on the attached Annexure 1 and 2. The project beneficiation to the local communities who will supply some of raw material ingredients that are required for feeding ration, permanent job creation will become significant and meaningful during Full Operational Phase 2.

3.0 CONCLUSION

In view of findings above, the following are our conclusions regarding the objective of the PVV:

- i. The investors are serious with the project hence the shareholders mainly use to be in Njombe and Mbeya follow up on phase one
- ii. The investor is serious on enhancement of the project by adding more capital than which was planned, as he told the officer has already have meat market in Egypt and the funders where in Dar es salaam ready for negation.

- iii. Last visit there where almost 90 cows which were kept for fattening and the fattening process was successful, all cow sold to local market after being kept for four months. Now the plan is to extend the site and receive 6,000 cows in two phases of 3,000 each. The plan is to fattening the cows and process meat at the same project for export and local market.
- iv. The investor told the officer that plan is to open a big butcher in Dar es Salaam and will be done as soon as possible.

4.0 RECOMMENDATIONS

From the above findings and conclusions, I wish to recommend that, hence the investor shows the commitment to a project and with above findings I recommend the extension of their certificate of incentive. The project is feasible and its environmental friendly.

I humbly submit



.....

Ajelandro Sindano

26.11.2021

Inside warehouse where all activitie of feed processing and storage is done



Outside view of Cow's fold





Outside WareHouse



Inside Cow's fold



