

BUSINESS PLAN



WINTECHS MERCHANTS LIMITED

FOR

LARGE SCALE AGRICULTURE

WINTECHS MERCHANTS LIMITED

This is a Tanzania local company incorporated in 26th Day of July 2021 with registration Number: **152788096**. This is the Company incorporated under the Companies Act, 2002 and that the Company is limited with its head office at, TPDC Kambarage Street, Kinondoni Area, Dar es Salaam.

The Company mainly objective being general agriculture in large scale that deals in both cash and food crops where the company deals from production to sale of such crops in wider market coverage i.e. outside boundaries of Tanzania.

OUR VISION

To become the largest dealer of East and Central Africa for local and foreign agriculture methods. The Company will consistently deliver convenience, quality services and add values that are **Teamwork, Reliability, and Integrity & Customer Satisfaction.**

OUR MISSION

To constantly exceed customer expectations by providing superior agro-economy solutions in a safe, efficient and cost effective manner without damaging the environment, to identify and enter new areas of business thereby expanding the company, to create a work environment where an employee can exceed his personal best in job performance and in customer service, to operate the group in a manner of continuous improvement thereby expanding market share in all its diversified businesses, to be oriented towards adaptation and to take advantage of windows of opportunity, to make a contribution to various communities as individuals and as a group and finally to succeed in business and to provide a sufficient return on investment to the stakeholder.

OUR VALUES

Wintechs Merchants Limited will maintain a high standard of efficiency in terms of service to farms preparation, growing and harvesting with latest technology to ensure maximum and quality output that can make the agriculture industry grown to its full potential regarding the international standards.

PLANNED ACTIVITIES DURING THE PROJECT

Wintechs Merchants Limited intends to acquire land: 150 acres at Njombe district, Utengule location, Mawande village, where the company intends to plant exotic avocados to supplement its outsourcing of export produce from out growers. Moreover, in the same area it shall acquire acres as Ikelu for construction of a pack house where all processes of sorting and packaging shall be done.

The Company goal is to build resilience in Tanzania the agriculture sector for livelihoods security through enhanced adaptive capacities for team building. The project objective is to increase the resilience of rural and modern farm productivity in Regions and, increasing farm productivity, water and livelihood security and reducing vulnerability to natural hazards, climate vulnerability and change. It is planned to respond to the projections of significant decreases in rainfall, intensive and more frequent hydro-meteorological events, including droughts, by building adaptive capacities of agro-ecosystems and livelihoods to these threats.

The plan will also contribute positively to the growth indicators for agriculture in the national GDP. There is also good alignment with experts' recommendations for climate adaptation measures to enhance resilience in agriculture and with the proposals under the Tanzania Investment Centre to enhance the resilience of farmers to protect and improve the productive assets (soil, water, fisheries and other marine resources) while focusing on investment

in the sector for poverty reduction in Tanzania communities. Gender equality will be mainstreamed throughout the project to ensure that the project does not perpetuate gender inequality but enhances gender equality through project interventions.

The Company has future plans to set up branches in Rwanda, Congo, Burundi and Zambia. In addition, it also plans to expand to fishing and cattle livestock products and other dry cargo to and from Kenya, Uganda and Rwanda.

PROJECT DESCRIPTION

Significant measures have been taken to liberalize the Tanzania economy so that to encourage private sector to take a lead in Tanzania economic growth; The Government of Tanzania embarked on adjustment program to give the private sector the leading role. It is in view of the above our Company came up with a proposal to develop a project for agriculture so as to support the industrialization policy of the Government.

MARKET STRATEGY

According to expert, personal selling is the most effective method for marketing, apart from personal selling the company will employ other strategies such as online marketing, sponsorship, international magazine etc.

PRICING

The pricing policy for the project will be based on the cost of services provided;

MONITORING AND EVALUATION

The Management has full commitment to ensuring good use of the resources and sustainable environment. Thus, the management philosophy is through business process, the company will strive to ensure compliance to standards and safety.

PROJECT INVESTMENT COST

The estimated capital investment cost for the all project is estimated to cost 600,000 USD Tanzania Shillings.

Income Statement Projection

	Year 1	Year 2	Year 3	Year 4	Year 5
	2022	2023	2024	2025	2026
	000'	000'	000'	000'	000'
Revenue	4,362,482	4,956,854	5,240,382	6,226,440	7,434,372
Cost of Goods Sold	2,006,742	2,280,153	2,410,576	2,864,162	3,419,811
Gross Profit	2,355,740	2,676,701	2,829,807	3,362,278	4,014,561
Administrative/operating expenses	479,976	498,256	559,508	630,522	714,285
Establishment expenses	144,400	127,360	113,921	101,518.35	92,922.44
Selling and Distribution expenses	1,290,975	1,482,936	1,691,714	1,951,636.03	2,516,930.48
Total Expenses	<u>1,915,351</u>	<u>2,108,552</u>	<u>2,365,143</u>	<u>2,683,677</u>	<u>3,324,138</u>
Net Operating profit/(loss) before Tax	440,389	568,149	464,663	678,601	690,423
Corporate tax provision	88,078	113,630	92,933	135,720	138,085
Net Profit/(loss) for the year after Tax	<u>352,311</u>	<u>454,519</u>	<u>371,731</u>	<u>542,881</u>	<u>552,338</u>

FINANCING PATTERN

The project will be financed by equity 600,000USD and project cash flows realized from business in various phases.

ASPECT OF PROJECT SUSTAINABILITY

The project sponsors having studied market conditions, the infrastructure in Tanzania and being in business for 2 years are convinced that the project will be able to operate undisturbed. The growing of industrial, trade, Agricultural sector

and global mining economic activities gives them assurance of a steady market. The peace and tranquility that exist in Tanzania is another aspect of assured business sustainability.

MONITORING AND EVALUATION

The monitoring and evaluation tools will be applied in running this project as well, the project sponsors are determined to cooperate fully with the government and other stakeholders for smooth business running.

FINANCIAL ANALYSIS: CONSIDERATIONS AND ASSUMPTIONS

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied, it is assumed to be 5% annual depreciation.

It is assumed that the major building raw material will be procured from local market and other will be imported. Revenues have been conservatively estimated based on experience of the promoters and trends in the transportation industry. Five (5) years financial projections have been worked out.

PROJECT INVESTMENT FINANCING PLAN

Directors of Wintechs Merchants Limited finances the project. The main activity of the financing company is importation and sales of farming technological equipment will provide the foreign equity to the company as a starting capital for business operations. This is not a loan equity.

DIRECTORS OF WINTECHS MERCHANTS LIMITED	USD
Foreign Equity	500,000.00
Foreign Loan	0.00
Local Loan	0.00
Working Capital	100,000.00

KEY HIGHLIGHTS AND INSIGHTS OF OUR COMPANY.

A. Operations Strategies

- Strict financial controls by having the proper controls, production efficiency will be maximized.
- The second key will be the never ending pursuit for the industry's highest concentration levels of ingredients in each production
- The third key is the recognition and implementation of the philosophy that 100% customer satisfaction is required to ensure a profitable business. Profits are a byproduct of satisfying customers, not the other way around
- Production management: More advanced technological equipment from planting to harvesting stage to avoid any sort of challenge leading to low standard products.
- Resources available: all raw materials at large will be extracted from Tanzania except to those ones that are either scarce or unavailable then they will be imported in such cases.
- Size and Scale: the company intends to produce in a large scale to be able to meet demand and supply of within Tanzania and external countries as well.

B. Human Resources Strategy

- During the production, we look to engage more of casual workers in rural areas and less of technical and professional staff.

- In rural areas, in Njombe region, where the production will be taking place, natives and locals will be the prioritized personnel to employ.

C. Marketing Strategy

- Wintechs has identified three main customer groups: supplement companies; food processors; and other nurseries. The customer segments are distinct enough to be able to target each one differently. The industry that our company produces for has been undergoing consolidation and interdepending for several years now. Our company will be able to serve the industry by leveraging their competitive edge of healthy, potent produce.
- Other strategy will be based on generating awareness and visibility of Wintechs and their ability to produce the highest percentages of crops. The strategy will rely on several different forms of communication. The main form is participation in the numerous trade shows for the industry. The trade shows are where everyone from the industry gathers to meet and transact business as it is a wonderful place to network as well as learn about new developments in the industry. The second form of communication will be the use of advertisements, venues for advertisements will be industry trade magazines. The trade magazines are a well-read source of information that buyers and sellers refer to for many different transactions.

D. Sales Forecast

The sales forecast indicates that growth will be slow but steady. Growth will be slow because of the time and effort needed to develop the customers. Production is not the slowing element as whenever the challenges are foreseen and advancements have been made reasonably can raise production to meet the sales needs. During the wet months of the year, the forecast reflects a tapering of sales as production will fall during these months. There will however be some sales and production which will be moved inside to the greenhouses. There are a few risks that could have a negative impact on sales such as weather. A poor growing season will have a serious effect on production. This risk is spread amongst all of the producers of the specific region meaning the weather risk is imposed on everyone, generally not a specific farmer. Another risk that could affect sales is some sort of pest that could unexpectedly negatively affect the crops. By dealing with multiple crops and choosing them based on their heartiness relative to the growing climate, wintechs is able to minimize these risks as much as possible

Contact Details

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