

CHINA STATE FARMS AGRIBUSINESS (G) CORP(TANZANIA)LTD
PROGRESS REPORT
AS AT 31ST DECEMBER, 2021

- 1 PLANNED ACTIVITIES 4,762 HECTARES
 2 ACTUAL AREA PLANTED 2,941 HECTARES
 3 PROJECT ACTIVITIES UNDERTAKEN:
 1 REHABILITATION OF FACTORY BUILDING
 2 CONSTRUCTION NEW FACTORY BUILDING
 3 CONSTRUCTION OF 60 UNITS OF WORKERS HOUSES
 4 REHABILITATION OF PLANT AND MACHINERY
 5 ACQUISITION OF TWO SISAL DECORTICATORS
 6 ACQUISITION O SISAL BAILING MACHINE
 7 ACQUISITION OF WHEEL AND CRAWLER TRACTORS
 8 ACQUISITION OF HEAVY DUTY GRADERS
 9 ACQUISITION OF MOTOR VEHICLES AND MOTOR CYCLES
 10 CONSTRUCTION AND SUPPLYING OFFICE EQUIPMENT
 TO PEAPEA VILLAGE OFFICE BUILDING AS PART OF CSR

4 UPDATED INFORMATION

	INFORMATION	DESCRIPTION	CURRENT STATUS
1	Shareholders information	Current shareholders names, nationality and percentage of ownership	China Africa Agriculture Investment Co. Ltd., Chinese, 99% Mr. Qinglin Li, Chinese, 1%
2	Company communication information	Email address, Mobile number Landline telephone number Physical address: Plot no. Block no., Street, District and Region	chinastatefarms@gmail.com Mobile 255753968576 Plot 508, Block 157494, Rudewa Street, Kilosa District, Morogoro
3	Contact person	Name, Position, Email, Mobile	Athumani Migeto Finance & Admin Manager migeto2410@gmail.com Mobile 255754810773
4	Incorporation	Certificate of incorporation number	Date: 24.12.1999 Number 38543
5	TIN Information	Tin Certificate No.	Number 100281732
6	Project objective	Project core activity	Sisal plantation and processing
7	Capacity	Project capacity per year	Planting 300 hectares and producing 2000 tons sisal fiber
8	Direct Employment	Foreign men Foreign women Local men Loan women	7 men 1 women 369 men 198 women
9	Indirect Employment	Type/areas of indirect employment	Payment of salaries and wages to our workers who spend their money purchasing and accessing services to 3 surrounding villages with more than 8000 inhabitants

4 PROJECT FINANCIAL EXPENDITURE TO-DATE(TSHS.000)

DESCRIPTION	FOREIGN	LOCAL	TOTAL
LAND AND BUILDINGS	1,029,212	1,911,395	2,940,607
PLANT AND MACHINERY	1,553,751	836,635	2,390,386
MOTOR VEHICLES	676,932	451,288	1,128,220
FURNITURE	-	35,102	35,102
OFFICE EQUIPMENT	-	43,269	43,269
CRAWLER & WHEEL TRACTORS	4,267,828	-	4,267,828
UTILITIES & INFRASTRUCTURES	-	453,046	453,046
INSURANCE COVER	-	41,842	41,842
PREOPERATION EXPENSES	-	8,312	8,312
WORKING WORKING CAPITAL	-	1,617,734	1,617,734
GRAND TOTAL	7,527,723	5,398,623	12,926,346

5 PROJECT FINANCING: Through equity from shareholders

DESCRIPTION	AMOUNT IN USD	SOURCE COUNTRY
Local equity	-	
Local loans	-	
Foreign equity	5,620,150	China
Foreign loans	-	

6 PROBLEMS:

- The geographical location of the project is surrounded by pastoralists, therefore we have encountered problem of cattle grazing in our sisal plantations which damage plants
- Our farms have repeatedly been invaded by elephants from the nearby national park, according to valuation, the actual loss was shillings 370 million

- 3 Previously there had been cases of arson of sisal plants by unknown people
- 4 For the past three years our sisal plants were heavily destroyed by disease caused by cow dung whereas actual loss was shillings 413 million
- 5 Due to numerous regulatory requirements and processing of licenses by some of the Government institutions does not deliver required services hence impend execution of project implementation
- 6 At Brela there are a lot of challenges, example we lodged change of shareholder in November, 2021 but we got the approval In July, 2022. Brela whenever they receive an application, they give one query, when you reply, they send another one why they don't perusal all submitted documents and list down all queries at once?

7 SOLUTIONS:

- 1 We have contracted a security company as mitigating factors for fire and cattle
- 2 We have reported to relevant Government institutions, unfortunately nothing tangible for the past two years of elephants invasion
- 3 Employment of disease control expert

8 FUTURE PLANS

- 1 Planting of 300 hectares with sisal
- 2 Construction of office building to replace the dilapidated
- 3 Procurement of two decorticators
- 4 Construction of staff house for senior staff as a replacement of dilapidated buildings
- 5 Utilization of wet land by growing paddy and latter construction of paddy processing plant to add value and create employment

9 RECOMMENDATIONS:

- 1 The Government should streamline her sectoral policies to minimize timeframe vivid example Tanzania Investment Center which is one stop centre
- 2 Continue to improve work and residence permit processing wheareas at least one week all permits should be obtained unlike now which is about 30 days
- 3 The issue of environment is paramount therefore NEMC and OSHA should coordinate their activities because they are almost similar in implementation
- 4 We suggest Tanzania Investment Centre should have stakeholders meeting in every zone and get feed back from investors through interaction rather than submission progress reports bi annually.

DEPUTY MANAGING DIRECTOR

25.08.2022

