

**TANZANIA INVESTMENT CENTRE
DAR ES SALAAM
PROGRESS REPORT**

(Information required for the project's progress report after every six months or for amendment of Certificate of Incentives)

1. Planned Activities for the period
2. Achievements made on the project implementation to date:
(i.e. from the date the project was approved to the date of writing the report)
The Pilot Phase of the feedlot project was successfully completed in August 2021. It involved obtaining actual proof of concept for the following aspects of the project: 1. Efficacy of Agri Commodities Tanzania Ltd feeding ration; and 2. Measuring and monitoring the daily weight gains performance of the animals (being cattle, goats and sheep) in the feedlot to the feeding ration. The efficacy of the feeding ration was found to be satisfactory including the daily weight gains performance of the animals that were being fed in the feedlot which achieved the required baselines to justify commercial feasibility.

Describe the status of activities that have already been undertaken e.g. construction of buildings, acquisition of supplies, installation of equipment, etc.

- *ACTL has bought: (a) 15 acres of industrial land in Kilimahewa area in Makambako next to the Tazara Railway line going to Zambia/Dar Es Salaam on which to establish a grain port especially for its livestock feed raw inputs; and (b) 51 acre farming land in Kihanga Area on which (i) the feedlot, (ii) feed mill, (iii) internal abattoir..*
- *The National Environmental Management Council (NEMC) has approved ACTL's Environmental Impact Assessment and Management Plan for the feedlot and abattoir. Refer to Annexure 3.*
- *Following the issuance NEMC EIA certificate, the proposed Abattoir plan has been approved by Makambako Town Council.*
- *A new 20 tonnes per hour feed mill is to be installed at the Kihanga feedlot. The new feed mill has been acquired and is warehoused in Botswana and plans are at an advanced stage to now move it to Makambako in preparation for the Full Operational Phase. TIC extension of the certificate of incentives is to sought in order to obtain the necessary Pre-Shipment Verification of Conformity with Tanzania Bureau of Standards.*
- *A Pilot Feedlot has been built. It consist of the following: 1. A warehouse in which all the feeding ration ingredients (consisting concentrates, 150 tonnes of maize stock fibre, sunflowerseed oilcake. dry brewers' grain, wheat bran, maize bran, molasses are stored). Also the warehouse houses the mixing equipment consisting a milling plant, 3 Phase 120KW generator, feeding ration mixer. Also, a borehole has been drilled on the feedlot land.*
- *The road that leads from the village to the feedlot has been graded and widened for ease of access to the feedlot and main road that goes to Dar Es Salaam.*

- *In order to avoid dependency on the local wholesale market that is limited in size, the Company opened a butchery at Kinondoni in Mwananyamala in June 2022 in order to sell directly to the retail market so as to earn higher margins. Further the Company has been able to build out an order book. The butchery trades under the name of The Pyramid Fresh Meat Market and Grill. The Company expects to open other butchery outlets around the country in due course.*
- *The Company also expects to export some of its red meat products and is working to build out an export order book.*

3. Provide updated information on the following aspects;

S/No.	Information	Description	Current Project Status
1.	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership	No changes to shareholding: 1. Dumisani Ndebele 99% shareholding 2. Boitumelo Molefhe-Ndebele 1%
2.	Company Communication Information	Email address	1. amlilima@yahoo.com COPY 2. dumisani.1.ndebele@gmail.com
		Mobile Number	1. Dumisani Ndebele : +255 762657851 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 : +255 762657851 2. 2Abubakar 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 : +255 762657851; 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 Objective	Project Core Activity	Integrated: 1. Feedlot, 2. Abattoir and 3. Trading and retailing in fresh meat products.

7.	Capacity	Project Capacity per Year	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

4. Project Financial Expenditure to date (USD):

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings		167,000	167,000
Plant and machinery	553,000		553,000
Vehicles/Aircrafts			
Furniture			
Office equipment			
Insurance Cover			
Pre-operational expenses		225,000	225,000
Working sub-total capital			
GRAND TOTAL	553,000	392,000	945,000

5. Project Financing

Explain how the project is being financed e.g. equity, loans, sources of loans, conditions, etc.
See table below.

	Amount (USD)	Source Country
Local Equity	<i>Nil</i>	
Local Loans	<i>Nil</i>	
Foreign Equity	695,000	<i>Botswana</i>
Foreign Loans	250,000	<i>Botswana</i>
Total Investment	945,000	

6. Problems and Solution

Explain problems, which the management is encountering in executing the project and the steps being taken to solve them.

Due to the COVID 19 Pandemic our fund raising efforts for Full Operational Phase are behind schedule. We request for support from TIC for the extension of our TIC Certificate of Incentives to bring all the equipment that is in Botswana to Tanzania in order to commence the Full Operational Phase of the project. Having a valid TIC Certificate of Incentives will assist us regarding the 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 us to proceed with the project.

Further, having a valid TIC Certificate of Incentives will assist the Company to accomplish its fund raising initiatives to secure the required funds from various interested investors that have been targeted. We are currently using a 120KW 3 Phase Generator for generating power that is used at the feedlot. The cost of providing 3 phase electricity to the feedlot site by Tanesco will be funded from the new funding to be raised. The Company has secured a new shareholder that will inject additional capital and assist the Company to secure an international market to support the Full Operational Phase of the project.

7. Future Plans

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

Our main focus is to raise the required capital for the Full Operational Phase amounting to USD417,000. This will enable us to operate profitably at a commercial scale. Our cattle livestock capacity during Full Operational Phase will increase from 500 standing cattle to 6,000 excluding small stock comprising goats and sheep. The Company is negotiating an export order involving 2,000 beef carcasses and 20,000 live sheep and goats per month. The breakdown of the project's funding requirements are included the associated capital expenditure that is outlined on the attached Annexure 1 and 2. The project downstream beneficiation includes: (i) local communities who will supply some of raw material ingredients that are required for the feeding ration, (ii) provide permanent jobs to the community members that are employed by the project during the Full Operational Phase and (iii) support aspiring livestock Outgrowers largely to come from unemployed livestock graduates from various agricultural universities in Tanzania.

8. Recommendations and any other comments

We wish to thank TIC for all the support that has been given to us and hope this support continues until our project has been fully established through the various Phases that have been outlined above.

Of critical importance is our request for the extension of our TIC Certificate of Incentives so that the required equipment can be brought into Tanzania.

Agri Commodities Tanzania Ltd**ANNEXURE 1: Analysis of Required Funding and Timing of Fund Raising****Summary of required funding**

	BWP	TZS (Mlns)	USD
Total required funding	35,607,413	7,121.5	2,967,284

Funded by promoter

Capex - Land & Leasehold Developments	2,000,000	400.0	166,667
Capex - Plant/Equipment/Leasehold Improvements	5,907,413	1,181.5	492,284
Operating Expenses and Working Capital	2,700,000	540.0	225,000
Total funded by promoter	10,607,413	2,121.5	883,951

To be funded

Capex	14,943,500	2,988.7	1,245,292
Working Capital	10,056,500	2,011.3	838,042
Total to be funded	25,000,000	5,000.0	2,083,333

Analysis of funded capital

Ordinary Equity	12,500,000	2,500.0	1,041,667
Convertible Non-Cum. Preference Shares	12,500,000	2,500.0	1,041,667
Total cash injection	25,000,000	5,000.0	2,083,333

Classification**Fixed Assets:**

Leasehold land - Industrial & Feedlot land - Valtn	3,130,800	626.2	260,900
Automobile and trailers	8,517,500	1,703.5	709,792
Plant & Equipment - Feedlot	3,989,613	797.9	332,468
Plant & Equipment - Abattoir & Meat Packaging	3,393,000	678.6	282,750
Plant & Equipment - Water Purificaion	1,820,000	364.0	151,667
Furniture and Equipment	-	-	-
Sub-Total	20,850,913	4,170.2	1,737,576

Other:

Capex - Land & Leassehold Improvement	2,000,000	400.0	166,667
Working Capital - New Funds	10,056,500	2,011.3	838,042
Working Capital - Operating Expenses	2,700,000	540.0	225,000
Sub-Total	14,756,500	2,951.3	1,229,708

Grand Total

35,607,413	7,121.5	2,967,284
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Timing of Funding To Be Raised Due To Difficulties in Financial Market Climate

Funding raised in Stage 1 - Yr 1	5,000,000	1,000.0	416,667
Funding raised in subsequent Stage 2 - Yr 2 and thereafter	20,000,000	4,000.0	1,666,667
Grand Total	25,000,000	5,000.0	2,083,333

ANNEXURE 2: ANALYSIS OF CAPEX

PHASE	#	REF.	DETAILS OF EQUIPMENT	QUANTITY	ORIGIN	PORT OF ENTRY	AMOUNT (CIF) BWP	AMOUNT (CIF) USD
ALREADY FUNDED CAPEX BY PROMOTER								
PRE-PILOT PHASE								
PRE-PILOT PHASE EQUIPMENT	1	PFL001	Stover chopping machines	4	Botswana	Tunduma	270,000	22,500
	2	PFL002	Scales	4	Tanzania	-	13,500	1,125
	3	PFL003	Bag stitching machine	1	Botswana	Tunduma	4,050	338
PRE-PILOT PHASE AUTOMOBILE	4	PFL004	Toyota Van	1	Tanzania	-	67,500	5,625
PILOT PHASE								
1. PILOT FEEDLOT CAPITAL GOODS - CONSIGNMENT 1	1	FLT001	Neck clamp	1	South Africa	Tunduma	11,773	981
	2	FLT002	Feed ration mixer	1	South Africa	Tunduma	48,288	4,024
	3	FLT003	Small StockHang Crate and Weight Reader Combo	1	South Africa	Tunduma	16,785	1,399
	4	FLT004	Livestock Prodder	1	South Africa	Tunduma	2,296	191
	5	FLT005	Cattle Scale and Weight Reader Combo	1	South Africa	Tunduma	20,777	1,731
	6	FLT006	Fodder Shredding Machine	1	South Africa	Tunduma	213,300	17,775
	7	FLT007	Pallet Scale and Weight Reader Combo	1	South Africa	Tunduma	22,344	1,862
2. PILOT FEEDLOT CAPITAL GOODS - CONSIGNMENT 2	1	FLT008	120KVA/150KW 3 Phase Generator	1	South Africa	Tunduma	162,000	13,500
	2	FLT009	Conveyor Belt 40metres for Feeding Troughs	40M	South Africa	Tunduma	10,800	900
TOTAL PRE-PILOT AND PILOT PHASE EQUIPMENT							863,413	71,951
TOTAL PILOT PHASE CAPITAL GOODS								
3. INHOUSE ABATTOIR CAPITAL GOODS	1	ABA001	Water Purification Plant to Produce Portable Water	1	China	Tunduma	520,000	43,333
	2	FEE002	Water Reservoir - 209,000cbm	1	Botswana	Tunduma	104,000	8,667
	3	ABA008	Abattoir Slaughtering Equipment	1	South Africa	Tunduma	1,170,000	97,500
4. 20TPH BATCHING PLANT CAPITAL GOODS	4	BAT001	20 TPH Livestock Batching Plant	1	China	Tunduma	1,820,000	151,667
	5	BAT002	Galvanised Silos	6	China	Tunduma	390,000	32,500
5. AUTOMOBILE	6	VEH002	Cattle Trailers	2	China	Tunduma	520,000	43,333
6. CATTLE PENS	7	BLD001	Cattle Pens	4	Botswana	Tunduma	520,000	43,333
TOTAL FUNDED PILOT PHASE CAPITAL GOODS							5,907,413	492,284
FULL OPERATIONAL PHASE								
UNFUNDED BY CAPEX								
1. AUTOMOBILE CAPITAL GOODS	1	ABA001	Portable water Bottling Plant	1	China	Dar Es Salaam Port	1,300,000	108,333
	2	ABA002	Effluent Treatment Plant	1	China	Dar Es Salaam Port	650,000	54,167
	3	ABA003	Lining for Pond for Treated Abattoir Effluent	1	South Africa	Dar Es Salaam Port	156,000	13,000
	4	ABA004	Boiler System for Abattoir	1	South Africa	Tunduma	117,000	9,750
	5	ABA005	Cold Rooms Refrigeration Systems	4	China	Dar Es Salaam Port	650,000	54,167
	6	ABA006	Extended Polystyrene Panels for Cold Rooms	2	China	Dar Es Salaam Port	650,000	54,167
2. AUTOMOBILE CAPITAL GOODS	1	VEH001	15 Tonnes Refrigerated Truck	2	China	Dar Es Salaam Port	1,560,000	130,000
	2	VEH002	40Ft Refrigerated Trailer	2	China	Dar Es Salaam Port	1,300,000	108,333
	3	VEH003	Sino Howo - Truck Head	4	China	Dar Es Salaam Port	2,600,000	216,667
	4	VEH004	10 HP - Tractor	2	China	Dar Es Salaam Port	390,000	32,500
	5	VEH005	Back Hoe - TLB	1	China	Dar Es Salaam Port	390,000	32,500
	6	VEH006	Front End Loader	1	China	Dar Es Salaam Port	260,000	21,667
	7	VEH007	Vertical Mixer	2	China	Dar Es Salaam Port	780,000	65,000
	8	VEH008	All Purpose Feed Carrier Trailer	2	China	Dar Es Salaam Port	130,000	10,833
	9	VEH009	Interlink Flatbed Trailer	1	China	Dar Es Salaam Port	260,000	21,667
	10	VEH010	Tipper Truck	1	China	Dar Es Salaam Port	260,000	21,667
3. FEEDLOT ASPECT CAPITAL GOODS	1	FEE001	Water Reservoir - 209,000cbm	2	Botswana	Tunduma	208,000	17,333
	3	FEE003	Neck Clamps	3	South Africa	Tunduma	35,100	2,925
	4	FEE004	Prodders	4	South Africa	Tunduma	13,000	1,083
	5	FEE005	Small Stock Hang Crate and Weight Reader Combo	2	South Africa	Tunduma	33,800	2,817
	6	FEE006	Cattle Scale and Weight Reader Combo	1	South Africa	Tunduma	58,500	4,875
	7	FEE007	Pallet Scale and Weight Reader Combo	1	South Africa	Tunduma	22,100	1,842
	4. BUILDINGS	1	BLD001	Construction of feed mill shell	1	Tanzania	Makambako	910,000
2		BLD002	Construction of abattoir shell	1	Tanzania	Makambako	910,000	75,833
3		BLD003	Construction of water bottling plant shell	1	Tanzania	Makambako	520,000	43,333
4		BLD005	Construction of feedlot pens and shades	1	Tanzania	Makambako	780,000	65,000
SUB-TOTAL UNFUNDED BY CAPEX							14,943,500	1,245,292
GRAND TOTAL - FUNDED & UNFUNDED BY CAPEX							20,850,913	1,737,576

Stage 1 equipment

ANNEXURE 2: ANALYSIS OF CAPEX

A Full Operational Launch					
Fixed Assets Classification Summary					
		Amount (P)	Amount (TZS)	Amount (USD)	
1	Leasehold land - Industrial & Feedlot land - Valtn	3,130,800	626,160,000	260,900	
2	Automobile and trailers	8,517,500	1,703,500,000	709,792	
3	Plant & Equipment - Feedlot	3,989,613	797,922,685	332,468	
4	Plant & Equipment - Abattoir & Meat Packaging	3,393,000	678,600,000	282,750	
5	Plant & Equipment - Water Purification	1,820,000	364,000,000	151,667	
	Grand Total	20,850,913	4,170,182,685	1,737,576	
Fixed Assets Classification By Funding					
1	Funded by Promoter	5,907,413	1,181,482,685	492,284	
2	Unfunded	14,943,500	2,988,700,000	1,245,292	
3	Grand Total	20,850,913	4,170,182,685	1,737,576	
B Phased Out Operational Launch - Stage 1					
Capex Already funded by Promoter					
	FOB (BWP)	CIF (BWP)	CIF(TZS)	CIF(USD)	
1	Water Reservoir - 209,000cbm	80,000	104,000	20,800,000	8,667
2	Abattoir Slaughtering & Meat Packaging Equipment	900,000	1,170,000	234,000,000	97,500
3	20 TPH Livestock Batching Plant	1,400,000	1,820,000	364,000,000	151,667
4	Galvanised Silos	300,000	390,000	78,000,000	32,500
	Sub-Total - Capex Already funded by Promoter	2,680,000	3,484,000	696,800,000	290,333
Unfunded Capex					
5	Cold Rooms Refrigeration System & Meat Packaging	500,000	650,000	130,000,000	54,167
6	Extended Polystyrene Panels for Cold Rooms	500,000	650,000	130,000,000	54,167
7	1 x Back Hoe - TLB	300,000	390,000	78,000,000	32,500
8	1 x Front End Loader	200,000	260,000	52,000,000	21,667
9	1 x Vertical Mixer	300,000	390,000	78,000,000	32,500
10	1 x Tru Test Cattle Scale, BT- Tag and Weight Reader Combo	45,000	58,500	11,700,000	4,875
11	Construction of feed mill shell	700,000	910,000	182,000,000	75,833
	Sub-Total - Unfunded Capex	2,545,000	3,308,500	661,700,000	275,708
	Grand Total	5,225,000	6,792,500	1,358,500,000	566,042
Summary of required funding for Stage 1 Capex					
		CIF (BWP)	CIF(TZS)	CIF USD	
1	Funding required to transport equipment to Makambako & customs duties	804,000	160,800,000	67,000	
2	Unfunded Capex	3,308,500	661,700,000	275,708	
	Total	4,112,500	822,500,000	342,708	
3	Working capital for purchasing livestock and feed input raws	887,500	177,500,000	73,958	
	Total capital required for Stage 1	5,000,000	1,000,000,000	416,667	
C Classification of Stage 1 Capex					
1	Leasehold improvements - Feedlot land - Valtn	934,000	186,800,000	77,833	
2	Leasehold land - Industrial & Feedlot land - Valtn	-	-	-	
3	Automobile and trailers	650,000	130,000,000	54,167	
4	Plant & Equipment - Feedlot	568,500	113,700,000	47,375	
5	Plant & Equipment - Abattoir	270,000	54,000,000	22,500	
6	Plant & Equipment - Water Purificaion	-	-	-	
7	Furniture and Equipment	-	-	-	
	Total Stage 1 Capex	2,422,500	484,500,000	201,875	
	<i>Stage 1 equipment</i>				