

## Annexure 2

### TANZANIA INVESTMENT CENTRE DAR ES SALAAM

#### PROGREESS 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

- a. Exclusively hybrid seeds production of cucurbits ( gherkins, cucumber, squash, sweet melon, water melon) and leguminous (climbing beans)

#### 2. Achievements made on the project implementation to date:

- a. Attached project implementation plan up to date.

(I.e. from the date the project was approved to the date of writing the report)

Describe the status of activities that have already been undertaken e.g.

Construction of buildings, acquisition of supplies, installation of equipment etc.

#### 3. Provide updated information on the following aspects;

| S/NO | Information                       | Description  | CURRENT Project Status  |
|------|-----------------------------------|--|---|
| 1.   | Shareholder's Information         | Current shareholder's names, nationality and percentage of ownership | 1. <b>ERIC SIKUJUA NG'MARYO – ( TANZANIAN) 51%</b><br>2. <b>JOSEPH GIOVINAZZO – ( FRENCH) 49%</b> |
| 2.   | Company communication Information | Email address  | <b>infochanikiwiti@cybernet.co.tz</b>   |
|      |                                   | Mobile Number  | <b>+255 782 575 232</b>   |
|      |                                   | Land line Telephone Number   |   |
|      |                                   | Physical Address (Plot No, Block No, Street, District and Region)    | <b>FARM NO. 251/1/2<br/>MACHAME RD, HAI, KILIMANJARO</b>  |
| 3.   | Contact Person                    | Name   | <b>BARBARA A. RICHARD</b>   |
|      |                                   | Position   | <b>GENERAL MANAGER</b>  |

|    |                     |   |   |
|----|---------------------|---|---|
|    |                     | Communication Details (Email, Mobile and telephone) | <a href="mailto:infochanikiwiti@cybernet.co.tz">infochanikiwiti@cybernet.co.tz</a><br><b>+255 782 575 232</b> |
| 4. | Incorporation       | Certificate of incorporation No                     | <b>115504</b>   |
| 5. | TIN information     | TIN Certificate No.                                 | <b>130-238-009</b>  |
| 6. | Project Objective   | Project Core Activity                               | <b>MULTIPLICATION AND PROCESSING OF FRUITS AND VEGETABLE SEEDS</b>  |
| 7. | Capacity            | Project capacity per Year                           | <b>12 TONS</b>  |
| 8. | Direct Employment   | Foreign -Men  | <b>0</b>  |
|    |                     | Foreign -Women                                      | <b>0</b>  |
|    |                     | Local-Men   | <b>24</b>   |
|    |                     | Local -Women  | <b>78</b>   |
| 9. | Indirect Employment | Estimated Total No.                                 | <b>45</b>   |
|    |                     | Type /areas of Indirect Employment                  | <b>CONSTRUCTION/TRANSPORT/SUPPLIERS OF GOODS &amp; SERVICES/LOCAL CONSULTANTS.....</b>                        |

#### 4 Project Financial Expenditure to date (TSHS):

|                            | <b>Foreign (USD)</b> | <b>Local (TSHS)</b> | <b>Total (USD)</b> |
|----------------------------|----------------------|---------------------|--------------------|
| Land and Buildings         |                      | 390,000,000         |                    |
| Plants and Machinery       |                      | 82,000,000          |                    |
| Vehicles                   |                      | 35,000,000          |                    |
| Furniture                  |                      | 14,000,000          |                    |
| Office equipments          |                      | 6,000,000           |                    |
| Insurance Cover            |                      | 1,800,000           |                    |
| Pre-operational expenses   |                      |                     |                    |
| Working sub- total capital |                      | 788,000,000         |                    |
| <b>GRAND TOTAL</b>         |                      | 1,316,800,000       | 568,812            |

#### 5 Project Financing

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

- a) Self financed capital expenses
- b) Buyer pre-payments

- c) Loan from a local Bank (Final repayment to be completed by the end of this year at 15% fix rate)

|                         | Amount (TSHS)      | Source Country |
|-------------------------|--------------------|----------------|
| Local Equity            | 267,000,000        | Tanzania       |
| Local Loans             | 250,000,000        | Tanzania       |
| Foreign Equity          |                    |                |
| Foreign Loans           |                    |                |
| <b>Total Investment</b> | <b>517,000,000</b> |                |

## 6. Problems and Solutions

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

- a) The main constrain was the COVID 19 crisis, forcing us to suspend our French beans production project dedicated as fresh produce for export. Transport logistics, air freight availability and cost been prohibitive increasing our cost of production drastically. Fresh produce cannot be stored as a perishable. The situation been exacerbated by the actual geopolitical crisis (fuel, steel, polyethylene plastic, fertilizers etc...prices increase). To overcome the situation the company decided to focus exclusively on vegetable hybrid seeds production by securing more consequent contracts from our buyer, and securing new contracts with other seeds companies. The production returns per meter square are higher for a lesser weight compared to fresh vegetables, the final product can be stored for months with no quality issues availing us more security on air-freight availability. Basically this is what saved our business from the 2020 to 2021 COVID 19 crisis.

## 7. Future Plans

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

- a) We are planning to increase our production by 50%, with a 2 Hectare high-tech steel frame green-houses expansion. For this purpose we are in a process to secure a loan to the tune of TSHS 1,000,000,000. Thanks to the efforts of the government through BOT into reducing commercial banks interest up to 9% on reducing balance.

## 8. Recommendations and any other comments

I would like to commend the efforts of the Tanzanian government, and it's institutions such as TIC to enable a better investment environment for a country with a huge potential in agriculture and many other sectors.

**CHANI KIWITI COMPANY LIMITED  
PROJECT IMPLEMENTATION PLAN**

| N°  | Activity   | Years       |                       |         |       |
|---|--|-------------|-----------------------|---------|-------|
|   |  | 2019        | 2020                  | 2021    | 2022  |
| <b>1. VEGETABLE PROJECT / suspended converted into seeds production</b> |  |             |                       |         |       |
| 1.1   | Complete irrigation system 8,4 Hectares  | Done        | Seeds                 | Seeds   | Seeds |
| 1.2   | Acquisition of a new Tractor 50 Hp   |             |                       | Done    |       |
| 1.3   | Acquisition of Farm Implements ( riper, and bed ridger )                         |             | Done                  |         |       |
| 1.4   | Expansion of Fine beans production into sugar cane field crop rotation 125 Acres | In progress | closed                |         |       |
| 1.5   | Acquisition of a 40 Feet container   | Done        |                       |         |       |
| <b>2. HYBRID SEEDS PRODUCTION PROJECT / main priority</b>               |  |             |                       |         |       |
| 2.1   | Construction of 1 Hectare insect proof shade net house                           | In progress | Done                  | +2 done |       |
| 2.2   | Drip irrigation system for 1 Hectare   |             | Done                  | +1 done |       |
| 2.3   | Starting construction of the second shade net house 1 Hectare unit               |             | Done                  |         |       |
| 2.4   | Construction of the propagation unit and extraction plant                        | In progress | Done                  |         |       |
| 2.5   | Construction of 0,5 Hectare steel frame green-house                              |             | Done<br>0,5<br>hectar |         | +2    |