

RAGRISA-RTS KUKU LIMITED

FEASIBILITY STUDY

ON

MUHEZA ANIMAL FARM

(Application made under regulation 42 of TIC Act No 26 of 1997)

SUBMITTED TO TANZANIA INVESTMENT CENTRE

**DECEMBER, 2021
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0.0 Overview

The United Republic of Tanzania and United States of America have long unyielding relationship. The cooperation between these two countries ranges from Health, Farming, science and technology, social development and research, just to name a few.

Within such lines has cheeped in Tanzania and become a resident company after being incorporated under companies Act, 2002, under the laws of Tanzania. With its official launch, EPZA through business overseas has managed to incorporate a resident company in Tanzania in the name of Ragrisa-RTS Kuku Limited. This focuses its competencies on the animal farming sector which is the largest part of the EPZA Portfolio;

- Thanks to EPZA upgrading and expansion as well as advancement into overseas markets. **Ragrisa-RTS Kuku Limited** and EPZA has grown substantially whereby Ragrisa-RTS Kuku Limited in Tanzania shall undertake importation investment line.
- Ragrisa-RTS Kuku Limited will establish Cattle Farming - Animal Husbandry in Tanga region.
- With the launch of **Ragrisa-RTS Kuku Limited**, establishes a platform for initiating new businesses and developing overseas businesses Through Ragrisa-RTS Kuku Limited.

The business of **Ragrisa-RTS Kuku Limited** will be managed by highly skilled and experienced professionals with hands-on the project in close working relationship with the Managing Director

1.0 INTRODUCTION

Ragrisa-RTS Kuku Limited is a limited liability company incorporated in the United Republic of Tanzania under Section 15 of companies Act, 2002 with Reg. No. 152983093 dated 11st August, 2021. The investment is geared to provide establish Cattle Farming - Animal Husbandry.

1.0.1 Cattle Farming - Animal Husbandry

Since the time immemorial, animals have been an integral part of our food. They have been used to obtain food like milk, eggs, meat, etc. Other than the food, we use them even for some basic requirements like hides and skins, bones, manure-biogas, labor, etc. The population has reached its peak especially in a country like Tanzania. The population explosion has led to greater demand for basic requirements such as food, shelter, clothing, etc. To meet the increasing requirements and demands we need to apply a greater effort. One of such efforts

to meet the food demand is animal husbandry. Animal husbandry includes cattle farming, poultry farming, fisheries, apiculture, etc. in this project we will proceed to put together cattle, goat and chicken farming.

1.0.2 Animal Husbandry

Animal husbandry is the science of farming of animal livestock. It includes caring, breeding and management of livestock. Animal husbandry is a large-scale business where animals that provide us food are reared, bred, sheltered, and cared in a farm or regions which are specially built for them. Animal husbandry was initiated with cattle farming. Under the cattle farming, livestock such as cows, goats, buffalo, sheep, etc. are reared. Later, animal husbandry was even extended to poultry farming, fisheries, apiculture, etc. And this extends a helping hand to increasing needs of the generations.

1.0.3 Cattle Farming

Cattle farming involves rearing and management of two types of animals- one group for food requirements like milk and another for labor purposes like ploughing, irrigation, etc. Animals which provide milk are called milch/dairy animals. For example, goats, buffalo, cows, etc. Animals which are used for labor are called draught animals.

Since dairy animals are cared and bred for milk, we need to improve the milk production to meet the requirements. The period after the birth of a calf, when a cow starts to produce milk, is called lactation period. We can enhance milk production by increasing this lactation period. But along with milk production, quality must also meet. Dairy farm management is the management of the milch animals with the goal of enhancing the quantity and quality of the milk produced. For this reason, high yielding and disease resistant breeds are developed.

For example, the foreign breeds like Jersey, Holstein-Friesian, Brown Swiss, have long lactation period while local breeds like Tanzania Short Zebu (TSZ), Maasai, Sukuma, Tarime, Iringa Red, Mkalama Dun, Singida White, Mbulu, Gogo, Chagga, Pare, Fipa and Zanzibar are known for their disease-resistant trait. The breeding of these two varieties helps us to enhance the quantity and quality of the milk produced.

The Mpwapwa Breed is a cross between the European and the Local breed.

1.0.4 Farm Management

Cattle farming are not all about milk or meat production. It has some responsibilities to do. To meet the human requirements, we need to take good care and need proper management of livestock.

Shelter

In cattle farming, animals are maintained in a strictly hygienic manner with proper housing. For the maintenance, we need to follow some routines.

- Animals and their sheds need to be cleaned at a regular interval.
- Animals should be brushed regularly to remove the dirt and bugs in their body.
- The shed should be well-ventilated and roofed so that animals are protected from rain, heat, and cold.
- A proper drainage system should be there to remove animal waste.

1.0.5 Food requirements

Food requirements of animals are also a part of cattle farming. To maintain high yielding and disease-resistant breeds, they must be provided with an adequate water supply and nutrient-rich fodder regularly according to their needs. In cattle farming, two factors are considered regarding the food of cattle. The food that is provided must keep the animal health as well as it should meet the farming requirement. Hence, the animal feed includes roughage (high fibre content) and concentrates (high proteins and nutrient content). In addition to this, supplements containing micronutrients are also provided to animals. An adequate proportion of these rations promote healthy and high output animals.

1.0.6 Disease Management

The third responsibility of cattle farming management is to maintain disease-free breeds. Animals are not an exception to disease. They also suffer from numerous diseases. This may affect the health as well as productivity of animals; even cause their death. Parasites, bacteria, and viruses are the major villains here. These microbes infect the cattle externally as well as internally. Vaccination is the one solution for the protection against bacterial and viral infections.

Observations

a. Splenic fever

- FMD
- Anthrax
- Cowpox
- Mastitis

N.B The other name for Splenic fever is Anthrax

b. Galactopoietic

The maintenance of milk production is referred to as galactopoiesis. This phase needs prolactin. For the milk let-down reflex to be generated, oxytocin is crucial for the response of suckling. Galactorrhea is the production of milk that is irrelevant to the process of nursing.

1.0.7 The Management

- a. Samwel Kilua Mhina- Managing Director
- b. Francis Kiaga- Human Resource Director
- c. Hamis Cuthbert Zayumba- Veterinary Doctor- COO
- d. Makame Seif- Public Relations

- **The Expatriates**

1. Rashid Grinage
2. Saveer Khan
3. Tayeeb Grinange

- **Technicians**

- a. District Health Officer as consultant overseeing the hiring of local youth
- b. Local youth 100 people, 50/50 % male to female ratio

- **Security**

- a. Hebert Mhilu with Kassi Security
- b. Makame Sief overseeing the employment of the local youth
- c. Local youth 30 people

1.0.8 Required buildings and equipment

- **Veterinary Clinic Building with**

- Office
 - Laptops
 - Printer
 - Data Router
 - Solar power
 - Furniture
- Kitchen
 - Kettle and cups
 - Refrigerator and plates and knives and forks
 - Microwave and airframer
- Operation room
- Laboratory
- Pharmacy
- Storage room
- Disease control Unit/
 - Animal Washing Place/ Dip

- **Animal Housing and Requirement**

- 5 Animal Sheds, 50 animals each for cattle

- 5 Animal Sheds, 100 goats each shed
- 5 sheds for Chickens broiler 1,000 birds per shed
- 5 sheds for layers chickens with battery cages with 1,000 birds per shed
- **Processing Units**
 - Feed manufacturing plant
 - Premix storage
 - Grain Storage
 - Fishmeal storage
 - Foster Milk Production Plant
 - Slaughter Shed- Abattoir
 - Meat Packaging Plant- Halal
 - Milk Pasteurising Plant
 - Cheese Processing Plant
- **Transportation**
 - 3 Quad Bike with carry unit for field attention
 - 2 Toyota Hilux Double Cab Truck
 - 3 ½ ton light truck for produce transport
 - 30-ton truck for transportation
- **Equipment**
 - Hay Harvester
 - 2 units 4x4 Farm Tractor
 - Harrow 2 pieces
 - Plough 2 pieces
 - Planter 2 pieces
 - Spray unit 2 pieces
 - Backhoe unit
 - Trailer 2 pieces for tractor

1.1 Legal Status

The Company is a limited liability company which was registered under certificate of Incorporation No. 152983093 on the 11st August, 2021. The Company has office at Plot No. 1119, Block D Makongo Area Kinondoni District. It has also been registered as a tax payer by Tanzania Revenue Authority (TRA) under **TIN Registration Certificate No. 152-983-093** with effect from 11st August, 2021. Also the company has Valid Business License with effect from 18th March, 2022 to 15th March, 2013.

1.2 Authorized Share Capital

The authorized share capital of the company is 10000 shares of Tanzania Shillings Ten Million (Tshs. 10,000,000), with the power for the company to increase or reduce the same and to issue any part of the original or the increase with or without preferences, priority or special privilege. See attachment 3-Memorandum and Articles of Association (Tshs.10,000,000) divided into 100 ordinary shares valued 10,000 each.

1.3 Present Shareholders and Directors

- a. Samwel Kilua Mhina with 5100 allotted shares
- b. Roger Sheridan Grinage with 2450 allotted shares
- c. Tayeeb Bin Rasheed Grinage with 2450 allotted shares

1.4 Planned Activities for the Period

Proposal activities included:

- Milk cattle farming for extensively milk production
- The draught cattle widely used for the labor in association with streams like agriculture where they are used in carting and irrigation
- To increase the overall revenue for the farmers and improves their standard of living
- To collect and process animal waste to be produced as a source of manure for soil enrichment and as a source of biofuel.

1.5 The Business

The development focus on increasing more capital and invest more on Cattle Farming - Animal Husbandry, on so doing the projected capital investment and strengthening of its present capacity and activities to meet the international standards.

1.6 Investment

So far the company has planned to invest to the tune of US \$ 1,067,700 million; these are buildings for storage and office, plant and machinery, technological tools and equipment, Motor Vehicles, preoperational expenses and working capital. The Company intends to re-investment by constructing a buildings and all necessary amenities to become fully fledged. This means capital seeding of USD \$1,067,700 million as illustrated in the financial expenditure, the funds is sourced from the directors.

1.7 Project Benefits.

Animal husbandry is of paramount importance in Muheza, listed below are some chief points stating its importance:

- To provides livestock production
- It is an indispensable part of the process of crop farming which significantly contributes to the household food security and community nutrition
- Animal husbandry provides some main products such as wool, skin, and mutton that are obtained from the sheep
- Milk is produced by cows, goats, etc.
- It provides a means to curb poverty through a rise in the household income
- Crop-farming is formed by an elemental part, the livestock production by participating in poverty elevation via increased income.

1.8 Business project implementation period

Registration Certificate has identified a number of potential clients where PPP will be deployed as per bellow schedule;

IMPLEMETATION SCHEDULE

Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22
Land acquisition	Building construction	Herd acquisition				
Registration with the relevant authorities	Registration with the relevant authorities	Registration with the relevant authorities				
Road construction, equipment hire- TZS 210,000	Road construction, equipment hire- TZS 210,000	Road construction, equipment hire- TZS 210,000	Road construction, equipment hire- TZS 210,000	Road construction, equipment hire- TZS 210,000	Road construction, equipment hire- TZS 210,000	Road construction, equipment hire- TZS 210,000
Water tank project- raw materials						
				Secondary School construction two blocks- raw materials	Secondary School construction two blocks- raw materials	Secondary School construction two blocks- raw materials
					Dispensary Building- raw materials	Dispensary Building- raw materials
	Construction company award and installation	Construction company award and installation	Construction company award and installation	Construction company award and installation	Construction company award and installation	Construction company award and installation

	Employment of security company and employees	Employment of security company and employees	Employment of security company and employees	Employment of security company and employees	Employment of security company and employees	Employment of security company and employees
		Employment of farm workers	Employment of farm workers	Employment of farm workers	Employment of farm workers	Employment of farm workers
	Hiring of technicians for plant equipment	Equipment acquisition	Management of plants	Management of plants	Management of plants	Management of plants
	Transportation purchase	Management of vehicles	Management of vehicles	Management of vehicles	Management of vehicles	Management of vehicles
	Hiring of Drivers for vehicles and operators of equipment					Hiring of Drivers for vehicles and operators of equipment

2. Investment and re-investment

The project planned to make further investments in order to expand the business project up and running at 1,067,700 million USD from the initial capital investment; refer the summarized table below:

Required buildings and equipment				
☑ Veterinary Clinic Building with				
○ Office				
	Qty	UPrice	Total	Sub-total
§ Laptops	5	\$ 1,000	\$ 5,000	
§ Printer	1	\$ 1,000	\$ 1,000	
§ Data Router	2	\$ 100	\$ 200	
§ Solar power	4	\$ 1,000	\$ 4,000	
§ Furniture	6	\$ 1,000	\$ 6,000	\$ 16,200
○ Kitchen				
§ Kettle and cups	1	\$ 100	\$ 100	
§ Refrigerator and plates and knives and forks	1	\$ 1,000	\$ 1,000	
§ Microwave and airtier	2	\$ 200	\$ 400	\$ 1,500
○ Operation room				
§	1	\$ 2,000	\$ 2,000	
○ Laboratory				
§	1	\$ 5,000	\$ 5,000	
○ Pharmacy				
§	1	\$ 5,000	\$ 5,000	
○ Storage room				
§	1	\$ 2,000	\$ 2,000	
○ Disease control Unit/				
§ Animal Washing Place/ Dip	1	\$ 2,000	\$ 2,000	\$ 16,000
☑ Animal Housing and Requirement				
○ 5 Animal Sheds, 50 animals each for cattle				
§	1	\$ 5,000	\$ 5,000	
○ 5 Animal Sheds, 100 goats each shed				
§	1	\$ 5,000	\$ 5,000	
○ 5 sheds for Chickens broiler 1,000 birds per shed				
§	1	\$ 5,000	\$ 5,000	
○ 5 sheds for layers chickens with battery cages with 1,000 birds p				
§	1	\$ 5,000	\$ 5,000	\$ 20,000
☑ Processing Units				
○ Feed manufacturing plant				
§ Premix storage	1	\$ 5,000	\$ 5,000	
§ Grain Storage	1	\$ 5,000	\$ 5,000	
§ Fishmeal storage	1	\$ 5,000	\$ 5,000	
§ Foster Milk Production Plant	1	\$ 5,000	\$ 5,000	
○ Slaughter Shed- Abattoir				
§	1	\$ 30,000	\$ 30,000	
○ Meat Packaging Plant- Halal				
§	1	\$ 30,000	\$ 30,000	
○ Milk Pasteurising Plant				
§	1	\$ 30,000	\$ 30,000	
○ Cheese Processing Plant				
§	1	\$ 30,000	\$ 30,000	\$ 145,000
Transportation				
☑ 3 Quad Bike with carry unit for field attention				
§	3	\$ 2,000	\$ 6,000	
☑ 2 Toyota Hilux Double Cab Truck				
§	2	\$ 60,000	\$ 120,000	
☑ 3 ½ ton light truck for produce transport				
§	1	\$ 90,000	\$ 90,000	
☑ 30-ton truck for transportation				
§	1	\$ 120,000	\$ 120,000	\$ 336,000
Equipment				
☑ Hay Harvester				
§	1	\$ 100,000	\$ 100,000	
☑ 2 units 4x4 Farm Tractor				
§ Harrow 2 pieces	2	\$ 6,000	\$ 12,000	
○ Plough 2 pieces	2	\$ 6,000	\$ 12,000	
○ Planter 2 pieces	2	\$ 4,000	\$ 8,000	
○ Spray unit 2 pieces	2	\$ 3,000	\$ 6,000	
○ Rotor Disc unit 2 pieces	2	\$ 5,000	\$ 10,000	
☑ Backhoe unit				
§	1	\$ 45,000	\$ 45,000	
☑ Trailer 2 pieces for tractor				
§	2	\$ 5,000	\$ 10,000	
Salaries				
§	12	\$ 20,000	\$ 240,000	\$ 533,000
Grand total				\$ 1,067,700

2.1 Projected Accounts:

- i. Forecast accounts on investment plan
- ii. Forecast accounts on economic depreciation
- iii. Forecast accounts on working capital
- iv. Projected income and loss statements
- v. Projected cash flows statement
- vi. Projected balance sheet
- vii. Projected discounted cash flow
- viii. Investment profitability analysis and sensitivity analysis

3.0 Appendices

i. Appendices no: 1
Salary and wages

Fixed Variables Designation	No. of Employees	USD Salary per Month	Projections				
			USD Year 1	USD Year 2	USD Year 3	USD Year 4	USD Year 5
Managing Director	1	1,800	21,600	21,600	21,600	21,600	21,600
Secretary/Legal Officer	1	2,000	24,000	24,000	24,000	24,000	24,000
Accountant	1	2,000	24,000	24,000	24,000	24,000	24,000
Acc Clerks	4	1,500	72,000	72,000	72,000	72,000	72,000
Lecturers	1	1,600	19,200	19,200	19,200	19,200	19,200
IT Staff	2	800	19,200	19,200	19,200	19,200	19,200
Electrical technician	1	600	7,200	7,200	7,200	7,200	7,200
Technicians	3	400	14,400	14,400	14,400	14,400	14,400
Drivers	3	300	10,800	10,800	10,800	10,800	10,800
Cleaners	16	300	57,600	57,600	57,600	57,600	57,600
Clerk/Sales	4	400	19,200	19,200	19,200	19,200	19,200
Front desk Clerk	1	400	4,800	4,800	4,800	4,800	4,800
Bursar	1	500	6,000	6,000	6,000	6,000	6,000
Security Guards	10	900	108,000	108,000	108,000	108,000	108,000
Motor V. Mechanical attendant	1	400	4,800	4,800	4,800	4,800	4,800
Total	50	13,900	412,800	412,800	412,800	412,800	412,800

ii. Appendices no: 2
Semi variables

Particulars	USD Per Month	Projections				
		USD Year 1	USD Year 2	USD Year 3	USD Year 4	USD Year 5
Administrative Costs						
Land Rent	-	500	500	500	500	500
Travelling & Accommodation	300	3,600	3,600	3,600	3,600	3,600
Office Costs	120	3,120	3,120	3,120	3,120	3,120
Cleaning & detergents	20	240	240	240	240	240
Advertising	30	800	800	800	800	800
Newspapers & Periodicals	450	5,400	5,400	5,400	5,400	5,400
Sub- Total	920	13,660	13,660	13,660	13,660	13,660
Community Welfare						
Education & Health	-	3,500	3,500	3,500	3,500	3,500
Environmental up keep	50	5,500	5,500	5,500	5,500	5,500
Council Levies		600	600	600	600	600
Sub-Total	50	9,600	9,600	9,600	9,600	9,600
Staff Welfare						
Medical Expenses	100	3,000	3,000	3,000	3,000	3,000
NSSF	1,390	41,280	41,280	41,280	41,280	41,280
Sub Total	1,490	44,280	44,280	44,280	44,280	44,280
Storage, Transport, Marketing & Distribution						
Marketing Costs		3,200	3,200	3,200	3,200	3,200
Storage Costs		900	900	900	900	900
Transport Costs		2,600	2,600	2,600	2,600	2,600
Handler		1,200	1,200	1,200	1,200	1,200
Sub -Total		7,900	7,900	7,900	7,900	7,900
Running Costs						
Insurance		2,500	2,500	2,500	2,500	2,500
Motor vehicle Running & Maintenance		8,250	8,250	8,250	8,250	8,250
Fuel for generator		1,300	1,300	1,300	1,300	1,300
Sub-Total		12,050	12,050	12,050	12,050	12,050
Grand Total		87,490	87,490	87,490	87,490	87,490

Income

Training	425,000	425,000	425,000	425,000	425,000
Other services	1,475,000	1,475,000	1,475,000	1,475,000	1,475,000
Total	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000

4.0 List of Attachments:

1. Application form dully filled
2. Board of Resolution
3. The Memorandum and Article of Association
4. Certificate of Incorporation
5. Taxpayer Identification Number (TIN)
6. Tax Clearance Certificate
7. Lease Agreement
8. TIC official receipt for application and registration fees
9. Bank statement
10. Directors IDs