

BUSINESS PLAN
OF
UNION AGRO LIMITED

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UNION AGRO LIMITED

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1: EXECUTIVE SUMMARY

The business will be named as **Union Agro Limited** which will basically dealing with the cultivation Cereals and Legumes, The Main Product which company will engage with Farming, Processing And Selling Sunflower oil, Maize Flour and Soya Beans. Business will apply direct sales method through opening sales centers in Kigoma and the regions for easy supply of products to the customers.

Due to rapid increase in demand for whole meal flour and Soya Beans, many people find themselves in need of our products. In one way or another people will need some sort of quick delivery and reliable availability of the products we are supplying. We target to serve small sized whole sellers, retailers, individuals, schools, restaurants and universities. all the preparations necessary for the commencement of the business are currently underway to ensure that the business begin its operations as planned, the production area will be located at Kasulu in Kigoma region whereby the business have Farm.

The total amount required to establish the business is **TZS 3,592,984,397** however the business depends on Funds from Directors. On other side, when the business continues escalating its capital base, there will be other sources of financing such as borrowing from financial institutions.

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2.0 BUSINESS DESCRIPTION

2.1 Industry overview

The proposed business will bear the name of **Union Agro Limited**. The business will involve in Farming and supplying Maize Flour, Soya and Beans, Sunflower oil to the potential customers at reasonable price.

The targeted major customers of the business will be the local people. The market of Maize Flour, Soya Beans and Sunflower oil products are reliable due to the fact that the demand of These products currently is very high.

The business target is to meet the local demand in Kigoma and nearby regions as the business future plan by offering better and quality Maize Flour, Soya Beans and Sunflower oil in the country.

The production center will be located at Kasulu area in Kigoma region.

2:2 BUSINESS DESCRIPTION

2:2:1 VISION

The business aim to be leading suppliers of quality Maize Flour, Sunflower oil, Soya Beans in Tanzania and global exporter of Sunflower oil Cake

2:2:2 MISSION

The business will basically be supplying of quality sunflower oil, Maize Flour, Soya and Beans. Also intends to induce advanced farming techniques of Cereals Products so as to increase outputs.

2:2:3 OBJECTIVES

The main objectives of business for the coming business year are as follows: -

- (i) To become a recognized and leading quality sunflower oil, Maize Flour, Soya Beans in the country.
- (ii) To become a recognized and leading quality Exporter of Sunflower Oilcake
- (iii) Increase the market share of **Union Agro Limited** at 15% annually.
- (iv) Generate efficient profit to become financially sustainable and be able to grow to another level.
- (v) To use the applied Funds effectively and generate more cash so as to be able to meet day to day business obligations together with the loan repayment installments.

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- (vi) To accumulate enough funds to be able to improve the quality of our products.

2:2:4 PROJECT VIABILITY

There is a high possibility for this project to be successfully due to the fact that the demand for the product is high. The increase of demand is due to change of customer's preference from abroad products (foods) locally (fresh) produced products.

Quantity and quality Gap; in terms of quantity the current suppliers do not meet the demand in the market sometimes, Wholesalers intend to buy in bulk Maize Flours, Soya Beans and Sunflower oil. Also, quality of Many Producers of sunflowers, Maize flours and Soya Beans is lower, that will be advantageous to the business to dominate the market.

2:2:5 GOALS

The business will provide high quality Maize Flour, Soya a Beans, Sunflower oil and Sunflower oil cake to the potential customers around Kigoma and other nearby regions.

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2:3 PRODUCT DISCRPTION

Maize Flour, Soya Beans and Sunflower oil as the main product can be consumed almost 95% of all Tanzanians. Likewise, oil cake as by – product used as food for animal that raise its market valued to 600 Tshs per kg during scarcity and 200Tsh per kg during harvest season that also act as product line.

2:4 BUSINESS POSITIONING

The business will offer a higher-level quality of sunflower oil, maize flour and Soya Beans All processed product will be well packed and labeled after standard preparation. Also, the business expects to make permanent supplying contracts of the products to the customer

2:5 BUSINESS PRICING STRATEGY

The selling price will be calculated based on cost methods, where by all the costs will be considered including production costs, delivery costs, marketing costs and other costs in arriving at the price per unit.

However, in setting the selling price the government controls that may limit the high price charged for our products and the prices charged by our competitors will be considered.

The selling prices will be fixed for short-tern however they will be variable to reflect the changes regarding the factors (internal and external) that may have impacts on overact costs.

The selling price will range differently depending with the package of the product. Also, business intends to offer credit period of one week to customers who buy in bulk. The table below show currently Maize Flour, Sunflower oil and Soya Beans prices

i. Price variation in Kigoma for Sunflower oil in 2022

Package (in litres)	Price During scarcity	Price During harvest
20	100,000	80,000
10	50,000	40,000
5	25,000	20,00
3	15000	12,000
2	10000	8000
1	5000	4000

NB. All calculations base on 20 litters price

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ii. Maize Price in 2022

Package (in Kg)	Price During scarcity	Price During harvest
80	80,000	64,000
50	50,000	40,000
20	20,000	16,000
10	10,000	8,000
5	5,000	4,000
1	1,000	800

NB All Calculations base on 80 Kg Price

iii. Soya Beans Price in 2022

Package (in Kg)	Price During scarcity	Price During harvest
70	192,000	160,000
50	120,000	100,000
20	48,000	40,000
10	24,000	20,000
5	12,000	10,000
1	2,400	2,000

NB All Calculations base on 70 Kg Price

2:6 CONTRIBUTION TO LOCAL ECONOMY

Union Agro Limited after its establishment will be beneficially to the individuals and country at large. The business will contribute in several ways to the economy as follows.

Promote Green revolution (Kilimo kwanza) with the introduction of **Union Agro Limited** in Kigoma will assure market for farmers likewise the company will provide advice on advanced farming techniques to farmers in long run, that will automatically encourage agricultural activities to the farmers in regions like Kigoma, Rukwa, Tabora Singida, and Geita where the company intends to concentrate as source of inputs in long run.

Employment to citizen; the operation of the company will require many manpower to be employed, that will provide jobs to many people. Through assured market of Maize Flour, Soya Beans and sunflowers oil, it will encourage many people to be employed in farming of Maize, Soya Beans and sunflower as a result high employment to be attained in the region. Likewise, the business intends to employ several skilled and semi-skilled personnel for operation of the company apart from the Directors

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Contribution to GDP, the establishment of the **Union Agro Limited** will result into growth of Gross Domestic Product. Likewise, there will be contribution of revenues to the country through income tax and other lawful contributions.

High quality products of Maize, Maize Flours, Soya Beans and sunflowers seeds: Expects to provide education concerning with productions of These Products to different groups of the farmers, from these include individuals, groups and large-scale famers. On providing the education will be assisted by a non-government organization that found in Kigoma LRDC

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3:0 PRODUCTION PLAN

3:1 PROJECT PLAN

The business will involve Three major stages of operation in long run during its lifetime. The table below show stages with respective activities to be taken: -

YEAR OF OPERATION	YEAR	STAGE	TASKS	SOURCE OF FUND
ONE	2022	I	<ul style="list-style-type: none"> >Company Registrations >Purchases of Land hacker 500 >Purchases of Machines & Equipment's >Purchases of Trucks >Preparation of Farms 	Funds depends from Directors
TWO	2023	II	<ul style="list-style-type: none"> > Purchases of sunflower seeds from farmers >Purchases of Maize(seeds) > Purchases of Soya Beans(seeds) > Farming >Harvesting >Processing >Packaging >installation of Silo 5000tones, 2000 tones ,1000 tones >Improving Marketing & selling techniques >Applying Export Permit to Export Sunflowers oil cake 	Funds depends from Directors
Exactly one to Three Years	2024-2027	II	<ul style="list-style-type: none"> >To be Large Exporter of Sunflowers Oil Cake Worldwide >Open buying centers for Maize Flour, Soya beans, Sunflower oil And Sunflower oil Cake To be Larger Supplier of Sunflower Seeds, Soya Beans >Provide Seeds Loans to farmers around Kigoma, Tabora and singida >Purchases & harvest of inputs (sunflower) >Processing >Packaging 	Profit will be re invested
Depend from financial situation.	2027	III	<ul style="list-style-type: none"> >All stage two activities will be done in stage Three >Establish Other projects like Livestock Keeping especially pigs and cow who will feed oil Cakes 	This project will depend from company's funds

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3:2 PRODUCTION PROCESS

i. Sunflowers Oils, Maize Flour & Soya Beans

In order to have sunflower oil, there are several processes that are taken in processing of the inputs. below are the stages as classified in table below: -

- **Inputs;** Raw materials used in producing Maize Flour, Sunflower oil, Soya Beans are basically Maize Seeds, Sunflower seeds and Soya Beans Respectively only. Most of inputs are produced in Kigoma, Dodoma, Singida, and Manyara regions in Central Corridor of Tanzania.
- **Cleanness;** After arrival of raw material at the Production Area, the first thing is to clean them by removing all foreign matters, stones and sands. It's done with help of cleaner and destoner machine. It aims to get pure seeds ready for refining them.
- **Dehusking;** it involves sheller machine that deals with removing of husk. The process simply called as shelling.
- **Pressing;** this is the process of separating oil with sunflower cake, Process Maize to Maize flour. The machine used For Sunflower is oil expeller machine. Here is stage where oil is extracted from sunflower seeds.
- **Filtering;** oil extracted from sunflower seeds at pressing stage, usually are not clean. So further cleanness to get pure oil is done through filtering them to remove residue.
- **Packaging;** Maize Flour, Soya Beans and Pure Sunflower oil will be packed in different packages as 20liters, 10liters, 5liters, 3liters, 2liters and 1liters ready for sales.

3:3 PRODUCTION OPERATION

3:3:1 DESIGN OF THE PRODUCT

The product to be offered by **Union Agro Limited** have Beans designed in such a way that the large customers will acquire products directly from supplying centers and business expect to offer direct resident delivery to the customers who order (buy) in bulk.

3:3:2 TECHNOLOGY TO BE USED

Business expects to buy advanced machine (plants) which is modern one for ensuring quality products. Sunflower oil machine and Maize Planter. Also, the business will improve package of the Maize Flour and Sunflower oil so as to ensure high quality.

More seriously to ensure the high quality of sunflower oil, the company will use advanced filter with model.

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3:3:3 LOCATION OF VENTURE

The production area for this business will be Kasulu area located in Kigoma where Company Own **500** hectares however Business will start with **260** hectares in Production, Company expects to build grain Storage Facilities with Volume **5000 tones**, **2000 tones** and **1000Tones**. But Also we expect of adding Administration buildings in the near future as business expand and grows from its dealings.

3:3:4 FACILITY AND CAPACITY

There are several facilities or equipment needed in the business of Maize Flour, Sunflower oil and Soya Beans Production where Maize Flour, Soya Beans and Sunflower oil will be the main products and oilcake will be targeted to be exported

The list of equipment and Facility together with their respective price: -

COST OF FIXED ASSETS					Exchange Rate 1\$=2300TZS
TYPE OF ASSET	QTY	LIFE SPAN	PRICE	TOTAL COST	COST -USD EQUIVALENT
Trucks	3	20	116,019,886	348,059,657	151,330
Grain Storage Facility					
✓ Silo 5000 tones	1	20	1,292,526,400	1,292,526,400	561,968
✓ Silo 2000 Tones	1	20	646,263,200	646,263,200	280,984
✓ Silo 1000 Tones	1	20	316,045,300	316,045,300	137,411
Trailers	2	20	37,271,210	74,542,420	32,410
Tractors	1	20		48,705,600	21,176
Disc plough	1	8		15,470,800	6,726
Maize Planter	1	8		14,532,000	6,318
Harrow (e.g., Spike harrow, Drag harrow, Disk harrow)	1	3		13,113,980	5,702
Sprinkler system irrigation	1	3		11,705,120	5,089
Computer & Printer	2	3	500,000	1,000,000	435
Cleaner & Destoner	1	8	12,500,000	12,500,000	5,435
Oil Expeller	1	6	35,000,000	35,000,000	15,217
Weight balance	1	8	3,000,000	3,000,000	1,304
Tank & Pipe	1Set	4	8,000,000	8,000,000	3,478
TOTAL				TZS 2,840,464,477	USD 1,234,985

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3:3:5 BUY OR FARM

The business will initially Farm the sunflower, Maize, Soya Beans and Buying Seeds from the farmers.

3:4 PRODUCTION COST

The costs associated with production and supplying of Maize Flour, Sunflower oil and Soya Beans varies in accordance with units of 20 liters for sunflower produced. And 80 Kg for maize & 70kg for Soya Beans

a. Sunflower Oil

The business is going to start producing average of 40 units of 20 liters of Sunflower oil per day, that will sum to 880 unit per month, equivalent to 10,560 per year. It must be noted that the monthly revenues will help to purchases other inputs for next month. But with time there will be purchases of enough stock for scarcity season.

Cost of production can be categorized into two parts as inputs cost and manufacturing costs. The table below try to describe cost of production.

Sunflower Oil

Items	Costs
Inputs Sunflower seeds 10560 sacks per year @35,000	369,600,000 per year

b. Maize Flour

The business is going to start producing average of 35 Units of 80kg of Maize Flour per day That will sum to 770 units per month, equivalent to 9240 per year. It must be noted that the monthly revenues will help to purchases other inputs for next month. But with time there will be purchases of enough stock for scarcity season.

Maize Flour	
Items	Costs
Inputs Maize seeds 9240 sacks per year @10,000	92,400,000 per year

c. Soya a Beans

The business is going to start producing average of 30 Units of 80kg of Soya a Beans per day That will sum to 660units per month, equivalent to 7920 per year. It must be noted

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that the monthly revenues will help to purchases other inputs for next month. But with time there will be purchases of enough stock for scarcity season

Soya Beans	
Items	Costs
Inputs	118,800,000 per year
Soya Beans seeds 7920 sacks per year @15,000	

3:5 LABOUR REQUIREMENTS

Manpower required are 26 employees who will be employed to assist the production and facilitation of the business from production to sales section where by each one will be paid a reasonable salary.

Ten employees will be 10 Skilled and semi-skilled one who will involve with operating cleaner and destoner machine, filter section and oil expeller section. Other Labour will be professionals on engineering, marketing and management (administrators). Company Also Will employee 16 as Casual Labors

SALARIES & WAGES				
TYPE	Numbers of workers	Cost Per Day	Cost per Months (22 Days)	Cost Per Year
Semi-Skilled & Skilled Labour	10	70,000	1,540,000	18,480,000
Casual Labors	16	76,000	1,672,000	20,064,000
TOTAL	26	188,000	3,212,000	38,544,000

3:6 OPERATION EXPENSES

These includes the pre-luminary expenses and the expenses incurred during running the business.

OPERATION EXPENSES			EXCHANGE RATE 2300	
EXPENSES	COST PER DAY	COST PER MONTHS	COST PER YEAR	USD EQUIVALENT PER YEAR
License & registration	6,944	208,333	2,500,000	1,086.96
Water bill	18,650	559,500	6,714,000	2,919.13
Generator Fuel	29,907	897,200	10,766,400	4,681.04
Administration cost	25,432	762,960	9,155,520	3,980.66
Rent	10,000	300,000	3,600,000	1,565.22
Installation & Maintenance	125,000	3,750,000	45,000,000	19,565.22
TOTAL	215,933	6,477,993	77,735,920	USD 33,798.23

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3:7 CAPITAL REQUIREMENT

In the operation of the business several equipment are expected to be bought with cost much funds as elaborate in table below.

		RATE 2300
Details	Total Costs (TZS)	USD
Equipment/facilities	2,840,464,477	\$ 1,234,984.56
Operation expenses	77,735,920	\$ 33,798.23
Packaging costs	27,720,000	\$ 12,052.17
Labor salary	38,544,000	\$ 16,758.26
Purchases of inputs	608,520,000	\$ 264,573.91
Total	3,592,984,397	\$ 1,562,167.13

The assumption on determining the amount of depreciation on fixed assets is derived from other segments of this business plan. The equipment to be depreciated by using the straight line method as follows: -

Computer & printer	10% with 3 years useful life
Buildings	10% with 20 years useful life
Cleaner & Destoner	20% with 5 years useful life
Oil expeller	10% with 6 years useful life
Weight balance	5% with 8 yeas useful life
Tanks & pipes	20% with 4 years useful life

Union Agro Limited is expected to generate return on investment. The projected financial statement in appendices shows the financial position result is of operations and flows of the first Five years in respect of the proposed.

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4.0 THE MARKET AND COMPETITION

4:1 CUSTOMERS

The business will offer products to various customer groups which include bakery industries, retailers and individual customers. The mushrooming of bakery industries in Kigoma and other regions are potential market for our products, likewise the currently increase demand of fresh Sunflower oil, Maize Flour and Soya Beans in Tanzania is very potential for business growth and market growth.

The important characteristics of the customers will be income group earners which are lower medium and higher income earners. Business expects the buying decision of the customers to be influenced by quality products, convenience service and reasonable price

4:2 MARKET SIZE AND TREND.

a. Sunflower Oil

The market size of products is relatively high and growing every year due to rise of living standard of people and enough education that have provided to the public a necessity of nutrients human being. With time many people or household need some extent of cooking oil in order to ensure better food for the family; that result into increasing demand of cooking oil.

Cooking oil (sunflower oil) is seeming to be necessary need for many families who previous considered it as luxury content. This assures the company to have constant increase of demand of cooking oil yearly.

Customers who are expected to buy the product are those with lower, middle and high earnings. But food industries and oil specialized traders are expected to be the segmented market for the company.

Likewise, the operation of free market in East African countries is hoped to widen the market products as the business grow, that will force us to add modern machines and improve packages ready for competition in free market

Demand condition of RLDC of currently of sunflower

b. Maize flour and Soya Beans

Market size of Maize Flour and Beans As the market is growing from time to time, we are in the position to acquire more than 25% of the available market. The growth of food market we are in a good position to satisfy our customers as we produce the unique product called whole meal flour and we distribute it in larger quantities.

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The Market demand for our product is huge due to the fact that these are products which are consumed daily by everyone in the society as a basic need. Customers are in need to have maize flour with all its nutrients, our product, that is whole meal flour contains all these nutrients as opposed to white flour in which some of contents in the maize are removed though milling. The nutrients are very important and for healthy purposes the whole meal flour is recommended.

4:3 COMPETITION

a. Sunflowers

This business will face competition from existing dealers in Kigoma town especially individual as single machine, “sunflower processing mills, which cannot offer packages. Only few of them pack their products, still they are having poor marketing strategies that make their products unfamiliar to the market. National wide there are big competition like Muhza in Dar es salaam, mount Meru in Arusha and Bunda oil mill from Singida oil mills. Its firm hope that strong marketing policy will be tools to position in the market.

The location of competitors will not affect business since most of big competition are out of Kigoma town. Likewise, the existing small/weak competition do operate out of rules of operating industries like hygiene that result into poor quality of products. The firm expect in offer high quality product at reasonable price, which are wall packed. So as to dominate the market.

4:4 SALES FORECAST

The estimated sales of the business for Five years consecutively are favorable for the business growth and development. The revenues (sales) are from sales of both Maize Flour and Sunflower oil as main product and oil cakes as by product. Its firm’s hope that if the business is well managed, will provide goods high returned on investment to the stakeholders. The table below shows estimated sales for first year

Other Costs	TOTAL COST	Sunflower Units Per Year	Total Cost Per Unit (sunflower)	Maize Flour Units	Total Cost Per Unit (Maize Flour)	Soya beans Units	Total Cost Per Unit (Soya Beans)
Cost of Raw Materials per unit	-	-	35000	-	10000		15000
Cost of packing per unit	-	-	2000	-	1000		1000
Fertilizer per unit	-	-	2000	-	2000		2000
Labour Cost	38,544,000	10560	3,650	9240	4,171.43	7920	4,866.67
Overhead Cost	77,735,920	10560	7,361	9240	8,412.98	7920	9,815.14
Total Cost Per Unit			50,011		25,584.41		32,681.81
Margin			30%		30%		30%
Selling Price			65,014.76		33,259.73		42,486.35

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SALES FORECAST					
Product	Units	Selling Price	2023	2024	2025
Sunflower	10560	65,014.76	686,555,896	789,539,280.40	907,970,172.46
Maize Flour	9240	33,259.73	307,319,896	353,417,880.40	406,430,562.46
Soya beans	7920	42,486.35	336,491,896	386,965,680.40	445,010,532.46
TOTAL			1,330,367,688	1,529,922,841.20	1,759,411,267.38

NB: Sales expect to increase at 15%

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5:0 MARKETING & SELLING PLAN

5:1 SWOC ANALYSIS

The deep business analysis is done by help of the Swoc analysis that captures the key strengths and weakness within oil mills industry in Kigoma town and Tanzania at large, and tries to describe the opportunities and threats that will face the business. Through Swoc analysis, it helps the management team to know well the business failure situation and way out of problems. On other hand, Swoc analysis exposes opportunities to be taken by the business for growth.

STRENGTHS	WEAKNESS
<ul style="list-style-type: none"> - Having experienced Directors who are highly educated (Graduates) - The innovative of using advanced “filters, package of products and creative marketing - Strong relationship with the suppliers (farmers) will guarantee ways per success - Good management succession and control resulting from the well-educated Directors on field of business administration and past family business running experience - Assistance from RLDC on providing Education to they farmer on how to produce high quality sunflower seeds 	<ul style="list-style-type: none"> - Low access to capital - Challenges of seasonality of business: means that the business expects to experience poor supply of inputs from November to mid of May, that will affect operations - In adequate of the raw materials transportation facilities
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> - Growing market due to increase of living stand of people and going enough education on necessity of nutrients (better pod) where sunflower, is major ingredients - Ever increasing population in Kigoma and Tanzania at large which ensure availability of the market - Government support in agriculture and industrial activities, which enable to get various government assistance 	<p>CHALLENGES</p> <ul style="list-style-type: none"> - There is great challenges from the existing and new Sunflower oil mills and other cooking oil firms that already have high capital to run their business like Singida oil mills and Korie - Un reliable rainfall which lead to the low production -Change of Government Policies

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5:2 MARKETING STRATEGY

Firm's marketing strategy is very simple one; satisfied clients are best marketing tool. When a client leaves the business or use products with a new outlook, he/she is broad casting (advertising) the name and quality of product to the public. Most of clients will be referrals from existing clients.

The business marketing policy will target food industries, retailer and whole sales as well as individuals. It aims to ensure quality and convenient products being offered to all customers.

On need of special care, market segmentation will be carried to benefit certain size of market but market discrimination will not be preferred, only will be used when it is necessary for the benefit of the business.

5:3 METHODS OF SALES

The business method of sales will be very clear to all clients and the firm propose to use direct sales method. The business will ensure all products are supplied and each customer on time and right place for bulk goods. Likewise, many sales centers will be opened in Kigoma Town and other regions for easy supply of products to the customers.

The company expect to enter into contractual sales with some of special big customers, whom the firm will supply to them products always first. This aim to assure business with reliable market all the time.

5:4 ADVERTISING AND PROMOTION

At the beginning of the business, it intend to advertise using word of mouth as a best advertising for this type of business. Also, will ask clients for referrals and rewards them with discounted price or free services depending on the number of clients they bring. Its believe that a smile create happiness at home faster good will in business is the countersign of friendship.

However, for long run when business grows big and expands to other geographical areas firm will use other forms of media to advertise and promote products like radio magazine and television.

6.:0 MANAGEMENT/ORGANIZATION

6.1 DESCRIPTION

The initial management team depends on the founders themselves, who are Four Directors having skills on business management. But more interesting Three of them are having experience on running family business. As the business grows the firm will establish satellite offices in all of living developments. Also new management officers will be employed to match with the need so

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as to ensure efficiency in operations. It will be necessary for the company to take additional help in the marketing sectors as growth continuous

6:2 Organization structure

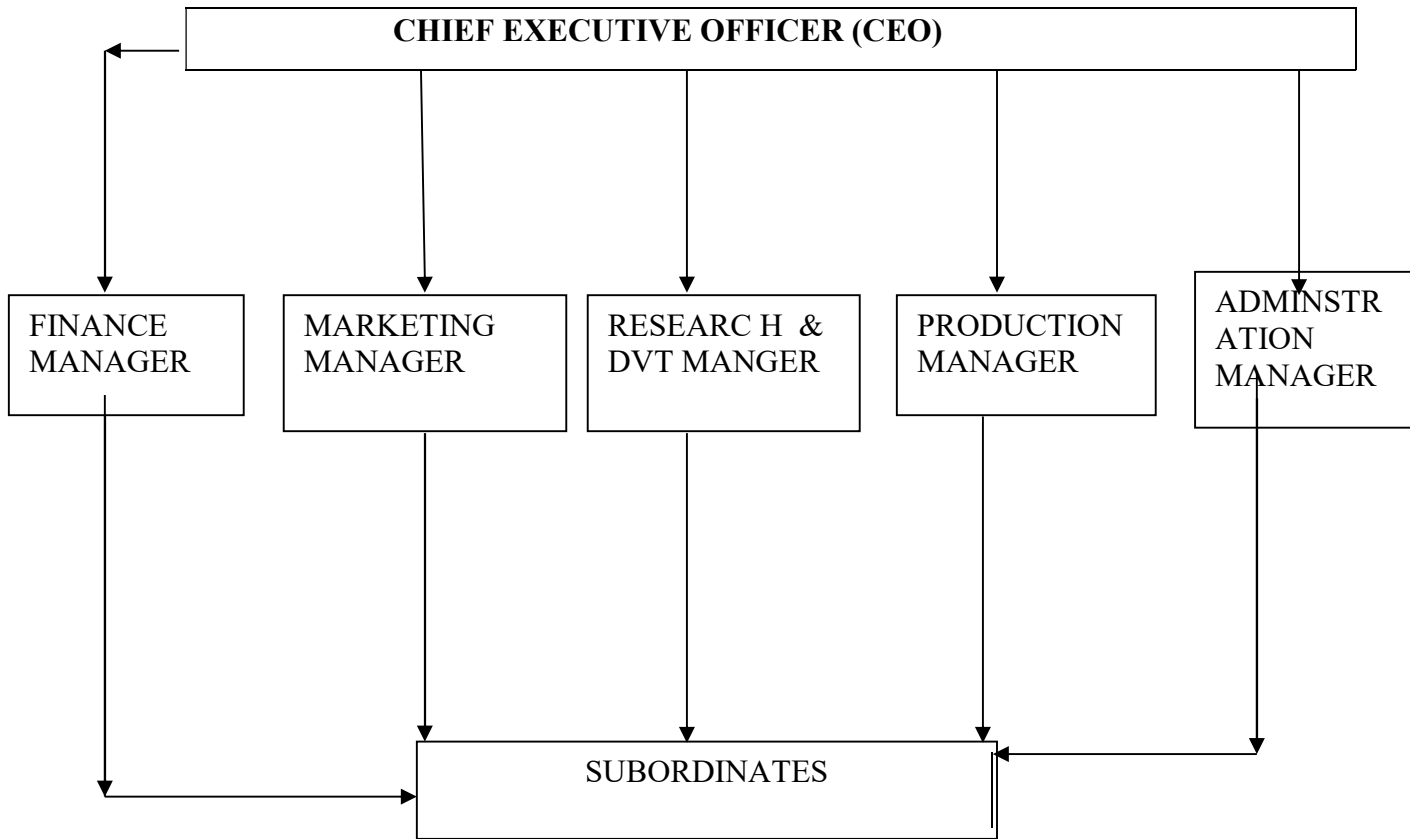
Union Agro Limited Maize Flour, Soya Beans and Sunflower oil mills depends on an organized division of responsibilities in order to run an efficient, diversified enterprise. Main decisions and duties will be divided among Three levels as Directors (Acting owners), management team (officers) and other employer. They will focus on maintaining high quality and cohesive business entity. Owners (Directors) will be given responsibilities on decisions making and strategy building

The business will be completely departmentalized. Main departments are marketing, management, finance, production and research development. The Business will make all decisions in accordance with the Company mission. Employees and management team are delegated tasks based upon their special

After every Three months, The Directors will assess the results of these tasks, and the personality of the management team and the employees involved to determine promotion and salary

UNION AGRO LIMITED

6:2 UNION AGRO LIMITED ORGANIZATIONAL STRUCTURE



6:3 LEGAL FORM OF BUSINESS OWNERSHIP

The business' form of ownership is through a Four Directors. The Directors are, *Ernest Ndatira, Ruhando own 5000 Shares, Joanna Kolini Kira Own 1000 Shares, Mbona Kolini Heri own 1000 Shares* and *Omary Salum Mohamed Own 300 Shares* We have selected this form for easy management and supervision and financing of the business. The Company kindly depending on Funds from Directors amounting to TZS **3,592,984,397**

6:5 SUPPORT SERVICES

The firm in order to position well in the industry and market at large hard comes into agreement with some of the experts to help the business carry smoothly its activities. The business will have its lawyers who will handle all legal issues concerning the business

Despite the need of support service from the expertise, still the firm has potential expertise on business issues like human resources management, accountant, finance and marketing through the skilled Directors. It's a great competitive advantage to the business for its growth and development

UNION AGRO LIMITED

7.0 ENVIRONMENTAL IMPACT

7.1 Introduction

Impact assessment refers to the identification and evaluation of environmental changes occurring as a result of implementing a project. It is a systematic and integrative process of drawing together an analysis of the likely environmental effects of a particular project. It is a critical process that makes use of baseline information that describes biophysical and social aspects of the project area and determines the most significant adverse impacts.




In many EIA systems, a broad definition of „environmental impact“ is adopted. This can include effects on:

- Human health and safety;
- Flora, fauna, ecosystems and biological diversity;
- Soil, water, air, climate and landscape
- Use of land, natural resources and raw materials
- Protected areas and designated sites of scientific, historical and cultural significance;
- Heritage, recreation and amenity assets; and
- Livelihood, lifestyle and wellbeing of those affected by a proposal

Depending on the EIA system, some or all of these impacts may require analysis and evaluation. Often, however, health, social and other non-biophysical impacts are either not considered or are inadequately addressed. An alternative approach is to undertake separate, but parallel, assessments of social, health and other impacts when they are considered to be particularly important for decision-making and not adequately addressed by EIA or other similar process (such as risk assessment).

7.2 Cumulative Impacts

These are impacting that result from incremental changes caused by other past, present or reasonably foreseeable actions together with the project. For example:

-  Incremental noise During Construction of grain Silo and during irrigation (Generator noise);
-  Degradation of land
-  Disposal of Agriculture Waste. The use of by-products such as Maize stalks, bean pods, husk. The burning of such by-products creates increase in carbon dioxide and carbon-monoxide in the atmosphere resulting in respiratory problems for animals and human beings

UNION AGRO LIMITED

7.3 Steps in Reducing Environmental impacts

Business will engage to reduce the impact of Environmental to the sociate through taking Various ways to reduce and remove Impacts as follows

- Business Will outsource consultancy who are expertise on Environmental Impact Assessment
- Business will relevant environmental standards and guidelines, Acquiring adequate knowledge of relevant policies, laws and institutional arrangements;
- The Business will recycling the agricultural wastes

UNION AGRO LIMITED

8:0 FINANCIAL PLAN

8:1 FINANCIAL RISK

Like any other business, there are numerous risks which are more likely to be associated with the nature of business we are operating. The following are likely risks we might encounter.

Seasonal operation usually Maize, Soya Beans and sunflower seeds as raw materials or inputs are plenty seasonally as from mid of May to November, after that, there is a serious scarcity of seeds for more than size months that result into rise of price of inputs from 25,000Tshs to 65,000Tshs. But the firm will solve the problem by building large store of stock that will ensure reliable supply of inputs for the whole year.

The risk of theft which is so prominent in the streets will be solved through employment of security officers (watchmen at least two) from the recognized organization like ultimate security.

This will assure security to the business and properties which are owned or invested

Loosing/shift of potential customers who contribute a lot total sale. This can be a result of mismanagement of operation of the business. This can be a result of mismanagement of operation of the business. The solution to this risk will be providing Directors mobile phone numbers to customers so that customers may access management at any time. Furthermore, the business will have discount/ reward for the business late delivery to potential customers so as to make them not leave the firm. Also, it can be combated by having contingent budget which will help to purchase many inputs that will assure us solve operations/ productions problems

The promoter, have seen and assessed the possibilities of such risks during establishment of the business and have planned to have a contingent budget to cover some of risks. Also, firm will diversity capital and invests some of it in other securities so as to avoid total loss of capital

8:2 DESCRIPTIVE FINANCIAL PLAN

Assumptions on determining the amount of depreciation on fixed asset is derived from other segment of this business plan. The equipment are to be depreciated by using the straight-line method as follows;

Computer & printer	10% with 3 years useful life
Buildings	10% with 20 years useful life
Cleaner & Destoner	20% with 8 years useful life
Oil expeller	10% with 6 years useful life
Weight balance	5% with 8 yeas useful life
Tanks & pipes	20% with 4 years useful lif

UNION AGRO LIMITED

9:0 SUPPORTING ANNEXES

9:1 FUNDING REQUIREMENT

Union Agro Limited is expecting to hold the operation in **Kigoma region** and it is expected to acquire **TZ 3,592,984,397** from Directors as Starting Capital and Operational cost. This will be used in funding the project at the point of establishing to the Project Operation. These funds are necessary on purchasing of equipment's and construction of buildings. Also, it comprises all running cost for the startup financial year.

9:2 SUPPORTING ANNEXES

ANNEX 1; OPERATING EXPENSES

QUANTITY OF RAW MATERIALS REQUIRED			
TYPE	QTY PER DAY	QTY PER MONTH (22Days)	QTY PER YEAR
Sunflower seeds	2600kgs	57200kgs	686,400kgs
	40sacks of 65kgs	880sacks of 65kgs	10560 sacks of 65kgs
Maize Seeds	2800kgs	61600 Kgs	739200kgs
	35sacks of 80Kgs	770Sacks of 80 Kgs	9240 sacks of 80kgs
Soya Beans	2100Kgs	46200 Kgs	554,400kgs
	30 Sacks of 70Kgs	660 Sacks of 70Kgs	7920 sacks of 70kgs

PACKAGE QUANTITY REQUIRED				
PRODUCT	TYPE	QTY PER DAY	QTY PER MONTH	QTY PER YEAR
Sunflower Oil	20Litres	40 units	880 units	10560 units
Maize Flour	80 Kg	35Units	770 units	9240 Units
Soya a Beans	70kg	30 Units	660 units	7920 Units

OUTPUT PRODUCED				
TYPE	UNITS	QTY PER DAY	QTY PER MONTH	QTY PER YEAR
Sunflower Oil	1@20litres	40 units	880 units	10560 units
Maize Flour	1@80 Kg	35Units	770 units	9240 Units
Soya a Beans	1@70kgs	30 Units	660 units	7920 Units

UNION AGRO LIMITED

COST OF RAW MATERIALS				
TYPE	COST @	COST PER DAY	COST MONTH PER	COST PER YEAR
Sunflower seeds	35,000	40sacks@35,000	880 sacks@25,000	10,560 sacks @25,000
		1,400,000	30,800,000	369,600,000
Maize Seeds	10,000	35sacks@10,000	770sacks@10,000	9240 Units @ 10000
		350,000	7,700,000	92,400,000
Soya Beans	15,000	30sacks@15,000	660 sacks@15,000	7920 Sacks @ 15000
		450,000	9,900,000	118,800,000

COST PER PACKAGE				
PRODUCT	TYPE	QTY PER DAY	QTY PER MONTH	QTY PER YEAR
Sunflower Oil	20Litres	40 units @2000	880 units @2000	10560 units@1000
		80,000	1,760,000	21,120,000
Maize Flour	80 Kg	35Units @1000	770 units @1000	9240 Units @1000
		35,000	770,000	9,240,000
Soya a Beans	70kgs	30 Units @1000	660 units @1000	7920 Units @1000
		30,000	660,000	7,920,000

SALARIES & WAGES				
TYPE	Numbers of workers	Cost Per Day	Cost per Months (22 Days)	Cost Per Year
Semi-Skilled & Skilled Labour	10	70,000	1,540,000	18,480,000
Casual Labors	16	76,000	1,672,000	20,064,000
TOTAL	26	188,000	3,212,000	38,544,000

UNION AGRO LIMITED

ANNEX 2; DEPRECIATION OF FIXED ASSETS

DEPRECIATION= $\frac{\text{Cost of assets}}{\text{life span}}$

COST OF FIXED ASSETS					Depreciations	
TYPE OF ASSET	QTY	LIFE SPAN	PRICE	TOTAL COST	Depreciation Per Month	Depreciation Per Year
Trucks	3	20	116,019,886	348,059,657	1,450,249	17,402,983
Silo 5000 tones	1	20	1,292,526,400	1,292,526,400	5,385,527	64,626,320
Silo 2000 Tones	1	20	646,263,200	646,263,200	2,692,763	32,313,160
Silo 1000 Tones	1	20	316,045,300	316,045,300	1,316,855	15,802,265
Trailers	2	20	37,271,210	74,542,420	310,593	3,727,121
Tractors	1	20	48,705,600	48,705,600	202,940	2,435,280
Disc plough	1	8	15,470,800	15,470,800	161,154	1,933,850
Maize Planter	1	8	14,532,000	14,532,000	151,375	1,816,500
Harrow	1	3	13,113,980	13,113,980	364,277	4,371,327
Sprinkler system irrigation	1	3	11,705,120	11,705,120	325,142	3,901,707
Computer & Printer	2	3	500,000	1,000,000	27,778	333,333
Cleaner & Destoner	1	8	12,500,000	12,500,000	130,208	1,562,500
Oil Expeller	1	6	35,000,000	35,000,000	486,111	5,833,333
Weight balance	1	8	3,000,000	3,000,000	31,250	375,000
Tank & Pipe	1Set	4	8,000,000	8,000,000	166,667	2,000,000
TOTAL				2,840,464,477	13,202,890	158,434,679

ANNEX 3: OTHER COST

OTHER EXPENSES

TOTAL EXPENSES			EXCHANGE RATE 2300	
EXPENSES	COST PER DAY	COST PER MONTHS	COST PER YEAR	USD EQUIVALENT PER YEAR
License & registration	6,944	208,333	2,500,000	\$ 1,086.96
Water bill	18,650	559,500	6,714,000	\$ 2,919.13
Generator Fuel	29,907	897,200	10,766,400	\$ 4,681.04
Administration cost	25,432	762,960	9,155,520	\$ 3,980.66
Rent	10,000	300,000	3,600,000	\$ 1,565.22
Installation & Maintenance	125,000	3,750,000	45,000,000	\$ 19,565.22
TOTAL	215,933	6,477,993	77,735,920	\$ 33,798.23

UNION AGRO LIMITED

ANNEX 4: COSTS INCURED. (ALL EXPENSES)

EXPENSES	COST PER DAY	COST PER MONTH	COST PER YEAR
	TSHS	TSHS	TSHS
Farm Preparation	15,278	458,333	5,500,000
Raw material			
Sunflowers Seeds	1,400,000	30,800,000	369,600,000
Maize Seeds	350,000	7,700,000	92,400,000
Soya Beans Seeds	450,000	9,900,000	118,800,000
Packages			
Sunflowers Seeds	40,000	880,000	10,560,000
Maize Seeds	35,000	770,000	9,240,000
Soya Beans Seeds	30,000	660,000	7,920,000
Fertilizer			
Sunflower	58,667	1,760,000	21,120,000
Maize Flour	51,333	1,540,000	18,480,000
Soya beans	44,000	1,320,000	15,840,000
Salaries	188,000	3,212,000	38,544,000
License and registration	6,944	208,333	2,500,000
Water bills	18,650	559,500	6,714,000
Generator Fuel	29,907	897,200	10,766,400
Administration cost	25,432	762,960	9,155,520
Rent	10,000	300,000	3,600,000
Installation cost & maintenance	125,000	3,750,000	45,000,000
Depreciation			
Trucks	48,342	1,450,249	17,402,983
Silo 5000 tones	179,518	5,385,527	64,626,320
Silo 2000 Tones	89,759	2,692,763	32,313,160
Silo 1000 Tones	43,895	1,316,855	15,802,265
Trailers	10,353	310,593	3,727,121
Tractors	6,765	202,940	2,435,280
Disc plough	5,372	161,154	1,933,850
Maize Planter	5,046	151,375	1,816,500
Harrow	12,143	364,277	4,371,327
Sprinkler system irrigation	10,838	325,142	3,901,707
Computer & Printer	926	27,778	333,333
Cleaner & Destoner	4,340	130,208	1,562,500
Oil Expeller	16,204	486,111	5,833,333
Weight balance	1,042	31,250	375,000
Tank & Pipe	5,556	166,667	2,000,000
Total Cost Tshs	3,295,507	77,997,189	935,966,266
Exchange Rate	2,300	2,300	2,300
Total cost USD	\$1,432.83	\$ 33,911.82	\$ 406,941.85

UNION AGRO LIMITED

ANNEX 5: PROJECTED STATEMENT OF PROFIT OR LOSS FOR FIVE YEARS

	2023	2024	2025	2026	2027
	TZS	TZS	TZS	TZS	TZS
Sales					
Sunflower oils	686,555,896	789,539,280	907,970,172	1,044,165,698	1,200,790,553
Maize Flour	307,319,896	353,417,880	406,430,562	467,395,147	537,504,419
Soya beans	336,491,896	386,965,680	445,010,532	511,762,112	588,526,429
	1,330,367,688	1,529,922,841	1,759,411,267	2,023,322,957	2,326,821,401
Direct Costs					
Farm Preparation	5,500,000	6,050,000.0	6,655,000.0	7,320,500.0	8,052,550.0
Cost of raw Materails					
Sunflower oils	369,600,000	406560000	447,216,000	491,937,600.0	541,131,360.0
Maize Flour	92,400,000	101640000	111,804,000	122,984,400.0	135,282,840.0
Soya beans	118,800,000	130680000	143,748,000	158,122,800.0	173,935,080.0
Fertilizers					
Sunflowers	21,120,000	23,232,000	25,555,200	28,110,720.0	30,921,792.0
Maize Flour	18,480,000	20,328,000	22,360,800	24,596,880.0	27,056,568.0
Soya beans	15,840,000	17,424,000	19,166,400	21,083,040.0	23,191,344.0
Cost of Parking Materials					
Sunflower oils	10,560,000	11,616,000.00	12,777,600.00	14,055,360.0	15,460,896.0
Maize Flour	9,240,000	10,164,000.00	11,180,400.00	12,298,440.0	13,528,284.0
Soya beans	7,920,000	8,712,000.00	9,583,200.00	10,541,520.0	11,595,672.0
Total Direct costs	669,460,000	736,406,000	810,046,600	891,051,260	980,156,386
Gross Profit	660,907,688	793,516,841	949,364,667	1,132,271,697	1,346,665,015
Gross Profit Margin	50%	52%	54%	56%	58%
Administration Expenses					
Salaries & Wages	38,544,000	42,398,400.0	46,638,240.0	51,302,064.0	56,432,270.4
License and registration	2,500,000	2,750,000.0	3,025,000.0	3,327,500.0	3,660,250.0
Water bills	6,714,000	7,385,400.0	8,123,940.0	8,936,334.0	9,829,967.4
Generator Fuel	10,766,400	11,843,040.0	13,027,344.0	14,330,078.4	15,763,086.2
Administration cost	9,155,520	10,071,072.0	11,078,179.2	12,185,997.1	13,404,596.8
Rent	3,600,000	3,960,000.0	4,356,000.0	4,791,600.0	5,270,760.0
Installation cost & maintenance	45,000,000	49,500,000.0	54,450,000.0	59,895,000.0	65,884,500.0
Total Administrative Costs	116,279,920	127,907,912	140,698,703	154,768,574	170,245,431
Net Profit Before Depreciation & Tax	544,627,768	665,608,929	808,665,964	977,503,124	1,176,419,584
EBITA Margin	41%	44%	46%	48%	51%

Projected Statement of statement of profit or loss for five Years Continue next Page

UNION AGRO LIMITED

PROJECTED PROFIT OR LOSS FOR FIVE YEARS					
	2023	2024	2025	2026	2027
	TZS	TZS	TZS	TZS	TZS
Depreciations					
Trucks	17,402,983	16,532,833	15,706,190	14,920,880	14,174,835
Silo 5000 tones	64,626,320	61,395,003	58,325,252	55,408,988	52,638,538
Silo 2000 Tones	32,313,160	30,697,501	29,162,625	27,704,493	26,319,267
Silo 1000 Tones	15,802,265	15,012,151	14,261,542	13,548,464	12,871,040
Trailers	3,727,121	3,540,764	3,363,725	3,195,538	3,035,760
Tractors	2,435,280	2,313,515	2,197,838	2,087,945	1,983,547
Disc plough	1,933,850	1,692,118	1,480,602	1,295,526	1,133,584
Maize Planter	1,816,500	1,589,437	1,390,756	1,216,910	1,064,796
Harrow	4,371,327	2,914,217	1,942,810	1,295,206	863,470
Sprinkler system irrigation	3,901,707	2,601,137	1,734,090	1,156,059	770,705
Computer & Printer	333,333	222,221	148,146	98,763	65,841
Cleaner & Destoner	1,562,500	1,367,187	1,196,287	1,046,750	915,906
Oil Expeller	5,833,333	4,861,110	4,050,924	3,375,769	2,813,140
Weight balance	375,000	328,124	287,108	251,218	219,815
Tank & Pipe	2,000,000	1,499,999	1,124,998	843,748	632,810
Total Depreciation	158,434,679	146,567,315	136,372,894	127,446,257	119,503,052
Net Profit After Depreciation	386,193,089	519,041,614	672,293,070	850,056,867	1,056,916,533
Corporate Tax	(115,857,927)	(155,712,484)	(201,687,921)	(255,017,060)	(317,074,960)
Net Profit After Tax	270,335,162	363,329,130	470,605,149	595,039,807	739,841,573

NB cost of Materials and Operating Expenses to increase to 10% per annum

UNION AGRO LIMITED

Annex 6

PROJECTED STATEMENT OF CASH FLOWS FOR FIVE YEARS 2023-2027					
Details	2023	2024	2025	2026	2027
	Tshs	Tshs	Tshs	Tshs	Tshs
A. CASH INFLOW					
Collections From Customers	1,330,367,688	1,529,922,841	1,759,411,267	2,023,322,957	2,326,821,401
Funds From Directors	2,897,786,731	-	-	-	-
Loan Received	-	-	-	-	-
Total cash inflow	4,228,154,419	1,529,922,841	1,759,411,267	2,023,322,957	2,326,821,401
B. CASH OUTFLOW					
i. DIRECT COST EXPENSES					
Farm Preparation	5,500,000	6,050,000	6,655,000	7,320,500	8,052,550
Fertilizers	55,440,000	60,984,000	67,082,400	73,790,640	81,169,704
Purchases of Materials	-				
Sunflower oils	369,600,000	388,080,000	426,888,000	469,576,800	516,534,480
Maize Flour	92,400,000	97,020,000	106,722,000	117,394,200	129,133,620
Soya beans	118,800,000	124,740,000	137,214,000	150,935,400	166,028,940
Packing of Materials	-				
Sunflower oils	21,120,000	11,616,000	12,777,600	14,055,360	15,460,896
Maize Flour	9,240,000	10,164,000	11,180,400	12,298,440	13,528,284
Soya beans	7,920,000	8,712,000	9,583,200	10,541,520	11,595,672
Total Direct costs	680,020,000	707,366,000	778,102,600	855,912,860	941,504,146
ii. ADMINISTRATIVE EXPENSES					
License and registration	2,350,000	-	-		
Water bills	6,714,000	7,385,400	8,123,940	8,936,334	9,829,967
Generator Fuel	10,766,400	11,843,040	13,027,344	14,330,078	15,763,086
Administration cost	9,155,520	10,071,072	11,078,179	12,185,997	13,404,597
Rent	3,600,000	3,960,000	4,356,000	4,791,600	5,270,760
Installation cost & maintenance	45,000,000	49,500,000	54,450,000	59,895,000	65,884,500
Total Administrative Expenses	77,585,920	82,759,512	91,035,463	100,139,010	110,152,910
iii Staff Costs					
Labour costs	38,544,000	42,398,400	46,638,240	51,302,064	56,432,270
SDL	1,541,760	1,695,936	1,865,530	2,052,083	2,257,291
WCF	192,720	785,520	864,072	950,479	1,045,527
NSSF	3,854,400	4,239,840	4,663,824	5,130,206	5,643,227
Meal & Refreshment	3,066,400	3,373,040	3,710,344	4,081,378	4,489,516
Total Staff Costs	47,199,280	52,492,736	57,742,010	63,516,211	69,867,832

Projected Statement of Cash Flow for Five Years Continue next Page

UNION AGRO LIMITED

PROJECTED STATEMENT OF CASH FLOWS FOR FIVE YEARS					
Details	2023	2024	2025	2026	2027
	Tshs	Tshs	Tshs	Tshs	Tshs
iv. Supplier Payments & Other Liabilities					
Payee Payments	924,000	1,016,400	1,118,040	1,229,844	1,352,828
Corporate Tax Payments	115,857,927	155,712,484	201,687,921	255,017,060	317,074,960
Provision Tax	2,000,000	2,200,000	2,420,000	2,662,000	2,928,200
Total other liabilities costs	118,781,927	158,928,884	205,225,961	258,908,904	321,355,988
v. Assets					
Purchases of New assets					
Trucks	348,059,657	-	-	-	-
Grain Storage (Silo)	-	-	-	-	-
Silo 5000 tones	1,292,526,400	-	-	-	-
Silo 2000 Tones	646,263,200	-	-	-	-
Silo 1000 Tones	316,045,300	-	-	-	-
Trailers	74,542,420	-	-	-	-
Tractors & other Equipments	103,527,500	-	-	-	-
Computer & Printer	1,000,000	-	-	-	-
Cleaner & Destoner	12,500,000	-	-	-	-
Oil Expeller	35,000,000	-	-	-	-
Weight balance	3,000,000	-	-	-	-
Tank & Pipe	8,000,000	-	-	-	-
Total Asset costs	2,840,464,477	-	-	-	-
Total Cash outflow	3,764,051,604	1,001,547,132	1,132,106,034	1,278,476,984	1,442,880,876
Net cash Flows	464,102,815	528,375,709	627,305,234	744,845,973	883,940,525
Add: Opening Balance	-	464,102,815	992,478,524	1,619,783,758	2,364,629,731
Total Net cash inflow (outFlows)	464,102,815	992,478,524	1,619,783,758	2,364,629,731	3,248,570,256

NB Operating Expenses to increase to 10%

UNION AGRO LIMITED

**ANNEX 7:
STATEMENT PROJECTED OF CHANGES IN OWNERS' EQUITY FOR FIVE YEARS**

STATEMENT OF PROJECTED CHANGES IN OWNER'S EQUITY FOR FIVE YEARS					
Details	2023	2024	2025	2026	2027
	Tshs	Tshs	Tshs	Tshs	Tshs
Equity					
Opening Balance		2,897,786,731	2,897,786,731	2,897,786,731	2,897,786,731
Funds Injected From Directors	528,479,577	-	-	-	-
Additional Fund to be Injected	2,369,307,154	-	-	-	-
Total Capital Required	2,897,786,731	2,897,786,731	2,897,786,731	2,897,786,731	2,897,786,731
Retained Earnings					
Opening Balance	-	270,335,162	633,664,292	1,104,269,441	1,699,309,248
Projected Profit After Tax	270,335,162	363,329,130	470,605,149	595,039,807	739,841,573
Total Retained Earnings	270,335,162	633,664,292	1,104,269,441	1,699,309,248	2,439,150,821
TOTAL EQUITY	3,168,121,894	3,531,451,024	4,002,056,173	4,597,095,980	5,336,937,552

UNION AGRO LIMITED

ANNEX 8: STATEMENT OF FINANCIAL POSITION

PROJECTED STATEMENT OF FINANCIAL POSITION FOR FIVE YEARS					
Details	2023	2024	2025	2026	2027
	Tshs	Tshs	Tshs	Tshs	Tshs
Trucks	348,059,657	330,656,674	314,123,841	298,417,651	283,496,772
Silo 5000 tones	1,292,526,400	1,227,900,080	1,166,505,077	1,108,179,825	1,052,770,837
Silo 2000 Tones	646,263,200	613,950,040	583,252,539	554,089,914	526,385,421
Silo 1000 Tones	316,045,300	300,243,035	285,230,884	270,969,342	257,420,878
Trailers	74,542,420	70,815,299	67,274,535	63,910,810	60,715,273
Tractors	48,705,600	46,270,320	43,956,805	41,758,967	39,671,021
Disc plough	15,470,800	13,536,950	11,844,832	10,364,230	9,068,704
Maize Planter	14,532,000	12,715,500	11,126,064	9,735,308	8,518,397
Harrow	13,113,980	8,742,653	5,828,437	3,885,626	2,590,421
Sprinkler system irrigation	11,705,120	7,803,413	5,202,277	3,468,186	2,312,127
Computer & Printer	1,000,000	666,667	444,445	296,299	197,536
Cleaner & Destoner	12,500,000	10,937,500	9,570,314	8,374,026	7,327,276
Oil Expeller	35,000,000	29,166,667	24,305,557	20,254,632	16,878,863
Weight balance	3,000,000	2,625,000	2,296,876	2,009,769	1,758,550
Tank & Pipe	8,000,000	6,000,000	4,500,001	3,375,003	2,531,255
Total Fixed Assets	2,840,464,477	2,682,029,798	2,535,462,483	2,399,089,589	2,271,643,332
Depreciation	(158,434,679)	(146,567,315)	(136,372,894)	(127,446,257)	(119,503,052)
Net Book Value	2,682,029,798	2,535,462,483	2,399,089,589	2,271,643,332	2,152,140,281
Current Assets					
Cash	464,102,815	992,478,524	1,619,783,758	2,364,629,731	3,248,570,256
Receivables	21,989,280	3,510,016	-	-	-
Total Current Assets	486,092,095	995,988,540	1,619,783,758	2,364,629,731	3,248,570,256
Total Assets	3,168,121,894	3,531,451,024	4,018,873,347	4,636,273,063	5,400,710,537
Equity					
Share Capital	2,897,786,731	2,897,786,731	2,897,786,731	2,897,786,731	2,897,786,731
Retained Earnings	270,335,162	633,664,292	1,104,269,441	1,699,309,248	2,439,150,821
	3,168,121,894	3,531,451,024	4,002,056,173	4,597,095,980	5,336,937,552
Current Liabilities					
Trade and other Payable	-	-	16,817,174	39,177,084	63,772,984
Total Current Liabilities	-	-	16,817,174	39,177,084	63,772,984
Total Equity & Liabilities	3,168,121,894	3,531,451,024	4,018,873,347	4,636,273,063	5,400,710,537

UNION AGRO LIMITED

ANNEX 9. MONTHLY STATEMENT OF CASH FLOWS

UNION AGRO LIMITED													
CASH FLOW FORECAST FOR TWELVE MONTHS FROM NOVEMBER 2022 TO OCTOBER 2023													
Details	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Total
	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs
	"000"	"000"	"000"	"000"	"000"	"000"	"000"	"000"	"000"	"000"	"000"	"000"	"000"
A. CASH INFLOW													
Collections From Customers	-	-	133,037	133,037	133,037	133,037	133,037	133,037	133,037	133,037	133,037	133,037	1,330,368
Targeted Fund From Directors	528,480	145,866	2,223,441	-	-	-	-	-	-	-	-	-	2,897,787
Loan Received	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Monthly cash inflow	528,480	145,866	2,356,478	133,037	133,037	133,037	133,037	133,037	133,037	133,037	133,037	133,037	4,228,154
B. CASH OUTFLOW													
i DIRECT COST EXPENSES													
<i>Farm Preparation</i>		1,375			1,375				1,375			1,375	5,500
<i>Fertilizers</i>		5,040	5,040	5,040	5,040	5,040	5,040	5,040	5,040	5,040	5,040	5,040	55,440
<i>Purchases of Materials</i>													-
Sunflower oils	-	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	369,600
Maize Flour	-	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	92,400
Soya beans	-	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	118,800
<i>Packing of Materials</i>													-
Sunflower oils		1,920	1,920	1,920	1,920	1,920	1,920	1,920	1,920	1,920	1,920	1,920	21,120
Maize Flour		840	840	840	840	840	840	840	840	840	840	840	9,240
Soya beans		720	720	720	720	720	720	720	720	720	720	720	7,920
Total Direct costs		62,695	61,320	61,320	62,695	61,320	61,320	61,320	62,695	61,320	61,320	62,695	680,020
ii ADMINISTRATIVE EXPENSES													
License and registration	2,350	-	-	-	-	-	-	-	-	-	-	-	2,350
Water bills		610	610	610	610	610	610	610	610	610	610	610	6,714
Generator Fuel		979	979	979	979	979	979	979	979	979	979	979	10,766
Administration cost		832	832	832	832	832	832	832	832	832	832	832	9,156
Rent		327	327	327	327	327	327	327	327	327	327	327	3,600
Installation cost & maintenance		4,091	4,091	4,091	4,091	4,091	4,091	4,091	4,091	4,091	4,091	4,091	45,000
Total Administrative Expenses	2,350	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	77,586

Monthly Cash Flow Continue Next Page

UNION AGRO LIMITED

UNION AGRO LIMITED													
CASH FLOW FORECASTS FOR TWELVE MONTH FROM NOVEMBER 2022 TO OCTOBER 2023													
Details	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Total
	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs
A. CASH INFLOW	"000"	"000"	"000"	"000"	"000"	"000"	"000"	"000"	"000"	"000"	"000"	"000"	"000"
iii Staff Costs													"000"
Labour Costs		3,504	3,504	3,504	3,504	3,504	3,504	3,504	3,504	3,504	3,504	3,504	38,544
SDL		140	140	140	140	140	140	140	140	140	140	140	1,542
WCF		18	18	18	18	18	18	18	18	18	18	18	193
NSSF		350	350	350	350	350	350	350	350	350	350	350	3,854
Meal & Refreshment		279	279	279	279	279	279	279	279	279	279	279	3,066
Total Staff Costs	-	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	47,199
Iv Supplier Payments & Other Liabilities													
Payee Payments		84	84	84	84	84	84	84	84	84	84	84	924
Corporate tax Payments		10,533	10,533	10,533	10,533	10,533	10,533	10,533	10,533	10,533	10,533	10,533	115,858
Creditor & Accrued Expenses													-
Provision Tax	-	500	-		500			500			500		2,000
Total other liabilities costs	-	11,117	10,617	10,617	11,117	10,617	10,617	11,117	10,617	10,617	11,117	10,617	118,782
v. Assets													
Purchases of New assets													-
Trucks	348,060	-	-	-	-	-	-	-	-	-	-	-	348,060
Sillo													-
Silo 5000 tones			1,292,526										1,292,526
Silo 2000 Tones			646,263										646,263
Silo 1000 Tones			316,045										316,045
Trailers	74,542	-	-	-	-	-	-	-	-	-	-	-	74,542
Tractors & other Equipments	103,528	-	-	-	-	-	-	-	-	-	-	-	103,528
Computer & Printer		1,000											1,000
Cleaner & Destoner		12,500											12,500
Oil Expeller		35,000											35,000
Weight balance		3,000											3,000
Tank & Pipe		8,000											8,000
Total Asset costs	526,130	59,500	2,254,835	-	-	-	-	-	-	-	-	-	2,840,464
Total Monthly Cash outflow	528,480	144,442	2,337,902	83,067	84,942	83,067	83,067	83,567	84,442	83,067	83,567	84,442	3,764,052
Net cash Flows	-	1,424	18,576	49,970	48,095	49,970	49,970	49,470	48,595	49,970	49,470	48,595	
Add: Opening Balance	-	-	1,424	20,000	69,970	118,065	168,034	218,004	267,474	316,069	366,038	415,508	
Total Net cash inflow (outFlows)	-	1,424	20,000	69,970	118,065	168,034	218,004	267,474	316,069	366,038	415,508	464,103	464,103

UNION AGRO LIMITED

ANNEX 10:

1. Sunflower oil Selling Price = $\frac{(\text{cost of Raw Materials} + \text{Other costs}) \text{ Per day}}{\text{Units of Goods produced Per Day}}$

$$= \frac{1,400,000 + 600,454.24}{40 \text{ units}} = 50,011.36$$

$$= 50,011.36 \times 30\% \text{ (Margin)}$$

$$\text{Sunflower oil Selling Price Per Unit of 20 Liters} = \underline{65,014.76}$$

2. Maize Flour = $\frac{\text{cost of Raw Materials} + \text{Packing Cost}) \text{ Per day}}{\text{Units of Goods produced Per Day}}$

$$= \frac{350,000 + 545,454}{35 \text{ Units}} = 25,584.40$$

35 Units

$$\text{Selling Price} = 25,584.41 \times 30\% \text{ (margin)}$$

$$= \underline{33,259.73}$$

3. Soy Beans Selling Price = $\frac{\text{cost of Raw Materials} + \text{Packing Cost}) \text{ Per day}}{\text{Units of Goods produced Per Day}}$

$$= \frac{450,000 + 530,454}{30} = 32,681.81$$

30

$$= 32,681.81 \times 30 \text{ Margin (30\%)}$$

$$= \underline{42,486.35}$$

THE PROJECT FEASIBILITY

The feasibility of **Union Agro Limited** Enterprise will be determined by considering sales forecast, capital requirement and sound financial projections.