

# **Business Plan**

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## 1. Executive Summary

Western Seed Company (WSC) is a Kenyan resident company located in Kitale, Trans-Nzoia County in Kenya. The company was registered in 1986 and started its operations in 1997.

WSC is a farming and Agro processing company with very well established Plant Breeding, Seed Multiplication, processing and Marketing. WSC has branches in Rwanda, Tanzania, and subsidiary in Zambia. The subsidiaries and branches operate under license to Produce, Market and Provide Stewardship of Hybrid maize seed and seed of other livelihood crops.

- In 2017, Western Seed entered and established a branch in Rwanda (WSC - RW). For the first two years, it was only distributing finished hybrid seed products. In 2018 it partnered with a government agency (Agro Processing Industries (API)) and One Acre Fund, an enterprise that has been supporting smallholder farmers. API is a subsidiary of Agro-Processing Trust Corporation (APTC). WSC started production of seed in Rwanda to promote seed production locally and exportation of surplus.
- In 2018, WSC registered a branch in Tanzania (Western Seed Company-Tanzania - WSC-TZ). During this period, it also registered a subsidiary in Zambia (Western Seed Company Zambia Ltd - WSC-ZM) and started seed production in 2019.

WSC is registered in Rwanda under company TIN. No **107310631**. To boost local production of hybrid maize seed, Western Seed Company signed a tripartite agreement with Agro processing Industries and One acre fund in 2018 and was able to produce 600 MT. WSC further produced almost 1000MT in 2019 to be used by farmers in season 21A in Rwanda.

WSC further plans to increase local production and reduce on seed importation as follows.

Season	Season 2022	Season 2023	Season 2024	Season 2025	Season 2026	Season 2027	Season 2028
Hectares Planted	300	400	433	667	1,000	1,250	1,333
Local Seed Production	900	1,000	1,300	2,000	3,000	3,750	4,000
Imported Seed	600	1,100	1,000	1,000	1,000	1,250	1,500

To be able to achieve targets, WSC has expressed an interest through RDB to the Government to grant access to the land at Gabiro Agricultural Hub in which WSC would like to get 800ha by Season 2022A. With this WSC will cut down on imports from Kenya and WSC should be producing all the seed within Rwanda by Season 2026A making Rwanda self-sufficient. It should be clearly understood that the company is targeting to achieve a level whereby 50% of the total production is exported. Therefore imports may continue in the event that land is not sufficient in Rwanda to meet raw material requirements to satisfy this condition. The company may lease land or contract growers in neighbouring countries to satisfy raw material needs.

Further to meet the processing needs as a result of increased local production, Western Seed Company will be investing in a drying and processing plant by 2022. WSC has expressed an interest in the Masoro Seed Processing Plant to RDB either for direct purchase.

WSC is applying to RDB for Investment Certificate as an investor to make the necessary investment in both land and equipment. The company plans to use approx \$ 700,000 of the expected profit for the investment in land. Further Western Seed Company will be investing \$ 1,000,000 over the 5 year period as equity from the parent company to finance the acquisition of the Masoro Processing Plant.

Upon satisfying the domestic Hybrid Seed Maize requirements in Rwanda, Western Seed Company intends to continue increasing production in Rwanda to be able to meet the needs of neighbouring countries of Democratic Republic of Congo and Burundi. In this context Western Seed Company intends to make Rwanda a regional Headquarter for the supply of Hybrid Seed Maize for domestic consumption in Rwanda, Democratic Republic of Congo and Burundi.

The following varieties are registered with COMESA and Rwanda

- |          |          |          |
|----------|----------|----------|
| 1. WH505 | 4. WH509 | 7. WH504 |
| 2. WH403 | 5. WH605 | 8. WH101 |
| 3. WH507 | 6. WH401 |          |

For details please follow the link <https://varietycatalogue.comesa.int/web/varietycatalogue> for the COMESA variety catalogue.

## 1.1 Financial Highlights

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Gross revenue	600,185	1,858,696	2,684,783	3,923,913	4,543,478	5,369,565
Gross margin	219,665	767,952	1,109,263	1,621,231	1,877,215	2,218,527
Operating expenses	191,061	463,829	599,701	798,683	904,685	1,042,652
EBITDA	28,604	304,122	509,562	822,548	972,530	1,175,875
Net Profit	10,275	187,472	338,008	563,766	621,958	762,006
Gross Margin/Revenue	36.6%	41.3%	41.3%	41.3%	41.3%	41.3%
EBITDA/Revenue	4.8%	16.4%	19.0%	21.0%	21.4%	21.9%
Net Profit/Revenue	1.7%	10.1%	12.6%	14.4%	13.7%	14.2%
Net Cash Flow	1,000	79,871	47,399	5,053	284,733	602,745
Cash Balance-Ending	67,357	147,228	194,626	199,679	484,412	1,087,157

\*All measurements in USD

## 1.2 Vision

The Company's vision is:

*"Improving livelihoods in Africa."*

## 1.3 Mission

The Company's mission statement is:

*"Bringing technology to the farmer"*

## 1.4 Company Ownership

Western Seed Company Limited is a private limited liability company incorporated under the Companies Act (Chapter 486, Laws of Kenya). The company holds a Certificate of Compliance No. 139604 (as per Section 435 of the Tanzania Companies Act, 2002) dated 28th November 2017.

The shareholders of the Company are:

1. Saleem Esmail
2. Samina Esmail
3. Breeder Seed Africa Limited

All shareholders are Kenyans holding 100% shares into the authorized and issued capital of the company in proportions of 29.5%, 28.9% and 41.6% respectively.

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## 1.5 Company Location

The main office is located at Ngaramtoni Area in Arusha.

## 2. Products and Services

Western Seed Company deals mainly with production, processing and Marketing of the following maize varieties which are registered and released in Tanzania.

1. WH403
2. WH505

NEW Varieties to be released

1. WH301
2. WH302
3. WH605

Western Seed Varieties are high yielding, drought and disease tolerant

## 3. Market Analysis Summary

### 3.1 Agriculture Sector in Tanzania

Agriculture occupies a very important place in the lives of Tanzanians as well as the national economy. It is estimated that the country is and can be fully self-sufficient in food and in good years and a net exporter of cereals if there is a reasonable environment for farmers including reliable and sustainable supply of seed. It should be noted that seeds are not only a strong symbol for food sovereignty and biodiversity, but also one of the important elements to strengthen small scale farming communities. In Tanzania there are two types of seed systems: the formal system, which is market-oriented and is developed by the public and/or private sectors, and the family or community production system which is based mainly on seed self-provisioning exchanges and gifts among neighbours, and the informal market. The later is a result of many years of farmers' selection and is rich in agribiodiversity. Agribiodiversity results from the interaction between the environment, genetic resources and the management systems and practices used by culturally diverse peoples resulting in the different ways land and water resources are used for production. It therefore encompasses the variety and variability of plants which are necessary to sustain key functions of food production and food

security. Tanzania has a rich agribiodiversity which has not been tapped by researchers. Farmers are the owners of the agribiodiversity and its associated local knowledge. Unfortunately agricultural researchers have been trapped in the formal seed system and have forgotten the informal seed system which continues to feed Tanzanians. It is time now to bring the two systems together to improve food security, improve seed supply and conserve the agribiodiversity for the benefit of the whole world.

It is from this background that M/S Western Seed Co. Limited aims to tap into the opportunities in the food security industry in the country by carrying out business as producers, processors and marketers of quality hybrid seed maize.

### 3.2 Maize production in Tanzania

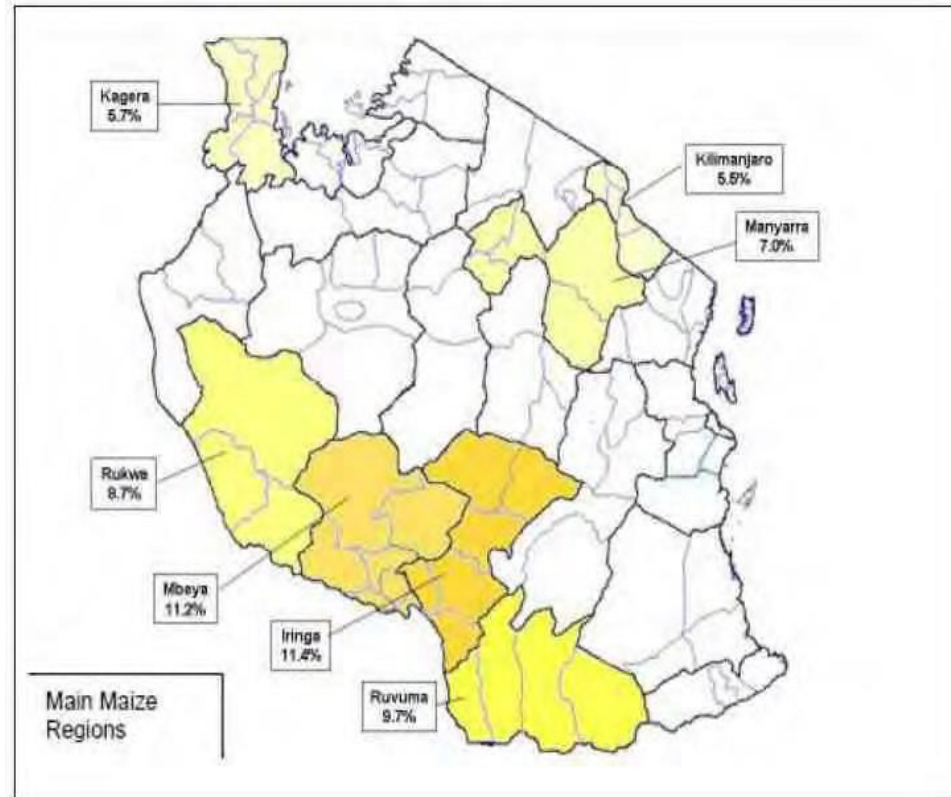
In Tanzania, over 90% of the population relies on agriculture for their livelihood. Maize is, along with cassava, one of the most important crops in the country and accounts for about 80% of the total grain production each year. About three quarters of Tanzania's smallholder farmers grow maize, and 99% of all maize producers are smallholders with an average farm plot of 1.5 hectares. In 2007, maize production in Tanzania totalled about 5,792,302 metric tons, of which approximately (70%) were produced by smallholders. In 2008, Tanzania produced about 5,949,330 metric tons of maize, an increase of 2.7 percent on the previous year. In 2009, Tanzania produced about 6,130,572 metric tons of maize, an increase of 3 percent on the previous year; while in 2010, Tanzania produced about 6,303,403 metric tons of maize, an increase of 2.8 percent on the previous year. In 2011, Tanzania produced about 6,594,251 metric tons of maize, an increase of 4.6 percent on the previous year.

Maize is grown in almost all the regions of Tanzania Mainland. Planted area increased from 2,570,147 hectares in 2005/06 to 3,050,714 hectares in 2009/10 agricultural year. Average yield of maize increased from 1.3 tons per hectare in 2005/06 to 1.6 tons per hectare in 2009/10 agricultural year. Areas planted and yields vary between years depending on rainfall and availability of inputs. However in the recent past the general trend has seen increasing areas of cultivation and moderate increases in average yields.

The main maize growing areas are shown in Figure 1. With about 5 million ha, Tanzania has the largest planted area of maize in all Southern and East Africa. Maize production has significantly increased over the past 10 years, largely through expansion of planted areas rather than increased yields. Over the past 50 years, maize production has kept pace with population increase. Currently, about 4 million Tanzanian farmers produce over 6.6 million MT of maize: most is for home consumption rather than commercial use. Although growing conditions are often good for maize, the average yields are low, averaging about 1.4 MT/ha. Approximately quarter of all the maize produced in Tanzania comes from the Lake Zone regions. Although principally grown for home consumption, it is also a cash crop on which farm families depend for income. Small-scale farmers contribute over 80 percent of Tanzania's total production.

Other major maize producing areas of Tanzania are the Southern Highlands regions. These are sometimes known as "*Big Regions*" in terms of surplus food production mainly maize. These regions are such as Rukwa, Mbeya, Iringa, Katavi, Njombe and Ruvuma. Other areas are Manyara, Kagera, Kilimanjaro and Kibaigwa.

Figure 1: The major maize producing areas of Tanzania



### 3.3 Market Needs

It is estimated that the potential demand for improved seed in Tanzania is about 120,000 tons per annum while the actual demand is estimated at 60,000 tons per annum. However, only 28.6 thousand tons were made available to farmers through formal seed system in 2011/2012 and out of this, 14,000 tons of seeds were produced locally and the rest of the demand met through imports or use of farm saved seeds. Given the availability of suitable land and other production potentials, Tanzania should be able to be self sufficient in producing quality seeds in the country that will be used by Tanzanian farmers and the excess exported to other countries.

The supply of seeds from Private sector increased from 8,748.25 tons in 2005/06 to 14,536.42 tons in 2009/10. While Public Sector decreased from 1,728.92 tons in 2005/06 to 1,608.37 tons in 2009/10. This increase of seeds supply from private sector and decrease for public sector is equivalent to 66% increase and 7% decrease for private and public sector respectively. Generally the supply of seeds and use increased from 10,477.17 tons in 2005/06 to 16,144.79 tons in 2009/10. This change is equivalent to 54% increase. For individual crop seeds, the supply was as indicated below.

**Maize seeds** Nationally increased from 8,766.16 tons in 2005/06 to 13,323.51 tons in 2009/10. This change is equivalent to 52% increase of maize seeds that were available to farmers. Maize seed production from research centers in the Southern Highlands, Northern, Lake and Western Zones are estimated to be in the levels between 2007 and 2012 as indicated in Table 7 below:

**Table 7:** Pre basic maize seed production from Research Centers 2007-2012

S/n	Year	Quantity Produced/Sold in Kgs
1.	2007/2008	1,500
2.	2008/2009	1,427
3.	2009/2010	3,087
4.	2010/2011	3,433
5.	2011/2012	6,516
	<b>Total</b>	<b>15,963</b>

**Source:** Seed and Agriculture Research Process in Tanzania: The Case of Small Scale Farmers' Participation in setting research agenda, 2013

Production of hybrid seed maize by M/S Western Seed Co. Limited will be for both local and international markets. The Company will export all surplus seed to Kenya and other East African countries.

### 3.4 Competitive Comparison

There are about 53 various seed maize companies in the country, majority concentrating in Arusha. These competitors are:

S/N	Name of Seed Company	Location
1	Zanobia Seeds Ltd. <b>Reg. No. 08038 (20/8/2010)</b>	Arusha
2	Monsanto (T) Ltd. c/o Kibo Trading & Services (Trade mark Dekalb) <b>Reg.No. 08022(5/3/2010)</b>	Plot 06 Block A Esso Road, P. O. Box 1280, Arusha
3	Krishna Seed Co. Ltd, <b>Reg.No. 08029(28/4/2010)</b>	P. O. Box 7304 Arusha
4	East African Seed (T) Ltd. <b>Reg.No. 08024(5/3/2010)</b>	P.O. Box 14455, Arusha

5	Kibo Seed Company (T) Ltd. <b>Reg.No. 08010 (5/3/2010)</b>	P.O. Box 25, Arusha
6	Suba Agro Trading and Engineering Co. Ltd. <b>(SATEC) Reg. No. 08027 (9/4/2010)</b>	P.O. Box 14702 Arusha
7	Alpha Seed Company Ltd. <b>Reg.No. 08012(5/3/2010)</b>	P.O. Box 1743, Moshi
8	Mbegu Technologies Limited <b>Reg.No. 08011 (5/3/2010)</b>	P.O. Box 1743, Moshi
9	PANNAR Seed Ltd. <b>Reg.No. 08016 (5/3/2010)</b>	P.O. Box 10677, Arusha
10	Rotian Seed Co. Ltd. <b>Reg.No. 08013(5/3/2010)</b>	P. O Box 11584, Arusha
11	Multiflowers Ltd. <b>Reg.No. 08042 (15/10/2010)</b>	Themu Industrial Area  P.O. Box 4387, Arusha
12	Pop Vriend (T) Ltd. <b>Reg.No. 08021 (5/3/2010)</b>	Industrial Area, Njiro  Hill, Plot, P. O. Box  35Arusha
13	Tanseed International Limited. <b>Reg.No. 08043 (12/10/2010)</b>	P. O. Box 140, Njombe P. O. Box 1456 Moro
14	FICA Seeds (2002) Ltd. <b>Reg. No. 08033 (10/8/2010)</b>	P. O. Box 10558 Arusha  Plot. 38 Azimio Street
15	Circle H. Ranch LTD <b>(22/2/2006)</b>	P.O. Box 16 Arusha
16	Selous Farming Limited <b>(Reg. No. 08031 (2/7/2010)</b>	P. O. Box 298 Mafinga,
17	Rockem Tanzania Limited	P.O. Box 2003, Dar es Salaam
18	STRAD Fumigation Company Limited, <b>(20/12/2006)</b>	P.O. Box 2525, Dodoma
19	Enza Zaden Africa Limited, <b>(27/7/2004)</b> <b>Reg. No.08039 (20/8/2010)</b>	P.O. Box 2750 Arusha
20	Mount Meru Seed Company <b>(11/10/2004)</b> <b>Reg.No. 08014 (5/3/2010))</b>	P. O. Box 7094 Arusha
21	IFFA Seed Company (T) Limited <b>(17/9/2007)</b> <b>Reg.No. 08015 (5/3/2010))</b>	P.O. Box 398 Arusha

22	Highland Seed company Ltd <b>Ref. No. 08025 (9/4/2010)</b>	P. O. Box 2604 Mbeya
23	Northern Seed Company Ltd. (5.2.2008) <b>Reg.No. 08017 (5/3/2010)</b>	P.O. Box 802 Moshi
24	Meru Agro-Tours & Consultants Co. Ltd (27.6.2008) <b>Reg.No. 08018 (2/2/2010)</b>	P.O. Box 13867 Arusha
25	FAMCO Seed Ltd <b>(27/6/2008)</b>	P.O. Box 7103, Arusha
26	BRAC Tanzania (11.8.2008) <b>Reg.No. 08019 (5/3/2010)</b>	P.O. Box 105213 Dar es
27	Morogoro Agribusiness Centre Ltd <b>(29.1/2009)</b>	P.O. Box 2043
28	Kagera Seed Farm Ltd <b>(26/3/2009)</b>	P.O.Box7908 Bukoba
29	Aminata Quality Seeds and Consultancy Ltd. <b>(23/3/2009) Reg. No. 08054 (14/6/2011)</b>	P. O. Box 6115, Tanga
30	Tropical Seeds (EA) Limited <b>Reg. No. 08001</b>	P. O. Box 2867 Arusha
31	RIJK Zwaan Afrisem Limited <b>Reg. No. 08002(25/8/2009)</b>	P.O. Box 12345 Arusha
32	Marnico (T) Limited <b>Reg. No. 08002 25/8/2009)</b>	P.O. Box 738 Arusha
33	Farm Products Limited <b>Reg.No. 08005 (25<sup>th</sup> /11/2009)</b>	P.O. Box 695 Moshi
34	Farm Products Limited <b>Reg.No. 08005 (25<sup>th</sup></b>	P.O. Box 695 Moshi
35	<b>/11/2009)</b>	
36	FMG Agriculture Limited <b>Reg.No. 08004 (25<sup>th</sup></b>	P.O. Box 110
37	<b>/11/2009)</b>	Sumbawanga
38	RIJK Zwaan Q- Sem Ltd <b>Reg. No. 08006</b>	P.O. Box 12345 Arusha
39	<b>(15/12/2009)</b>	
40	Mukpar Tanzania Limited <b>Reg.No. 08008</b>	P.O. Box 38597 Dar es
41	<b>(2/2/2010)</b>	Salaam
42	Kipato Seed Limited <b>Reg. No. 08007</b>	P.O. Box 388
43	<b>(25/8/2009)</b>	Makambako, Njombe
44	Agriseed technologies Ltd <b>Reg. No. 08023</b>	P.O. Box 6560
45	Agricultural Seed Agency <b>Reg.No. 08041 (16/9/2010)</b>	P.O Box 364 Morogoro

46	Kisimbaguri Estates Ltd. <b>Reg.No. 08022</b>	P.O. Box 10 Songea
47	<b>(5/3/2010)</b>	
48	Mayo (1999)Co. Ltd <b>Reg.No. 08046</b>	P.O. Box 7796 Dar es
49	<b>(5/11/2010)</b>	Salaam
50	Mtanga Farms Ltd <b>Reg.No. 08047</b> <b>(5/11/2010)</b>	P. O. box 23482 Dar esSalaam
51	Kamal Seeds & Research Ltd	P.O. Box 10392
52	Kilimo Markets Limited <b>Reg.No. 08051</b> <b>(4/3/2011)</b>	12974 Arusha (Karatu)
53	Seed Resources of Tanzania Ltd <b>Reg.No.08053 (11/4/2011)</b>	P.O. Box 12611 Arusha

#### **4. Strategy and Implementation Summary**

The Company recognizes that building its brand is important to securing a strong standing. Therefore, Western Seed Company Ltd will focus on building a brand that encompasses its products quality and overall performance. To raise brand awareness among the farmers and other stakeholders, the Company has created a logo with “**WH**” that it will use throughout its promotional strategy and in its various marketing materials. This will aid in brand reinforcement and adoption, and the enhanced growth of its name and positive reputation among its intended target market.

With its brand and guiding principles established, Western Seed Company Ltd will send a clear message about what it stands for, thereby building brand loyalty and encouraging the steady growth of its base of clientele.

Western Seed Company Ltd intends to achieve the following objectives:

- Establish a strong brand name and reputation in the Seed industry
- Fuel growth through positive word of mouth referrals among the farmers.

In order to reach these operational goals, the Company will build on its strengths and advantages as outlined in the following section.

#### 4.1 Competitive Edge

The Company intends to capitalize on its core strengths in order to establish itself as a leading Maize Seed Company in Tanzania. These competitive advantages are outlined in greater detail below.

- Own Breeding program
  - Unlike many other companies which rely on germplasm from research institutions and other companies WSC has an extensive research program and its own germplasm which makes it self-reliant and easy to adjust to the market needs and launch new products if necessary.
- Availability of varieties for all Agro-ecological Zones
  - Western Seed has developed products that are suited for all agro ecological zones of Tanzania
    - Early Market: Haraka WH101, WH301, WH302
    - Mid Altitude Market: Aminika WH403, WH505
    - Highland Market: Milima WH605
- Climate smart and Disease tolerant varieties
  - All WSC varieties are drought tolerant and resistant to common leaf disease like MSV and GLS.
- Continuously improving Old Varieties. New varieties like WH301 which is MLN tolerant is about to be released. Varieties like WH508 and WH602 will be released to the market. These are high yielding compared to existing varieties.

#### 4.2 Marketing Strategy

Western Seed Company Ltd will generate interest in its products/services by utilizing a variety of marketing and advertising channels that will increase the Company's exposure among its target audience

- Issuance of free small packs seed to farmers.
  - Over the years, WSC has realized that the most effective way of getting farmers to adopt a new variety is to have them experience it themselves. Farmers will not buy and grow until they have tested and are sure there is a guaranteed return from the seed. To minimize the risk to lose, they like trying new seed varieties in a small area before adoption. Thus, WSC will be packing seed in small packs of 100grms and 500grms and issuing them free of charge so that farmers experience the varieties themselves. The farmers who are satisfied will in turn influence other farmers.

The Distribution of the small packs shall be done through Farmer Groups, VBAs and Agro-dealers.

- Demo planting on strategic places like roads and other public places.  
Farmers would ask for a variety after seeing perform well at a farm. The aim of the demo is to ensure that the variety is visible to as many farmers as possible. Thus demo fields planted by roadsides and public places like churches and mosques will be very important for WSC reach to as many farmers as possible. There after farmers field days and Trainings shall be held at this locations for the farmers to experience the WSC varieties.
- Collaboration with NGOs  
NGOs like One Acre Fund have been working with farmers directly for years now and have an extensive network in the rural areas. WSC has been working with OAF in Kenya and will be strengthening this collaboration so as to reach many farmers with existing varieties and new varieties as well in Tanzania. It will also be working with other NGOs working with farmers to ensure its seed reaches as many farmers as possible.
- Lead farmer demos  
Tanzania an extensive farmer co-operative network who have lead farmers in each co-operative.  
Lead farmers serve as a catalyst for adoption and also makes training of farmers on good agronomy practices very effective. Farmers are able to learn from the lead farmers who also double up as influencers among them. Once the lead farmers adopt WSC varieties, the rest of the farmers will also be influenced to adopt this varieties.

## 5. Management Summary

### 5.1 Personnel Plan

Personel Count	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Directors	1	1	1	1	1	1
Finance and Admin	1	1	2	2	3	3

Operations	1	2	3	5	6	7
Post Harvest	0	1	2	2	3	3
Farm Production	0	0	0	0	0	0
Maintenance	0	2	3	4	4	5
Sales and marketing	1	3	5	7	8	10
	<b>4</b>	<b>10</b>	<b>16</b>	<b>21</b>	<b>25</b>	<b>29</b>
Seasonal Casuals						
Selection	0	5	8	11	13	16
Packers	0	8	12	17	20	23
Sweepers	0	1	1	1	2	2
Burner Operators	0	4	4	8	8	8
	<b>0</b>	<b>18</b>	<b>25</b>	<b>37</b>	<b>43</b>	<b>49</b>
<b>Wages Bill</b>						
Directors	22,985	22,985	22,985	22,985	22,985	22,985
Finance and Admin	3,150	7,855	15,711	15,711	23,566	23,566
Operations	21,661	10,704	16,056	26,760	32,112	37,464
Post Harvest	0	3,600	7,200	7,200	10,800	10,800
Farm Production	0	0	0	0	0	0
Maintenance	0	7,610	11,414	15,219	15,219	19,024
Sales and marketing	9,427	6,120	10,200	14,280	16,320	20,400
	<b>57,223</b>	<b>58,874</b>	<b>83,566</b>	<b>102,154</b>	<b>121,002</b>	<b>134,239</b>
Seasonal Casuals						
Selection	0	1,800	2,880	3,960	4,680	5,760
Packers	0	2,880	4,320	6,120	7,200	8,280
Sweepers	0	360	360	360	720	720
Burner Operators	0	2,160	2,160	4,320	4,320	4,320
	<b>0</b>	<b>7,200</b>	<b>9,720</b>	<b>14,760</b>	<b>16,920</b>	<b>19,080</b>
	<b>57,223</b>	<b>66,074</b>	<b>93,286</b>	<b>116,914</b>	<b>137,922</b>	<b>153,319</b>

All measurements in USD

## 6. Financial Indicators

The following table summarizes the Company's projected financial performance with standardized measurement indicators used to evaluate profitability, leverage, asset turnover, and liquidity. As with any long-range projection, accuracy is based on

reasonable estimates of return on investment and past performance. The Company believes the following numbers are attainable and reasonable. However, actual results will vary.

	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
Gross revenue	600,185	1,858,696	2,684,783	3,923,913	4,543,478	5,369,565
Gross margin	219,665	767,952	1,109,263	1,621,231	1,877,215	2,218,527
Operating expenses	191,061	463,829	599,701	798,683	904,685	1,042,652
EBITDA	28,604	304,122	509,562	822,548	972,530	1,175,875
Net Profit	10,275	187,472	338,008	563,766	621,958	762,006
Gross Margin/Revenue	36.6%	41.3%	41.3%	41.3%	41.3%	41.3%
EBITDA/Revenue	4.8%	16.4%	19.0%	21.0%	21.4%	21.9%
Net Profit/Revenue	1.7%	10.1%	12.6%	14.4%	13.7%	14.2%
Net Cash Flow	1,000	79,871	47,399	5,053	284,733	602,745
Cash Balance-Ending	67,357	147,228	194,626	199,679	484,412	1,087,157

<b>Leverage Ratios</b>						
Debt to Equity	1.41	0.92	0.35	0.11	0.09	0.08
Debt to Assets	0.59	0.48	0.26	0.10	0.08	0.07
Interest Coverage ratio	NA	3.43	7.84	22.05	14.14	29.67
<b>Liquidity Ratios</b>						
Current Ratio	24.45	11.27	9.83	8.38	9.55	11.76
Current Debt to Total Assets Ratio	0.04	0.09	0.10	0.10	0.08	0.07
<b>Additional Indicators</b>						
Revenue to Equity Ratio	2.43	4.28	3.47	2.94	2.32	1.97

\*All measurements in USD

## 6.1 Revenue Forecast

The following is a five-year revenue forecast. Direct costs include all costs which can be directly tied to revenue and include “cost of goods.”

<b>1. Revenue projections</b>							
	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>
Hectares Planted	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Seed sold annually	<b>273</b>	<b>900</b>	<b>1,300</b>	<b>1,900</b>	<b>2,200</b>	<b>2,600</b>	<b>3,000</b>
Average sales price per unit	<b>2.00</b>	<b>2.07</b>	<b>2.07</b>	<b>2.07</b>	<b>2.07</b>	<b>2.07</b>	<b>2.07</b>
Annual revenue per product	<i>545,622</i>	<i>1,858,696</i>	<i>2,684,783</i>	<i>3,923,913</i>	<i>4,543,478</i>	<i>5,369,565</i>	<i>6,195,652</i>
Other Income 0%	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total Revenue	<i>600,185</i>	<i>1,858,696</i>	<i>2,684,783</i>	<i>3,923,913</i>	<i>4,543,478</i>	<i>5,369,565</i>	<i>6,195,652</i>
<b>2. Cost of goods sold</b>							
	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>
Seed Purchase	401	900	1,300	1,900	2,200	2,600	3,000
Cost per Kg	0.60	0.70	0.70	0.70	0.70	0.70	0.70
Purchase Seed Cost	240,857	630,000	910,000	1,330,000	1,540,000	1,820,000	2,100,000
Outgrower Payment Costs	0	0	0	0	0	0	0
Processing Costs	139,662	460,744	665,519	972,682	1,126,263	1,331,039	1,535,814
Annual cost of goods sold per product	<i>380,519</i>	<i>1,090,744</i>	<i>1,575,519</i>	<i>2,302,682</i>	<i>2,666,263</i>	<i>3,151,039</i>	<i>3,635,814</i>
Other Costs	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total cost of goods sold	<i>380,519</i>	<i>1,090,744</i>	<i>1,575,519</i>	<i>2,302,682</i>	<i>2,666,263</i>	<i>3,151,039</i>	<i>3,635,814</i>
<b>COGS %</b>	<b>63%</b>	<b>59%</b>	<b>59%</b>	<b>59%</b>	<b>59%</b>	<b>59%</b>	<b>59%</b>

\*All measurements in USD

## 6.2 Break-even Analysis

The following break-even analysis shows the revenue necessary to break even in the each year. It equilibrates Revenues to Expenses for each year.

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>Break Even Analysis</b>						
Break Even Revenue	569,497	726,383	759,668	798,039	1,069,911	1,162,639
Break Even Qty(tons)	259	352	368	386	518	563
Local	0	0	0	0	0	0
Import	259	352	368	386	518	563
<b>Assumptions</b>						
Revenue	600,185	1,858,696	2,684,783	3,923,913	4,543,478	5,369,565
Variable Cost	399,133	1,371,779	1,981,458	2,895,978	3,353,237	3,962,917
Fixed Cost	190,772	190,288	199,008	209,060	280,281	304,573
Revenue per Unit	2.2	2.1	2.1	2.1	2.1	2.1
Variable Cost per Unit	1.5	1.5	1.5	1.5	1.5	1.5

\*All measurements in USD

### 6.3 Projected Profit and Loss

The Company intends to deploy its funding to maximize growth and profitability. In the Profit and Loss table below, gross margin equals sales minus direct costs. The “bottom line” or profit (as measured before and after interest, taxes, depreciation, and amortization) equals gross margin minus operating expenses.

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
<b>Revenue</b>							
Gross revenue	600,185	1,858,696	2,684,783	3,923,913	4,543,478	5,369,565	6,195,652
Cost of goods sold	380,519	1,090,744	1,575,519	2,302,682	2,666,263	3,151,039	3,635,814
<b>Gross margin</b>	<b>219,665</b>	<b>767,952</b>	<b>1,109,263</b>	<b>1,621,231</b>	<b>1,877,215</b>	<b>2,218,527</b>	<b>2,559,838</b>
Other Income 0%	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0
<b>Total revenue</b>	<b>219,665</b>	<b>767,952</b>	<b>1,109,263</b>	<b>1,621,231</b>	<b>1,877,215</b>	<b>2,218,527</b>	<b>2,559,838</b>
<b>Operating expenses</b>							
Selling and distribution expenses	18,614	262,448	379,091	554,057	641,539	758,183	874,826
Administrative expenses	172,447	182,794	193,762	205,388	217,711	230,774	244,620
Depreciation expense	18,324	7,494	5,246	3,672	62,570	73,799	81,660
Other operating expenses	0	18,587	26,848	39,239	45,435	53,696	61,957
<b>Total operating expenses</b>	<b>209,386</b>	<b>471,323</b>	<b>604,947</b>	<b>802,355</b>	<b>967,255</b>	<b>1,116,451</b>	<b>1,263,062</b>
<b>Operating income</b>	<b>10,280</b>	<b>296,628</b>	<b>504,316</b>	<b>818,876</b>	<b>909,960</b>	<b>1,102,075</b>	<b>1,296,776</b>

Finance Interest costs- INV F CAP	0	57,624	42,896	23,650	42,896	23,650	42,896
Finance Interest costs	0	28,812	21,448	13,495	21,448	13,495	21,448
<b>Operating income before other items</b>	<b>10,280</b>	<b>267,817</b>	<b>482,868</b>	<b>805,380</b>	<b>888,511</b>	<b>1,088,580</b>	<b>1,275,328</b>
Loss (gain) on sale of assets	0	0	0	0	0	0	0
Other unusual expenses (income)	0	0	0	0	0	0	0
<b>Earnings before taxes</b>	<b>10,280</b>	<b>267,817</b>	<b>482,868</b>	<b>805,380</b>	<b>888,511</b>	<b>1,088,580</b>	<b>1,275,328</b>
<b>Taxes on income</b>	30%	5	80,345	144,860	241,614	266,553	326,574
<b>Net income (loss)</b>		<b>10,275</b>	<b>187,472</b>	<b>338,008</b>	<b>563,766</b>	<b>621,958</b>	<b>892,730</b>
	2%	10%	13%	14%	14%	14%	14%

\*All measurements in USD

#### 6.4 Projected Cash Flow

The following depictions of the Company's projected cash flow show that the Company expects to maintain sufficient cash balances over the five years of this plan.

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
<b>Operating activities</b>							
Net income	10,275	187,472	338,008	563,766	621,958	762,006	892,730
Depreciation	18,324	7,494	5,246	3,672	62,570	73,799	81,660
Accounts receivable	-207,655	-164,084	-165,217	-247,826	-123,913	-165,217	-165,217
Inventories	-293,704	0	0	0	0	0	0
Accounts payable	23,363	48,989	32,157	48,235	24,117	32,157	32,157
Amortization	0	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0	0
Other operating cash flow items	0	0	0	0	0	0	0
<b>Total operating activities</b>	<b>(449,397)</b>	<b>79,871</b>	<b>210,193</b>	<b>367,847</b>	<b>584,733</b>	<b>702,745</b>	<b>841,328</b>

<b>Investing activities</b>							
Capital expenditures	(334,698)	0	0	(200,000)	(300,000)	(100,000)	(100,000)
Acquisition of business	0	0	0	0	0	0	0
Sale of fixed assets	0	0	0	0	0	0	0
Other investing cash flow items	0	0	0	0	0	0	0
<b>Total investing activities</b>	<b>(334,698)</b>	<b>0</b>	<b>0</b>	<b>(200,000)</b>	<b>(300,000)</b>	<b>(100,000)</b>	<b>(100,000)</b>
<b>Financing activities</b>							
Long-term debt/financing	325,588	0	(162,794)	(162,794)	0	0	0
Short-term debt/financing	459,507	0	0	0	0	0	0
Total cash dividends paid	0	0	0	0	0	0	0
Common stock	0	0	0	0	0	0	0
Other financing cash flow items	0	0	0	0	0	0	0
<b>Total financing activities</b>	<b>785,095</b>	<b>0</b>	<b>(162,794)</b>	<b>(162,794)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cumulative cash flow</b>							
	1,000	79,871	47,399	5,053	284,733	602,745	741,328
<b>Beginning cash balance</b>							
	0	67,357	147,228	194,626	199,679	484,412	1,087,157
<b>Ending cash balance</b>							
	<b>67,357</b>	<b>147,228</b>	<b>194,626</b>	<b>199,679</b>	<b>484,412</b>	<b>1,087,157</b>	<b>1,828,485</b>

\*All measurements in USD

### 6.5 Projected Balance Sheet

<b>Assets</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Cash and short-term investments	67,357	147,228	194,626	199,679	484,412	1,087,157	1,828,485
Accounts receivable	207,655	371,739	536,957	784,783	908,696	1,073,913	1,239,130
Total inventory	293,704	293,704	293,704	293,704	293,704	293,704	293,704
WIP	0	0	0	0	0	0	0
Tax Recoverable	2,473	2,473	2,473	2,473	2,473	2,473	2,473
Other current assets	0	0	0	0	0	0	0
<b>Total current assets</b>	<b>571,189</b>	<b>815,144</b>	<b>1,027,760</b>	<b>1,280,639</b>	<b>1,689,285</b>	<b>2,457,247</b>	<b>3,363,792</b>
Land and buildings	0	0	0	0	200,000	200,000	200,000
Plant and machinery	334,698	334,698	334,698	534,698	634,698	734,698	834,698
Less: Accumulated depreciation expense	(309,718)	(317,212)	(322,458)	(326,130)	(388,701)	(462,500)	(544,160)

<b>Net property/equipment</b>	<i>24,980</i>	<i>17,486</i>	<i>12,240</i>	<i>208,568</i>	<i>445,998</i>	<i>472,198</i>	<i>490,539</i>
Intangible assets	0	0	0	0	0	0	0
Deferred tax	0	0	0	0	0	0	0
Receivable from Related Party	0	0	0	0	0	0	0
Deposits	0	0	0	0	0	0	0
Other long-term assets	0	0	0	0	0	0	0
<b>Total assets</b>	<b><i>596,169</i></b>	<b><i>832,630</i></b>	<b><i>1,040,000</i></b>	<b><i>1,489,207</i></b>	<b><i>2,135,282</i></b>	<b><i>2,929,445</i></b>	<b><i>3,854,331</i></b>
<b>Liabilities</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Trade and other payables	23,363	72,352	104,509	152,744	176,861	209,017	241,174
Borrowings-Current	0	0	0	0	0	0	0
Notes payable/short-term debt	0	0	0	0	0	0	0
Capital leases	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	0	0	0
<b>Total current liabilities</b>	<b><i>23,363</i></b>	<b><i>72,352</i></b>	<b><i>104,509</i></b>	<b><i>152,744</i></b>	<b><i>176,861</i></b>	<b><i>209,017</i></b>	<b><i>241,174</i></b>
Long-term debt - Working Capital	0	0	0	0	0	0	0
Long-term debt - Infrastructure Cap	0	0	0	0	0	0	0
Other long-term debt	325,588	325,588	162,794	0	0	0	0
<b>Total debt</b>	<b><i>325,588</i></b>	<b><i>325,588</i></b>	<b><i>162,794</i></b>	<b><i>0</i></b>	<b><i>0</i></b>	<b><i>0</i></b>	<b><i>0</i></b>
Other liabilities	0	0	0	0	0	0	0
<b>Total liabilities</b>	<b><i>348,951</i></b>	<b><i>397,940</i></b>	<b><i>267,303</i></b>	<b><i>152,744</i></b>	<b><i>176,861</i></b>	<b><i>209,017</i></b>	<b><i>241,174</i></b>
<b>Equity</b>	<b>202</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Share capital	594,730	594,730	594,730	594,730	594,730	594,730	594,730
Share premium	0	0	0	0	0	0	0
Preferred equity	0	0	0	0	0	0	0
Retained earnings	<i>(347,512)</i>	<i>(160,040)</i>	177,968	741,734	1,363,692	2,125,698	3,018,428
<b>Total equity</b>	<b><i>247,218</i></b>	<b><i>434,690</i></b>	<b><i>772,697</i></b>	<b><i>1,336,464</i></b>	<b><i>1,958,421</i></b>	<b><i>2,720,428</i></b>	<b><i>3,613,157</i></b>
<b>Total liabilities and equity</b>	<b><i>596,169</i></b>	<b><i>832,630</i></b>	<b><i>1,040,000</i></b>	<b><i>1,489,207</i></b>	<b><i>2,135,282</i></b>	<b><i>2,929,445</i></b>	<b><i>3,854,331</i></b>
	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

\*All measurements in USD