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# PROJECT FINANCING

SIHA MAIZE FLOUR PLANT PROPOSAL



DIRECTORS  
AMALGAMATING SESTE LIMITED

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## 1. Executive Summary

### a) Business Concept

AMALGAMATING SESTE LIMITED as supply chain player in agricultural products is proposing a maize mill to service the Siha district and other districts of Kilimanjaro and neighboring regions including other countries like Kenya, Rwanda and Sudan. The Company will buy maize and produce maize meal with bran as a by-product.

### b) Financial Features

The Company estimates processing 18,000 tons of maize annually to produce over 720,000 bags with @ bag estimated 25 kg of maize meal. Peak sales season is December through March. First year of full operations expenses are estimated at TZS 16.6 billion with gross sales of TZS 18.1 billion with estimated margin of TZS 1.4 billion. Startup costs are estimated at TZS 1.2 billion.

### c) Management

The Company will benefit from an experienced entrepreneurial-based management team. Selemani Kakolwa, an IT engineer and co-founder of several consumer and services based companies in Tanzania, is responsible for strategic Plant operations and production planning. Stellah George, long term residents of Kilimanjaro with a firm knowledge of the local economy and experience in agricultural management and project infrastructure development, will run the day-to-day Administration and corporate relationship. Peter Kivamba, a Tanzania Chartered Accountant, investor and business consultant, brings to the table years of milling industry expertise and industry connections including financial and control planning. Ownership interest is allocated at 50% to Stellah George, 35% to Selemani Kakolwa and 15% is left open for any new strategic investor that might be interested to join.

### d) Partnerships

The Company will strive to form mutually beneficial partnerships with local farmers. Farmers will receive more favorable prices for their crops while The Company saves significantly on transportation costs and other economies of larger scale. A distinction togetherness also will be developed with distribution players to ensure wider reach to the market

### e) Loan Financing Request

The Company is seeking TZS 1.1 billion financing from Tanzania Agricultural Development Bank (TADB). The Company will leverage this funding with over TZS 719 million injected in constructing Industrial Building at Siha in the form of capital, land, labor and expertise. In this phase, Tanzania Agricultural Development Bank (TADB) funding will be applied towards startup, that will include minor finishing of industrial Building, Importation of Milling Machine and related Accessories including Installation costs. Tanzania Agricultural Development Bank (TADB) funding will greatly reduce the financial start-up burdens and provide for a much quicker path to profitability.

### f) Economic Impact

With current high maize meal prices and frequent shortages, The Company Mill will provide a cheaper product and assure year round availability. Local farmers will also save costs by delivering their crops to a local mill. Similarly, more local land owners

would be able to farm with a local mill that can buy their product. This will stimulate the local economy and increase Siha District and Regional cash flow.

**At project level we have organize with TINDIGANI AGRICULTURAL MARKETING COOPERATIVE SOCIETY (AMCOS) a Mawaru-Siha based society that has about 10 members** with capacity to supply maize input up to 750 tones that is part of over 28,000 tones total production capacity of the whole Siha district coming from 60 villages including Ngarenairobi, Namwai, Mwangaza, Mitimirefu, Rosline, Wiri, Mawasiliano, Lekrimuni, Ndinyika, Karansi, Magadini, Tindigani, Makiwaru, Mkombozi, Orkolili, Ormelili, Sinai, Munge, Donyomurak, Olwangw, Fuka, Lawate, Kashashi, Mae juu, Kishisha which are major producer.

**Agricultural Products Market creation**, with production capacity of the expected plant of 18,000 tons per year, equivalent input maize of over 31,000 tons of maize per annum meaning this create a full market cover for the whole Siha district maize production capacity

**Employment**, the plant by design and plan is expected to employ directs in between 45 to 75 and indirectly in between 50 to 150 dependent on production season.

**Byproducts user**, production process is expected to results to about 10,000 tons of corn bran that is key input in animal feed production, as Siha district is also full of animal husbandry feeding solution is as well guaranteed to most of pastoralists.

**Service Levies**, at the district level with expected average sales of TZS 19 billion council is also expecting a collection of TZS 57 million in terms of levies as per local government finance act.

**Marketing for utilities organization**, in production process power and water is among major cost drivers hence reliable bigger consumer is also born to the area with higher multiplier effect in district economics.

**Safe Agricultural Storage**, with planned inbuilt SILO of 500 tons' storage capacity, we expecting to sustain internal storage requirement and support other farmers in most cases that will again another source of income

## 2. Business Profile

### i. Goals and Objectives

**Mission Statement** - AMALGAMATING SESTE LIMITED. will produce maize meal in the Siha District of Kilimanjaro in order to reduce the retail price of maize meal and improve health and well-being in this outlying area. Our product will include fortifications with vitamins and minerals that will fight malnutrition which is a common health disorder in Kilimanjaro. This can promote quality of our product and also reflect a phrase

**Vision Statement** - The Company will strive to stimulate and support long term farmer's economic growth and increased cash flow in the Siha and neighboring districts.

**0-4 month goals** - This is the startup period where the milling infrastructure will be procured and installed in the existing building structure. This includes finishing of building facilities, ordering and installation of a maize mill, installation of electricity hookups, procuring maize sources, and the training of staff on operations and maintenance. Full operation will start during the September 2021.

**3 year goals** - With positive cash flow The Company will turn its focus on growth through community involvement. The Company will work with non-farming local property owners to encourage commerce and thus gaining additional maize sources.

**5 year goals** - To include other agricultural commercial produce into value chain to widen our value addition into the chain for sustainability of majority of farmers and increase our products portfolio in market to optimize profitability.

ii. **Products and Service**

The Company Mill will purchase maize and produce maize meal. Maize will be purchased from local and commercial farmers in any quantities. The maize is typically received bagged in 20 to 100kg bags. Maize will be stored until processed. Once processed, the meal will be bagged in 25kg, 15kg, 10kg and 5kg bags and transported to markets for sale. The grade of the meal is determined by the finished product's fineness. Finer meal is typically used for porridge with a runny consistency while coarse meal is used for a firm and pasty type porridge. Finer meal is generally more expensive but ultimately preferred.

iii. **Type of Business**

The Company Mill is a newly established company, registered in November 2014 and kept in operational this September 2021. During operations the mill will require 4 to 20 laborers respectively during the off and peak seasons to run at capacity. These workers will be hired and trained prior to the completion of the facility. The facility is located at Plot 317 and 318, Siha, Kilimanjaro along the Bomang'ombe-Sanya Juu-Kamwanga road. The mill is expected to be fully operational for the 2021 harvesting season. Sales will be divided roughly 50%/50% between wholesale and retail with export possibility.

### 3. The Industry Outlook

i. **Sector Description**

**Kilimanjaro Milling Sector History** - Since maize meal prices are decontrolled during the last 15 years the milling industry has enjoyed a much more competitive market structure with smaller milling operations gaining ground against prior monopolies.

With the eruption maize trading especially exporting, many commercial farmers were selling their maize various traders who in most cases were price dominating the

farmers. With coming of this proposed plant farmers are expecting to have reliable customer with reasonable market price and hence that will enhance their farming plans.

## ii. **Competition**

There are few categories of mills in Kilimanjaro both operating at small scale that only serve their immediate communities and there no large scale mills that sell their product throughout Kilimanjaro similar to proposed one. With no other local mills, the only large scale mills considered as competitors are in Arusha:

These large scale milling companies are able to spend significantly on marketing and enjoy customer brand recognition. They are located in areas of established infrastructure and have strong relationships with maize producers, grain traders and outlets.

Large scale milling companies do however struggle to serve remote locations due to transportation costs. They also process such high volumes that quality is often neglected. Smaller outlets are typically ignored and customer support is virtually nonexistent.

## iii. **Competitive Advantage**

As the only small scale mill in the Siha area, The Company Mill offers the following advantages over competitors:

- *Location* - The Company is able to facilitate frequent deliveries assuring constant availability. Being local also saves transportation costs.
- *Product Quality* - With lower quality control enforcement in most manufacturing industries, Larger mills do occasionally produce poor quality meal due to negligence or simply as a result of processing large volumes of product. Given the manageable size of The Company mill, such quality control can be performed regularly as needed without any difficulties.
- *Local Knowledge* - Traditional maize marketing channels in Kilimanjaro consists of: Producer → Grain Trader → Milling Agent → Retailer → Consumer. With The Company's African partner's close ties with local businesses, The Company will be able to buy maize without the use of grain traders as well as sell roughly 50% of the product independent of retailers.

## iii. **Market Characteristics**

*Kilimanjaro in general* - Maize meal is the staple diet of East Africa. An average adult in Kilimanjaro will consume around 120kg of maize meal per year, will eat maize meal porridge for breakfast lunch and dinner with various side dishes. In rural parts of Kilimanjaro, such that surrounds The Company, a bag of maize meal means food security for an average family for two weeks and is their first priority when receiving a salary.

## **Local Target Market**

Siha District has a combined population of around 126,000 people. The surrounding districts and Hai and Rombo have a population of 230,000 and 284,000 making a total population of 640,000 closer to prospective mill and other districts have a total population of 1,140,000 bring the total population up to around 1,790,000 people.

- Hai and Rombo are the closer district to the prospective mill. The Company will sell directly to both business consumers as well as retail outlets in these districts.
- Siha being in Kilimanjaro which among the hub of tourism as its economic bases. The Company will again sell directly to the tourism business consumers as well as to retail outlets.
- Other Outlets - With expected unique quality of products, we expect growing demand from other districts of Kilimanjaro and therefore many shops from those areas will benefit from The Company's deliveries.
- From the Mill to the Public - The Company will also incorporate a small outlet at the mill to supply the immediate surrounding customers.

### **Export Market**

Kenya, Rwanda and Sudan are also dependent on importation of maize and maize flour from Tanzania, with that view dependent on local consumption levels out of our production capacity we are looking forward exporting our products to these countries.

Tanzania recorded maize export of over 90,000 MT, 50,000MT and 20,000 MT to Kenya, Sudan and Rwanda respectively with high market acceptance of maize.

Plan is to export between 30% to 40% of production to these countries, and margin levels researches indicate we can fetch over 20% margin in addition to what we get from the local market.

### **By-product Market**

A maize mill produces bran as a by-product. Not fit for human consumption, maize bran is a nutritious component of livestock feeds and is even used by some farmers as a complete replacement for expensive livestock feeds. 20kg Bags of maize bran currently sells TZS 6,000, which is around 25% of the price of the same weight in maize meal. The demand for this product is always high in Kilimanjaro as animal feeds are very expensive and there are many livestock farmers. In Siha and other areas alone there are several small and medium scale cattle and sheep farmers that require buy maize bran.

## **iv. Industry Dynamics**

### **Sales Fluctuations**

*Seasonal Fluctuations* - Throughout rural Kilimanjaro people plant small areas of maize around their huts to supply most of their needs. After drying and cleaning the maize they grind it into a meal by with small diesel/electric powered milling units. This practice effectively removes these sustenance farmers from the commercial maize meal demand. However, every year between December and May there is again a sharp increase in demand for commercially milled maize as these

sustenance farmers once again start relying on commercial meal. This is due to the following two reasons:

- Sustenance farmers do not have access to adequate storage facilities for their maize. If there is a big surplus of maize during the rainy season most or all of it might spoil because of rain and high humidity
- Many sustenance farmers simply did not grow enough. The demand for commercial meal once again drops in May every year when people again start harvesting their own crops. During the peak months of December through May most milling companies look at producing twice as much maize meal per month as they would during the rest of the year.

**Annual Fluctuations** - The milling industry in Kilimanjaro has enjoyed a very stable environment over the last few years. The main reasons for this stability are:

- Kilimanjaro has one of the most stable and favorable natural climates in Northern of Tanzania for growing maize. On average however, Kilimanjaro has been producing more and more maize every year for the last eight years.
- During times of less maize production, and even in times of shortages, maize allocated for human consumption receives priority above other maize consuming business sectors like stock feed production, breweries and of course exports. Prices do increase but are simply reflected in higher maize meal pricing. This leaves the milling operators largely unaffected by less availability of maize.

### **Population Growth and Migration**

It can be accepted that 94% of Kilimanjaro consume maize meal as their staple diet. The nationwide market for maize meal sales can therefore be directly connected with population figures and growth rates. The current estimated population of Kilimanjaro is 1,790,000 and grows with 2.4% annually.

Although it is difficult to quantify this fact without the proper censuses, The Company's African partner is confident that the populations of both Siha and neighboring districts are constantly on the increase. This is evident in the rapid expansion of housing areas, new businesses and tourist sector, New businesses stimulate employment and a steady flow of villagers from rural areas. In these towns however, people are no longer able to farm their own crop and they solely rely on commercial meal

### **v. Trends**

#### *Government Allocation of Maize*

In times of maize shortage, the Kilimanjaro government typically first cuts all exports and then reduces the allocation to other business sectors such as stock feed producers and breweries. The Food Reserves Agency is always allocated a portion of maize to keep a buffer in place in case food aid programs might need to be implemented during natural disasters like floods or drought.

## 4. The Market

### A. Target Market

The target market is the Siha District and other districts of Kilimanjaro. Siha District is about 1,158 sq. km, and includes the towns of Siha and surrounding villages. There are also numerous smaller towns surrounding including other district.

*Population Statistics:* About 1,790,000 people or 50% of the target market are rural and live in compounds or villages around and between the towns of Siha and surrounding districts. The providers of the majority of these families earn their money through employment by local businesses, commercial farms (bananas, maize, wheat,) or at any of the tourist businesses that richly Kilimanjaro Mountain. Siha also serves as the district headquarters which brings with it the presence of many council employees as well as representatives of government departments

This part of the population will mostly produce, process and consume their own maize between the months of May and November. They will however make up a big part of our consumer base in the remaining months of the year between December and April. It is this re-entry that causes the annual peak in maize meal sales.

### B. Marketing Plan

**Product Use and Benefit:** The Company Mill will be filling a need within the Siha District that is inherent to its remote and outlying location. The Company will provide a lower priced product as it will be locally produced. The Company will also ensure a high quality product with consistent availability.

**Price Point:** Maize meal currently retails at TZS 21,000 to 32,000 per 25kg bag in Siha district. This price is on average between TZS 5,000 and TZS 15,000 more than retail prices in other regions due to the added transportation costs. As a local mill The Company will provide maize meal to this market without the transportation surcharges allowing for a retail price of TZS 23,000. The Company will also offer a wholesale price of TZS 21,000 allowing for the typical 9% retail markup. At this price point with a quality product market acceptance is assured.



**Sales Channels:** Sales are divided roughly 50% / 50% between wholesale and retail. All retail sales and wholesale sales will be mostly cash sales except for a few large accounts with outlets who will receive net 30 days payment terms.

**Marketing:** In addition to advertising media, The Company will promote its product through direct sales calls to businesses and retails outlets. Maize meal is a staple food and product of importance and word of mouth advertising will account for a large portion of the general public's product awareness. By providing a quality product at a cheaper price, The Company is virtually removing all barriers to product acceptance.

## 5. Description of Product and Business Operations

### A. Product Manufacturing

Maize milling is the process where dried maize kernels are refined to maize meal. The maize milling process is a mechanical process and consists of cleaning, grinding and sieving operations. After each sieving operations, product of a particular quality is drawn and the residue is recycled for further grinding or milling.

**Equipment / Facilities:** The production of maize meal requires a maize mill. The mill is constructed of various parts each responsible for performing functions such as sorting, cleaning, conveying, conditioning, grinding, crushing, purifying, and bagging. The mill will be housed in a building that contains all of its operations. With this plan roughly 2,500 m<sup>2</sup> is required for the milling equipment with another 1,000m<sup>2</sup> for surrounding working space. A building with an additional 50m<sup>2</sup> is required as temporary storage for the daily finished maize meal product prior to being delivered.

**Raw Materials:** The only raw materials required to produce maize meal are dried maize and water. Maize is purchased a various quantities bagged in 20KG to 100kg bags. The Company will give all local farmers first priority before purchasing from commercial growers. Water is pumped in from existing water supplying Authority in Siha. The pre-processed maize and finished maize meal are stored in some special silos. A water tank is also required to maintain 40,000L of water per day for the mill's operations.

**Quality Regulations:** The company is expected to register every product brand with Tanzania Bureau of Standards (TBS) for testing and approval and certification. Same certified standards are expected to be maintained thought-out production batches.

**Quality Control:** The Company will maintain a strict quality control of both incoming raw materials as well as the finished processed maize meal product.



## **B. Operations Plan**

### **Current Status**

The Company Mill is a newly established company, registered in November 2014 and kept in operational this September 2021 to meet the inherent maize demand within the remote outlying Siha District in Kilimanjaro. In order to produce quality maize meal by the 2021 harvesting season, The Company will erect a facility for a maize mill with surrounding infrastructure within three (3) months following funding. The Company has completed detailed financial, operational and business startup planning. Post funding, The Company is ready to proceed with the following startup activities:

- Final Finishing of existing building structure,
- Importation of the mill and accessories
- Installation of electricity and mill set up preparatory
- Securing contracts for raw material procurement
- Ordering maize mill
- Products marketing and distribution

### **Startup Costs**

There are several startup costs that are due to infrastructure development. These costs are one-time expenditures totaling TZS 1,100 million and include:

- TZS 418M - The maize mill
- TZS 270 - Storage Silo
- TZS 58M - Civil structures finishing costs
- TZS 58M - Installation costs
- TZS 51M -Packaging Machine
- TZS 9.2M - Pest control equipment
- TZS 35M -Forklift
- TZS 91M - Generator
- TZS 110M -Operations Vehicle

(All costs include labor, transportation, and fees where appropriate)



### **Key Startup Responsibilities**

*Peter Kivamba* : Strategic corporate and financial planning. This includes all fundraising such as loan application and investments. Also includes all budgets and overall project management. Will also manage the sourcing and installation of the mill, electricity lines and power transformer needed to connect to the public power lines.

*Selemani Kakolwa*: Preparation of building location. Oversight of building installation. Oversight of mill installation. Negotiations with government for public electricity hookups. Strategic planning for sourcing maize. managing the delivery and installation of the mill as well as the building of the facilities to house the mill base.

*Stellah George*: Administration and corporate relationship, she will coordinate all permit and license related documentation, Managing administration, workers and training of workers. Sales calls and procuring a customer base.

### **Workforce**

Post startup, during normal operation the mill will require 2 to 20 laborers respectively during the off and peak seasons to run at capacity. *Selemani Kakolwa* will manage and oversee the day-to-day operations with *Peter Kivamba* as Financial manager. Operations management will consist of overseeing milling operations, labor, maintenance, quality control and product delivery. Financial management will consist of sales, marketing and administration. Workers will be trained on location and will be responsible for running the mill.

### **Business Capacity**

The mill will have a throughput capacity of 2.08 tons of maize per hour. The down time on a mill is about 15% with 10% idle time. A six-hour milling period will result in roughly 5.00 tons of maize meal per day.

## **C. Risk Analysis.**

**Strengths:** As the milling industry is a well-established industry, The Company is able to efficiently implement a maize mill in the Siha district of Kilimanjaro. Information and expertise is available on the subject. Failure modes as well as recommended fixes are well documented. Parts are standard and easy to keep in stock. Similarly, there are a number of mills in other Tanzania regions that are successfully fulfilling the same service in their immediate community as The Company intends to provide in the Siha District. As The Company will not be competing with these mills their management are on good terms with The Company's partners and always willing to lend a helping hand.

Maize meal is the staple food of Africa and is always in high demand, especially in the remote outlying areas. Due to the vast distances on less than ideal roads, these outlying areas are



often neglected by the larger prominent meal producers. However, even when they are serviced, the added transportation costs are typically reflected in the meal prices. These conditions provide The Company with an easy entry point to the market with potential for quick market penetration. The Company will be able to gain a very loyal consumer base by offering better prices and maintaining a consistent inventory. Local knowledge and firm relationships with many of the surrounding commercial businesses will be instrumental in the market penetration and overall product acceptance. With these facts, an increasing sales volumes are expected during the lifetime of the mill.

Having the capacity to deliver maize meal directly to retailers and businesses will allow The Company to create and sustain healthy relations with customers. This is an important aspect in ensuring repeat business.

**Weaknesses:** The maize industry, as with all agriculture, is one that is at the mercy of Mother Nature. Although Kilimanjaro enjoys one of the most stable agricultural weather climates in Tanzania, nature still remains unpredictable from time to time. Establishing a milling operation in a remote outlying area in Kilimanjaro will require a relatively large capital investment. International imports from countries with surplus could drive prices down drastically if the government fails to step in and apply the appropriate import duties to protect the local producers.

**Opportunities:** Sufficient fertile land of Siha and other neighboring districts is available to supply the maize needed to produce the annual maize meal quota

**Threats:** Regular unexpected power cuts are an issue to most of manufacturing industry, however with current Government strategic industrial electrification we expect and minimum impact related to this problem, however the company has included in the plan the best stand by Generator to supports during these cuts.

The Company will be buying most of its maize from local farmers in the Siha district. These farmers do not irrigate and rely completely on natural rainfall for their crops. Failing weather could directly influence The Company's maize supply. The ability for larger competitors to lower their prices to match or undercut The Company's is a potential threat. However, due to the costs involved to service the Siha area and the fact that Siha and other districts sometimes does go without service, it is unlikely that the competitors will fight to maintain this market.

## 6. Organization and Management

**Organization:** The AMALGAMATING SESTE LIMITED, is a corporation with two shareholders who all serve as the board of directors. Ownership interest is allocated at



50% to Stellah George. 35% to Selemani Kakolwa and remaining 15% is available for new investors.

**Management:** The board of directors / shareholders will jointly plan long term strategy and day to day operations will be run by the selected management team which will include overseeing milling operations, labor, maintenance, quality control and product delivery, sales, marketing and administration.

**Technical Expertise:** A Miller with technical expertise in the milling process will be appointed by the board. Other mill operators will also receive the necessary training to assist and eventually fill in this roll over time.

**Human Resources:** Human resource requirements for a maize mill are minimal. Laborers will upload and download the bags of maize and maize meal, monitor the mill during operation, clean the mill and surrounding areas and seal the bags of processed maize meal.

## 7. Summary of Financial Results, Cash flows, Sources and use of Funds

In comparison to other business models a maize mill financial model is relatively straight forward. Maize is purchased, and maize meal is sold. The Company will be able to sell 50% of its product at retail and the remainder at wholesale.

The Company is expecting to receive TZS 1.1 billion in startup funding from Tanzania Agricultural Development Bank (TADB). The TADB funding will mostly be allocated towards importation and installation of the mill including related accessories.

### Results

**Annex A** is a summarized result for the coming five (5) years, revenues are expected to grow from TZS 1.5 billion in years 2021 to TZS 21.0 billion in year 2025

Gross margin percentage expected to be constant over the years and expected to grow from years five (5).

Net profit margins expected to grow from a loss of TZS 132 million in year 2021 to TZS 1.0 billion by year 2025.

Major operations costs expected be plant repair and maintenance, Power and staff costs annual average expected at TZS 167 million, TZS 1,271 million and TZS 156 million respectively over the forecasted period



### **Financial Position**

Annex B is a statement of financial position, Asset base is expected to remain the same with excellent repair and maintenance to the plant to ensure continuity during the period and capital investment is expected after five years of operations upon where the investment analysis will be done.

This stand will ensure stable liquidity to finance operations and repayment of the long-term loan from financiers.

Profitability reserves will be used increase raw materials (Maize) inventory levels during harvesting season June to August to control price eruptions that normally comes post harvesting season. The strategy is intended to lower cost of production utilize product pricing market weapon without affecting the planned margins

As the entire industry is mostly a cash industry, The Company will pay all accounts in cash never carrying any debt. The Company also expects all sales except for a few large accounts to be cash. These accounts will be net 30 days.

The financial model has been formatted to align with the annual agricultural season with the start of the year in May and ending in April. The Company is further anticipating being able to sell virtually all inventory prior to new acquisitions in the new year.

### **Cash flows**

A stable improving cash flows is expected over the period; every month of the years the company is expected to have enough cash to cover major operation cash requirement as indicated in annex C and a rolling working capital management will be deployed to ensure forecasted cash-flows are within controllable parameters.

Annex A.

EXPECTED COMPREHENSIVE INCOME STATEMENT					
Amount TZS 'Millions'					
	TZS Y2021	TZS Y2022	TZS Y2023	TZS Y2024	TZS Y2025
Income	4,536	18,144	19,051	20,004	21,004
<b>Less: Direct Costs</b>	4,060	16,692	17,337	18,203	19,009
<b>Gross Profit</b>	<b>476</b>	<b>1,452</b>	<b>1,715</b>	<b>1,800</b>	<b>1,995</b>
<b><u>Less: Expenses</u></b>					
Staff Costs	144	151	159	167	159
Operating expenses	169	534	566	598	633
Bank & Financing Charges	45	163	135	102	62
Depreciation	78	286	286	286	286
<b>Total Expenses</b>	<b>435</b>	<b>1,134</b>	<b>1,146</b>	<b>1,152</b>	<b>1,140</b>
<b>Profits Before Tax</b>	<b>41</b>	<b>317</b>	<b>569</b>	<b>648</b>	<b>855</b>

Annex B.

<b>EXPECTED CASHFLOW STATEMENT</b>					
<b>Amount TZS 'Millions'</b>					
	<b>Y2021</b>	<b>Y2022</b>	<b>Y2023</b>	<b>Y2024</b>	<b>Y2025</b>
<b>Cash inflows</b>					
Sales-Local	2,646	10,584	11,113	11,669	12,252
Sales-Export	1,890	7,560	7,938	8,335	8,752
Other Income-Milling for other	132	529	556	583	613
Bank Loan	1,107	-	-	-	-
<b>Total inflows</b>	<b>5,775</b>	<b>18,673</b>	<b>19,607</b>	<b>20,587</b>	<b>21,617</b>
<b>Cash outflows</b>					
Importation-Machinery	875	-	-	-	-
Import Duties,Taxes & Port Charges	42	-	-	-	-
Installation & Repairs	58	187	196	206	216
Payment to Farmers	3,992	16,057	16,765	17,603	18,273
Electricity & Water	295	1,452	1,524	1,600	1,680
Staff Costs	144	151	159	167	159
Office Rentals	12	12	18	18	27
Security Charges	3	3	4	4	4
Communication	4	4	4	5	4
Consultancy	15	20	20	25	25
Packaging & Distribution	45	181	191	200	210
Other office expenses	32	127	133	140	147
Loan repayment	76	305	305	279	305
Taxation	-	95	171	194	257
<b>Total outflows</b>	<b>5,592</b>	<b>18,594</b>	<b>19,489</b>	<b>20,442</b>	<b>21,307</b>
<b>Net Cash inflows/(Outflows)</b>	<b>183</b>	<b>79</b>	<b>118</b>	<b>145</b>	<b>310</b>
Opening Balance	9	192	271	388	271
Closing Balance	192	271	388	534	580

Annex C.

EXPECTED STATEMENT OF FINANCIAL POSITION					
Amount TZS 'Millions'					
	TZS Y2021	TZS Y2022	TZS Y2023	TZS Y2024	TZS Y2025
<b>ASSETS</b>					
Non-Current Assets	1,748	1,462	1,177	891	605
<b>CURRENT ASSETS</b>					
Cash and Equivalents	192	271	388	534	580
Inventories	100	340	644	1,291	1,825
Receivable & Prepayment	2	6	67	70	82
<b>Current Assets</b>	<b>294</b>	<b>617</b>	<b>1,099</b>	<b>1,895</b>	<b>2,487</b>
<b>TOTAL ASSETS</b>	<b>2,042</b>	<b>2,079</b>	<b>2,276</b>	<b>2,785</b>	<b>3,092</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share Capital	750	750	750	750	750
Retained Earnings	41	263	661	1,115	1,713
<b>EQUITY</b>	<b>791</b>	<b>1,013</b>	<b>1,411</b>	<b>1,865</b>	<b>2,463</b>
<b>BANK LOAN</b>	<b>968</b>	<b>827</b>	<b>657</b>	<b>455</b>	<b>212</b>
<b>LIABILITIES</b>					
Income tax	25	45	65	68	73
Accounts payable	257	194	142	398	343
<b>LIABILITIES</b>	<b>282</b>	<b>239</b>	<b>207</b>	<b>466</b>	<b>416</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,042</b>	<b>2,079</b>	<b>2,276</b>	<b>2,786</b>	<b>3,092</b>