

MOORO MOORO RANGE LIMITED



MVOMERO DISTRICT, MOROGORO REGION

THE BUSINESS PLAN FOR DEVELOPMENT OF A MODERN PASTORALISM

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Executive Summary

The mission of MOORO MOORO Range Limited is to link livestock keepers with the market with the price that respect each actor. The owners of the company have experience of conducting general business in logistic and spare parts and improve welfare of growers in the country by connecting them with the market. Currently have interest to expand their operation cattle ranching and meat business in and outside the country.

Although Tanzania is second country in Africa with many cattle that estimated be more than 33.4 million, but farmers and country have not yet benefited with this. Tanzania is still importing milk and its products and meat produced has failed to access foreign markets due to factors such as low quality. This has led to the race of reducing poverty to be very difficult to livestock keepers.

MOORO MOORO Range Limited planned to use Farm No.1666 in Mangae/Msongozi Village,Mvomero didistrict in , Morogoro to provide solution to above mentioned challenge by engaging in four-subprojects of cattle fattening, cattle rearing,Camels, shoats (sheep and goats) rearing and pasture production. The intended project aimed to keep 8,000 animals in the piece of land sized to be 1,000 (one thousand) acres. This project is estimated to cost TZS 11.5 billion and will employ more than 100 people directly and indirectly in livestock value chain nodes in the country. Furthermore, the investors are ready to set fund at 100% of 11.5 billion to support investment in four areas mentioned.

Key success factors for this project are availability of water and pasture, willingness of farmers to sell animals to MOORO MOORO Range Limited, country's protection policies to continue and availability of land to support this project.

MOORO MOORO management is ready to invest in the farm and currently they had started to look for foreign markets in Turkey for beef and live animals that will be kept in their farm.

In general farm will have major products which are live animals that include cattle and beef meat. Major targets of their market will be Dar es Salaam, institutions and foreign markets (such as Turkey).

1.0 Introduction

MOORO MOORO Range Limited is a private company registered in Tanzania by BRELA with certificate of incorporation number 156676365 in 2022.The Company is doing its business under Tax Identification Number (TIN) 156-676-365. The company intended to establish a Farm in Mvomero District, Morogoro.

The company is seeking to have a piece of land that estimated to be 1,000 acres bought from Kipunguni Enterprises Limited. The family company named their project, MOORO MOORO Range, for the purpose of engaging in commercial livestock production.

The company business vision is based on the concept of integrated agricultural and livestock production for development (IALP4D). The concept combines the use of tested agricultural and livestock production technologies as well as entrepreneurship skills in increasing crop and livestock productivity by bringing all relevant stakeholders (experts, entrepreneurs, livestock keepers, policy makers, financial institutions and SACCOs) on an innovative platform where they all contribute their technical, management, financial and other inputs for profit. The uniqueness of the concept is its emphasis on sustainable natural resource management; efficient markets, empowerment of the community and exploitation of government's supportive policies and slogans such as UCHUMI WA VIWANDA as well as institutional arrangements to fulfill the set purpose.

The MOORO MOORO Range Limited owned by Mr Abdullah Godah Barre (Turkish), Omar Warsame Noor (Swedish), Osman Hassan Hubsey (Swedish) with necessary entrepreneurial expertise to run their business. Omar Warsame Noor and Osman Hassan Hubsey are experienced entrepreneurs in Transportation and Logistics and general business that include food, spare parts and logistic business based in Tanzania with more than 15 year experience. And Mr Abdullah Godah Barre is experienced in agribusiness value chain business for more than 10 years. The family business has experience of conducting business at global level and has interest in diversifying their business into commercial livestock business to make use of good government's policy environment in the sector.

Among the strategies family company has established over years is the company's will be to seeks partnership with relevant stakeholders in the livestock sector in Tanzania including financial institutions, regional and local administration authorities, ministries and government agencies and NGOs to exploit opportunities available along livestock value chain nodes. The company purchased over 1,000 acres in which 800 acres will be used for cattle rearing, cattle fattening, raising sheep and goats (shoats) and pasture production. The remaining land of 200 acres will be used for development of other infrastructure to support livestock keeping such as buildings, dams and wells.

Animal feeds account for more than 70% of total production costs in livestock business in East Africa region. To reduce production costs associated with animal feeds, the company has a plan to establish its own feed processing unit that can be used to service surrounding community as well. To minimize its

impact on their business the company is planning to install animal feeds processing plant with capacity of producing 350-500kg per hour and silage plant will be installed at the farm.

1.1. Driving Factors

Agricultural trade flows in Tanzania, is characterized by poorly functioning markets with high transaction costs, and weak demand of the domestically produced agri-food products on the ground that the Tanzanian products are of low quality and relatively higher prices. Some of agri-food products that are produced in the country, but their production have never met the high-end market demand such as tourist hotels and metropolitan consumers. Having realized this gap, MOORO MOORO Range Limited developed an idea of establishing a state-of-the-art livestock farm in Mangae/Msongozi village, Mvomero district.

Market trends Tanzania show in that there is a rising demand for high quality livestock products such as milk, meat products (sausages, ham, and burger). To meet that demand Tanzania has been importing livestock products like sausage, cheese, milk and yoghurt from South Africa, Kenya and Zambia just mentioning the few. Different reports shows that Tanzania use TZS 23 billion for importation of milk and its products.

Currently, the MOORO MOORO Range management has a proposal of TZS 11.5 billion to develop the ranch with two main projects namely beef production and goats fattening. Once this investment will be done is likely that the family company will manage to produce meat and even export live livestock to foreign markets such as Kenya, Turkey, United Arab of Emirates (UAE), Democratic Republic of Congo and Comoro. This investment is likely will lead to job creation and increase of foreign exchange to the country.

Most agribusiness opportunities in Tanzania are potential for domestic, regional and export markets but the opportunities remain untapped due to several factors including project risk perception among businesspeople, low level of investment, poor farming and livestock husbandry management, heavily dependence on natural weather conditions and low production scale as well as fragile policies in the livestock sub-sector.

As a strategy to improving performance of the livestock sector, the government of Tanzania has put forward a few deliberate fiscal and monetary policy measures that aimed to protect livestock producers in the country. In policy, government has set several protection policies through regulations and non-tariff barriers

that aimed to stimulate private sector actors to invest in the country. One of that was the levy of TZS 5,000 for imported kilogram of meat and TZS 2,000 for one liter of milk.

Following to that Tanzania has witnessed emergence of the state of the art meat abattoirs such as TAN-Choice in Kibaha and Elia Food in Longido District both with a capacity of slaughtering more than 4,000 shoats and 1,500 cattle per day. Furthermore, both companies have accessed Middle East meat market. To meet this pace which is occurring at the downstream of the livestock business in the country, similar initiatives must take place at upstream as well by livestock keepers to develop modern ranch. But in general, the country has not managed to exploit its potential in the sector. Nevertheless, Tanzania exportation of meat is decreasing and is not exporting milk despite of its potential of being a number two in terms of having many livestock in Africa. To realize its potential more investments are needed in the livestock business and more indigenous entrepreneurs must be supported.

In general, any initiative that aimed to increase exportation of meat and decrease importation of milk products and other livestock products, can lead to more job creation and improvement of foreign reserves. But for this to be achieved several interventions are needed such as upgrading of products, processing and financing of livestock sector.

Increasing profitability and productivity are the main strategy in the Livestock Policy of 2006 in improving performance of the sector towards contributing to reduced poverty and increased income and overall growth of the economy. MOORO MOORO Range Limited proposes to contribute to the reduction of food livestock foods importation in Tanzania by establishing a modern livestock farm that will use improved animal breeds to serve domestic market and international market requirement.

The livestock farm will use modern techniques in animal husbandry and improved breeds with a desire of changing animal breeds in surrounding area to produce a high-quality animals' product for a country to compete at the foreign market. Regarding the existing domestic and regional market for quality livestock market, this business envisages bringing added advantage by increasing the value of livestock products and making them affordable through adoption of efficient production methods.

As a strategy of sustaining the better business environment, MOORO MOORO Range Limited has set a clear strategy to enhance the improvement of lives of the communities near the farm through socially responsible business practice and policy. The company will buy animals from surrounding communities at

competitive price for fattening program. The fattening project will enable community to have reliable market for their animals and increase household income in Mvomero, Morogoro once implemented.

1.2. The Business Components

One of the challenges in livestock business in Africa is lack of good governance and leadership to both private and public companies. The governance challenge is caused by embezzlement of borrowed money, diverting of loan unethical practices and inside trading among directors and hence several firms collapsed. Literature show that agriculture sector has seen advancement in technology such as artificial insemination (AI) and other hybrid seeds and investment in various nodes of the sector's value chains but governance and leadership is still lagging.

Governance challenge such as fund mismanagement or embezzlement has been haunting the sector and caused a lot of problems to livestock keeper who have engaged in contract farming or selling their goods through farm organizations such as agriculture marketing boards or cooperatives. Given the sensitivity and risks involved in livestock business in the country, MOORO MOORO Range Limited management understands the importance of good organization and professionalism in running this business. In this regard the MOORO MOORO Range project will run as autonomous entity with interdependent components. The components shall include animal fattening and pasture production units. Further the company will develop code of ethics to govern its operations and control its fund transactions.

2.0. Ranch Operationalization and Production

2.1 Production Site, Basic facilities Major Infrastructure

MOORO MOORO Range Limited is located at MANGAE/Msongozi village about 55 km from Morogoro town, Mvomero District in Morogoro region and is strategically located at the middle of the three districts in Morogoro region which are Ifakara, Mahenge, Malinyi, Kilosa and Mvomero and is accessible throughout the year from all districts. The ranch is located near by the Tanzania-Zambia highway that connects country with Zambia, Malawi and DRC-Congo. That means produce from the farm strategically can serve Morogoro, Coast and Dodoma regions and export to SADC Countries, Middle East and Comoro. About 80% of the final products of MOORO MOORO Range can be traded. The balance of the produce is to be marketed to Morogoro and Dar es Salaam market through its butcher. The company is planning to buy two trucks that will be used for transporting final products to the consumer markets.

The land is suitable for farming activities it has arable soil to grow a variety of both pasture and commercial crops for animal feeds such as maize, cassava and legumes. Furthermore, basic facilities such as electricity are just few meters from the farm. The water table around the farmland is high in such a way that the company will have two charcoal dams and can drill wells.

The MOORO MOORO Range Limited management desire is to transform their farm to modern livestock farm by keeping cattle for beef, goats, sheep and production of pasture. To be able to produce beef to service Tanzania and foreign market the family business will buy a farm no.1666 in Mangae/Msongozi village. To achieve this dream the MOORO MOORO Range Limited Management must ensure that there is availability of reliable input supplies such as water, animal feeds and pasture to run the farm. The major inputs for the project are pasture, animal feeds, good animal breeds, water and people with knowledge and skills to run the farm. Currently the ranch depends on traditional grasses and the farm is not demarcated.

Animals for fattening will be purchased in primary livestock auction markets in Mvomero, Kilosa and other places in the country and then rear them for three months with expectations to gain at least 1kg per day, then sell them at different market in the Tanzania and exporters of live animals to Comoro, DRC and Middle East.



2.2. Farm Main Products

According to the production plan of MOORO MOORO Range Limited, there will be three main products when the farm will be in its full swing namely selling of live animals (fattening cattle), and shoats.

2.2.1. Beef from fattening project

Beef is one of the widely consumed meat products in the world. In Tanzania beef production is limited by scarcity of quality feed, poor husbandry practices and unpredictable market. Recently there is rising

concern about eating quality meat in relation to originality, biosecurity and production system (traceability). This has been a challenge to meat from Tanzania to access foreign market.

There is a concern to domestic market that consumers prefer meat of high quality and safe meat with the claim that there are unethical use of antibiotics and possibility of some diseases which affects animals to be transferred to human beings. In that regards the demand for quality meat from modern ranch is growing in the country. Although ranches, feedlots and slaughterhouses are established there is limited knowledge on the best fattening practice for improved beef.

Cattle fattening is intensive production system that minimize animal movement through confinement and thus enhanced production. For optimal production using minimum inputs, it is recommended to practice semi-intensive production whereby cattle are partially supplemented with high energy diet in addition to grazing. Currently, cattle finishing process has become popular whereas animals are raised under pasture production system and later subjected to high energy diet for three months prior to slaughtering.

Cattle finishing increased the Average Daily Gain (ADG) up to 0.5kg per animal because of compensatory growth which occurs in supplemented cattle that were previously restricted or maintained on low plan nutrition. Empirical evidence indicates that, cattle finishing is more profitable when compared to total confinement. In Tanzania, there is high potential of finishing cattle using locally available and affordable materials after crop harvesting and processing.

More than 80% of Tanzanians depends on cereal production (maize, sorghum, rice and wheat) that produces large quantity of by-products (after milling) potential for high energy diet formulation. In addition, sunflower and cotton seed cakes are locally available as source of protein for concentrate formulation during cattle finishing. Although concentrate formulation is normally determined by nutritional requirements of animals, the recommended energy sources range from 70% to 75% and protein sources of 25% to 28% with 2% pre-mixed minerals.

Biosecurity of finishing beef cattle is crucial to ensure safety and security of herd. Biosecurity program involves all management practices for preventing diseases from infecting the herd. The farm will develop biosecurity management protocols toward prevention of both infectious diseases and nutritional disorders. The field survey in Mangae/Msongozu farm established the prevalence of the following common diseases affecting cattle; East Coast Fever (ECF), Brucellosis, Foot and Mouth Disease (FMD), Heart water, and tick bone diseases. In additional to other biosecurity management such as quarantine, the sound vaccination

program is recommended for controlling infectious of these diseases. The field survey also established inadequate facilities for de-warming animals in the ranch. It is therefore MOORO MOORO Range Management will install the functional spray races or dipping systems for controlling the tick bone diseases. This will enable the farm to keep 1,000 cattle for fattening in their farm.

2.3. Animal Husbandry

Management of both animals and the farm should be planned effectively before animals are brought in. Human resource, financial resources and infrastructure should be well planned. The following are important aspect to consider for management of animals in the ranch;

Type of management: intensive (mechanized) e.g. zero grazing and in-door system, semi-intensive and extensive systems. Decision on type of management is important because it has cost implication and labour requirements. In the context of MOORO MOORO RANGE FARM we recommend mixed management to optimize production and minimize operation cost. Beef cattle can be raised under pasture based and thereafter subjected to finishing program three months before slaughtering.

Feeding and nutrition: The Farm management should decide on what to type of feed, frequency and methods of feeding. Sources of feeds, nutritional composition, feed management, storage facilities and feed cost should be identified. Feeds normally cost between 65 and 75% of farm operational costs. Feed damage and loss due to contamination, poor handling, trampling, urination and mold infection are among the major feed challenges in many farms. We recommend proper feed conservation methods such as hay making, silage and leaf meals preservation to avoid post-harvest loss.

Breeding: Breeding management involve type of breed to produce, when to mate the animals, when to expect the young animals, how to manage the young animals? Since the objective of Mooro Mooro Range Farm is beef production. The selection of breed will focus on respective objective. For beef production the Boran cattle are recommended because of fast growth and best muscle development.

Animal health and diseases control: What makes the animals in a farm health, signs of healthy animals, how to sustainably manage the animals to maintain good health? Vaccination programme for common diseases is recommended. Tick bone diseases can be control through dipping (plunge dip) or use of spry races.

Stock controls: manage safety and dynamics and avoid loss due to negligence. This should be done daily by physical check and counting animals in a shed (Boma). The herders should confirm presence of animals and report in daily stock register (hard and soft copies) specified period for counting (weekly, monthly) and reconciliation report births, deaths, losses, sales, incoming, outgoing and animals to cull.

3.0. MARKETING OF PRODUCTS

3.1. Target Market

In order to reduce unnecessary transaction and marketing costs, the MOORO MOORO Range Limited intends to work mainly with direct market and receive target market price. In this regard the productions will mainly targeting industrial customers to whom meat from cullies will be used as inputs to further produce other food products. The implication is that MOORO MOORO Range Limited potential target market will be comprised of hotels, restaurants, military, hospitals, butchers and exporters of live animals. The B2B strategy calls for the development of relationship marketing where MOORO MOORO Range Limited will develop through marketing and sales department. The door for retailers will on the other hand be left open with minimum capitalization from MOORO MOORO Range Limited until the industrial marketing stabilizes.

3.2. Sales Projections

MOORO MOORO RANGE considers quality livestock to be the core product of the company followed by the cullies. Cullies will be sold sometimes after the beef cattle and shoats reached the maximum slaughter weight at least 350 and 50 kilograms respectively. Another potential products that MOORO MOORO Range Limited envisages to sell live animals like shoats and cattle. It is estimated that all the products will generate average revenues of about TZS 3,079,784,000/- to the company yearly. The main cost associated with the investment is predominantly construction of cow sheds, dipping wells, charcoal dams, and purchases of tractors, pasture seeds and milling machine, hay barn. Bailers, silage maker machine, molasses purchases of raw materials and human capital.

3.3. The Pricing Strategy

Pricing of products is one of the important factors for success at the market in Tanzania. We understand the livestock products sold in Tanzania without label or branding and due to the nature of the market some of the marketing practices are not appropriate. To avoid market failure into the tightly structured livestock value chain, the business operationalization of MOORO MOORO Range will follow markup pricing strategy.

In the beginning all the products will be sold as the difference between cost and the selling price of goods. As its business model begins to gain returns from economies of scale from initial high investment when production levels. The focus is of course to increase the margin with the dominance by paying attention on the costs associated with the production.

3.4. The Marketing Channel

The proposed farm project will have to make a choice on different marketing practices such as direct market or indirect in selling of their products, where to sell, when to sell, terms of trade and in some cases, what form of product to sell (live animals, cut meat, carcasses)? Effective selection of appropriate marketing channel strategy is a key to success of any firm involves in the business of nondurable products.

This is since in nature livestock and its products are perishable and have some limitations and difficult procedures in distributions. For example, distribution of live animals is governed by laws, regulations and by-laws and all must be considered in the selection of marketing channel. To minimize the effect of this marketing channels selection is very important.

3.4.1. Choices for Buying of Animals

There are several marketing channels which are used in the distribution and collection (buying) of livestock and livestock products. They include but are not limited to:

Auction Markets: Animals are brought at auction markets where they are sold through public auction by farmers at primary market.

Private dealers: Independent operators who buy and sell meat. The dealing is usually done at the farm.

Order Buyers: Acts as agents for other buyers.

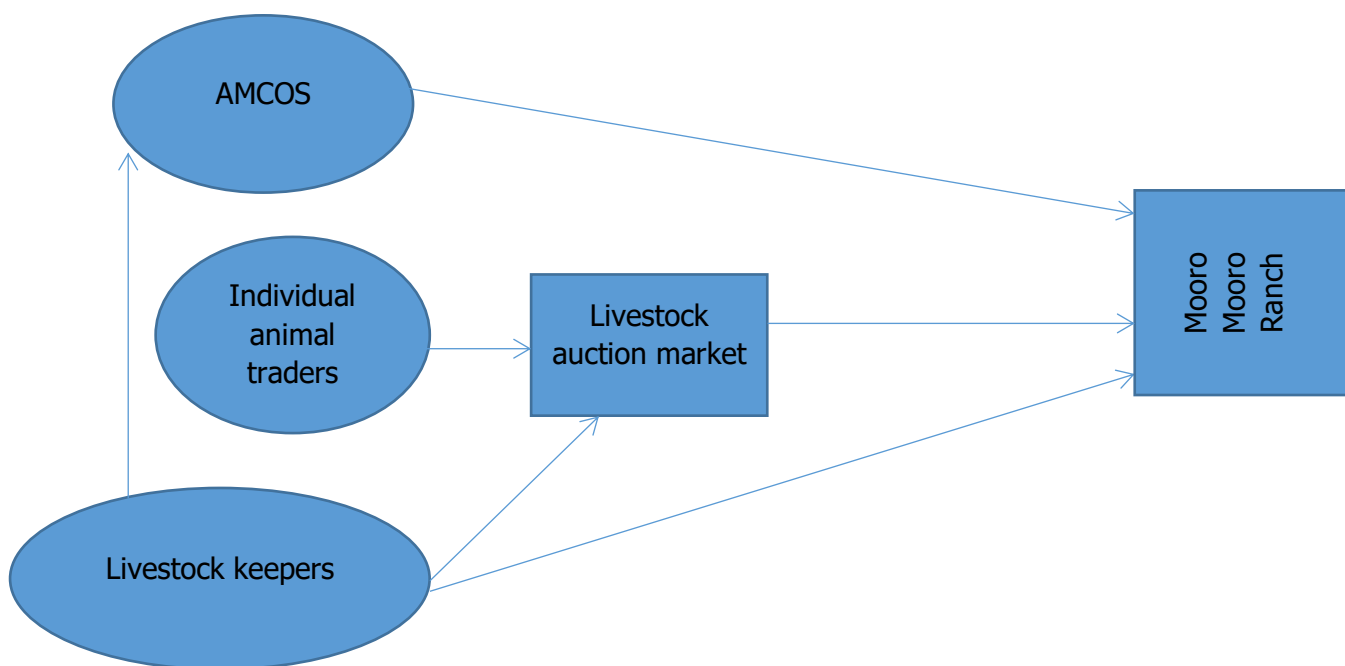
Sell by contract: Forward contracts are made by traders, operators or live animals exporters.

Direct marketing: The owners of the farm opts to sell the live animals or its products directly to customers through own butcher or through custom orders.

Of the five marketing channel, MOORO MOORO Range Limited, is opting to choose a combination of private dealers, order buyers and direct marketing. Regarding the transaction costs, these options will enable the company to operate profitably. In the private dealers, products will be sold to buyers in bulk either at the farm or at the envisaged company outlet in selected cities of Dar es Salaam, Mwanza, Arusha and Dodoma.

To have reliable supply at this market it is very important to provide good price to farmers as well. Because MOORO MOORO Range Limited will engage in cattle fattening need to set contract farming with suppliers who will supply at their farm or decide to buy at the market. The challenge of buying at the auction market without using village traders means you must pay cash to farmers. This means you need to have enough working capital all the time. While by having contracted livestock keepers with village traders does not require to have enough cash all the time. This suggest that MOORO MOORO Range will have contract farming with village traders to minimize transaction costs associated with collection of animals as shown in Figure 1.

Figure 1: Mooro Mooro Livestock Sourcing



3.5. Marketing Channel for Distribution of Farm Products

One of the major challenges of distribution of agribusiness products in developing economies is that suppliers are working in two different payment systems. At upstream they are required to pay cash to farmers while at downstream, payment is on credit with a number of actors such as butchers, food vendors and hotels having more powers to dictate the business operations.

The system of selling products in credit led to working capital crisis to several producers in the country and MOORO MOORO Range will not be spared. In that regards it is very important to understand how the

family business will operate at the market with some of the corporate customers such as supermarkets, institutions and butchers. Recently, suppliers have been affected with exits of several international supermarkets such as Uchumi, Nakumatt and Shoprite in Tanzania which led to some of the family business to sink.

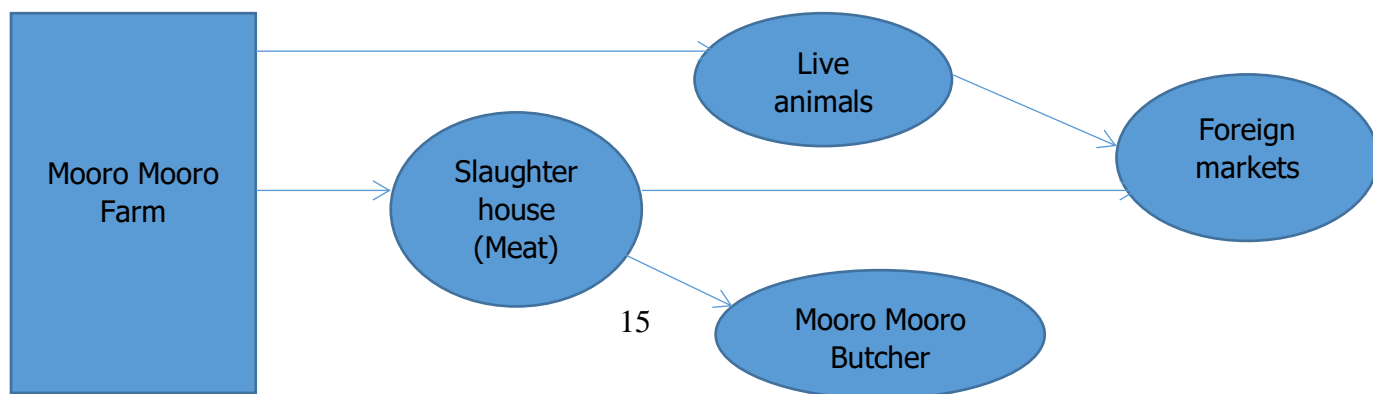
Therefore, in dealing with customer MOORO MOORO Range Limited will not work direct with suppliers instead supplying through some other companies. That will minimize the effects of trade credit and instead sell to middlemen and request them to buy in cash. By using cash payment system MOORO MOORO Range Limited will minimize the effects of running out of working capital by the firm selling directly to this kind of consumers.

Lastly, in the direct marketing option through butcher which will be owned by MOORO MOORO Limited Range to serve the domestic market as shown in Figure 2. The advantage of engaging in this business is that company will gain quick reputations from urban consumers on the quality of their products and even some of the higher-end customers such as tourist hotels would prefer to work with them due to its reliability. But, the process of engaging with the final consumers through butchers will be gradually by starting with capital cities like Dodoma and Dar es Salaam.

For export, market the company will distribute live animals and fresh meat from certified slaughterhouse such as TAN-Choice at Kibaha to service market such as Turkey. Figure 1 shows the firm will engage in selling of live animals to foreign markets such as Comoro, the Congo and other countries in Middle East.

Tanzania reached a peak in 1990 and managed to export 4,300 tons since then meat exportation is going down even though the amount of beef and meat has been increasing from 162,500 tons to 486, 736 tons. There are several reasons for this such as poor meat quality and lack of infrastructure. However, MOORO MOORO Range Limited has a network and experience in the foreign market such as Turkey which gives them advantage to penetrate the market.

Figure 2: Downstream distribution of ranch products



3.6. Competitor Analysis

Commercial livestock farms in Tanzania contribute less to the meat industry in terms of supply compared to non-commercial as shown in Table 2. For example, consumers still buy unprocessed milk even though they are aware of several challenges brought by their practices. In general market does not reward those who are engaged in production of high-quality livestock products, which result to low uptake of new technology and innovation by farmers. As MOORO MOORO Range Limited is going to introduce modern farm, it will give the company the competitive advantage in increasing productivity and quality of the final products.

However, recently there is an increase in demand for high quality meat due to education which was provided by government agencies such as Tanzania Meat Board (TMB). This has brought changes in slaughtering houses and butchers in urban towns in the country with introduction of facilities. However, more must be done.

MOORO MOORO Range Limited understands that the meat industry in Tanzania is highly competitive due to among other things are lack of adoption of capital-intensive production technologies and enforcement of the laws. With low level of law enforcement means that new players can engage in the business with paying tax or having other certificates. Furthermore, engage in slaughtering of animals at their back yard which will reduce their cost of their operations. These informal practices will bring competition in terms of costs to the family company at the market.

Modern commercial Farms are few in Tanzania and the livestock rearing is normally practiced in peri-urban and urban areas in the country and employs traditional production techniques but with low technological inputs. The cost of production is high because of high price of feeds. Feeds account for more than 70% of the production costs of commercial livestock keeping. A vertical integration strategy for the development of the livestock industry in Tanzania is important in minimizing cost of production. However, these large integrated firms exist side by side with small-scale producers and their activities are complementary. Table 2 shows that access to animal feeds will be an advantage to MOORO MOORO Range Limited.

MOORO MOORO Range Limited will remain competitive due to the fact none of the identified competitors have modernized their farm. The scale at which MOORO MOORO Range Limited envisages to operate is unique in Tanzania and it makes the company more competitive as it can take advantage of economies of scale.

Table 2: MOORO MOORO Range Limited SWOTs' Analysis

<p>Strength</p> <ul style="list-style-type: none"> - Experience in agribusiness value chain management - Investing in technology - Access of animals' feeds and silage 	<p>Opportunity</p> <ul style="list-style-type: none"> - Protection policies - Growing of middle-class urban consumers - Breeding and selling calves - Exporting live beef cattle - Exporting beef products - Mass production of cattle feeds
<p>Weakness</p> <ul style="list-style-type: none"> - Low chances to influence price - Infrastructure challenges 	<p>Threats</p> <ul style="list-style-type: none"> - Fragile government policies - Hawkers - Payment delay - Farmers willingness to sell their products by using weighting scale

4.0 Business Strategy, Operations and Implementations Plan

In the MOORO MOORO RANGE's business model, finances and commercialization processes are core to the implementation of the project. In order to have a successful implementation of the project, financial control is of paramount importance. It goes together with the commercialization processes. It is in this regard the implementation of the MOORO MOORO Range Limited livestock project will follow two interdependent channels of financial and commercial implementation processes. The implementation process will go through three stages of production, distribution and sales.

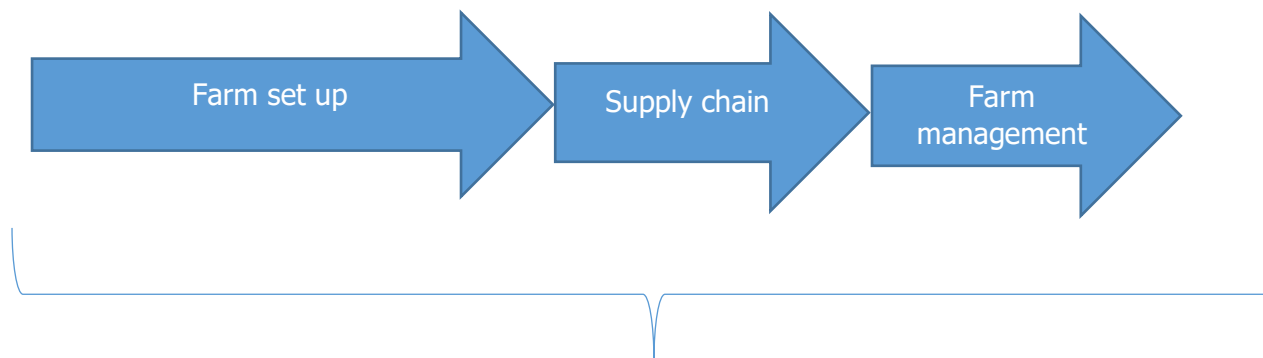
4.1. Production Stage

At production stage will involve farm set up, set supply chain and farm management as shown in Figure 3.

As for the issue of farm set up, MOORO MOORO Range Limited will buy land a from Kipunguni Enterprises Limited estimated to be 1,000 acres. It will hire key personnel to run farm. For modernization of the Farm, MOORO MOORO Range Limited aimed to establish three projects that include cattle fattening, shoats and pasture production. The total project will cost TZS 11.5bn and more investments are needed. Further, the

project will start with *'hanging fruits'* projects in developing of its capacities. In that regards the family company will start with cattle fattening, shoats and pasture production Figure 3.

Figure 3: MOORO MOORO's Production Stage



The production stage the focus will be on the purchase of bulls (Boran breeds), cattle for fattening, production of animal feeds and pasture production. Medication and precautions to avoid diseases will be practiced in this stage as well. Monitoring of the operationalization process will be done to counteract the effects of any abnormal conditions in the sheds.

4.2. Distribution Stage

In the distribution stage, MOORO MOORO Range Limited will develop a network of buyers in domestic and foreign markets. For domestic market, the plan is to develop a relationship with hotels, restaurant, and mining sites in Shinyanga, Tabora and Geita and butchers' country wide. Media campaign will be conducted by MOORO MOORO Range Limited to create awareness to the public on their services. Furthermore, the firm will distribute meat to large companies', employees that can be sold on credit and collected through their company at the end of the month. This arrangement can be done with cement manufacturers and large companies such Bakhresa Group of Companies and MeTL. But meat will be sold to only permanent employees.

4.3. Risk Factors

In developing economies like Tanzania, livestock projects are prone to several risks such as diseases, drought, floods, fragile policies and other natural disasters. Being aware of risk factors in Tanzanian agricultural environment, MOORO MOORO Range Limited has worked out the identification of all risk

factors associated with the type of investment it is envisaged to establish and developed the mitigation mechanisms as indicated in Table 3.

Table 3: Sources of Risks and Mitigation Measures

S/N	Risk sources	Possible mitigation
1	Diseases (African swine fevers, rift valley and FMD and brucellosis and CBPP)	Practices of good animal husbandry To implement biosecurity measures Provision of regular veterinary services to the animals
2	Low feed quality	This can be a result of outsourcing the feed supply system, MOORO MOORO Range will process its own quality feed. Feed mills will be installed at the farm with capacity of producing 300-500kg per hour
3	Market risks	Price fluctuation Payment delay because there is possibility of operating through credit Delivery and distribution system that will ensure products are supplied to where customers are Contract farming
4	Cattle rustling and unfaithful workers	Good recruitment system Use of professional security company such as SUMA JKT GUARD
5	Conflicts with the community	Understanding the influence of immediate community to the performance of the business, MOORO MOORO Range will play a societal role through corporate social responsibility (CSR) to support community access inputs and markets
6	Animal availability of live animals for fattening from farmers	Better price should be offered

4.0 Management and Organization Plan

4.1 The Management

Aiming at achieving a high degree of success a few members of the dedicated team of employees have been hired (Farm Manager and Principal shed attendant) as per Figure 2. Others will be recruited in a near

future during operationalization. In encouraging two-way communication in an open and transparent system, the employees have in a participatory approach developed the following corporate vision, mission, strategic intent and organizational values.

4.1.1 The Company Vision:

To be recognized by our customers as the high-quality livestock products producer in the country

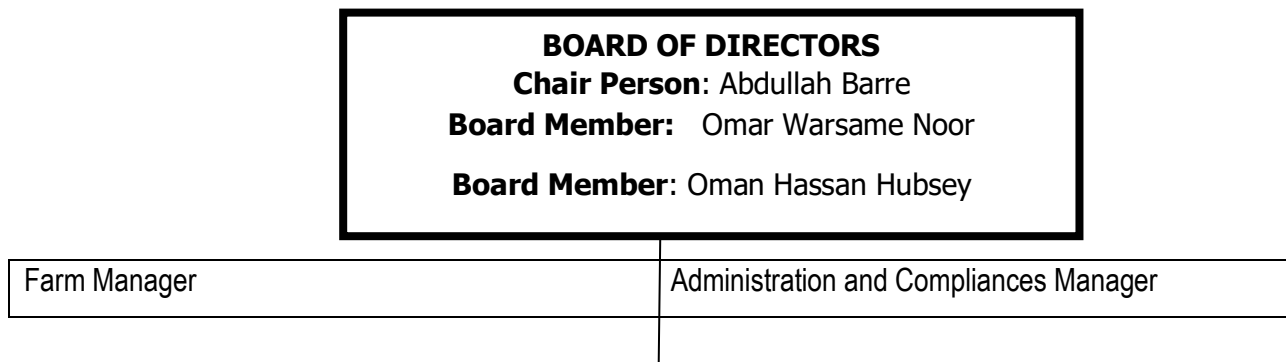
4.1.2. The Company Mission:

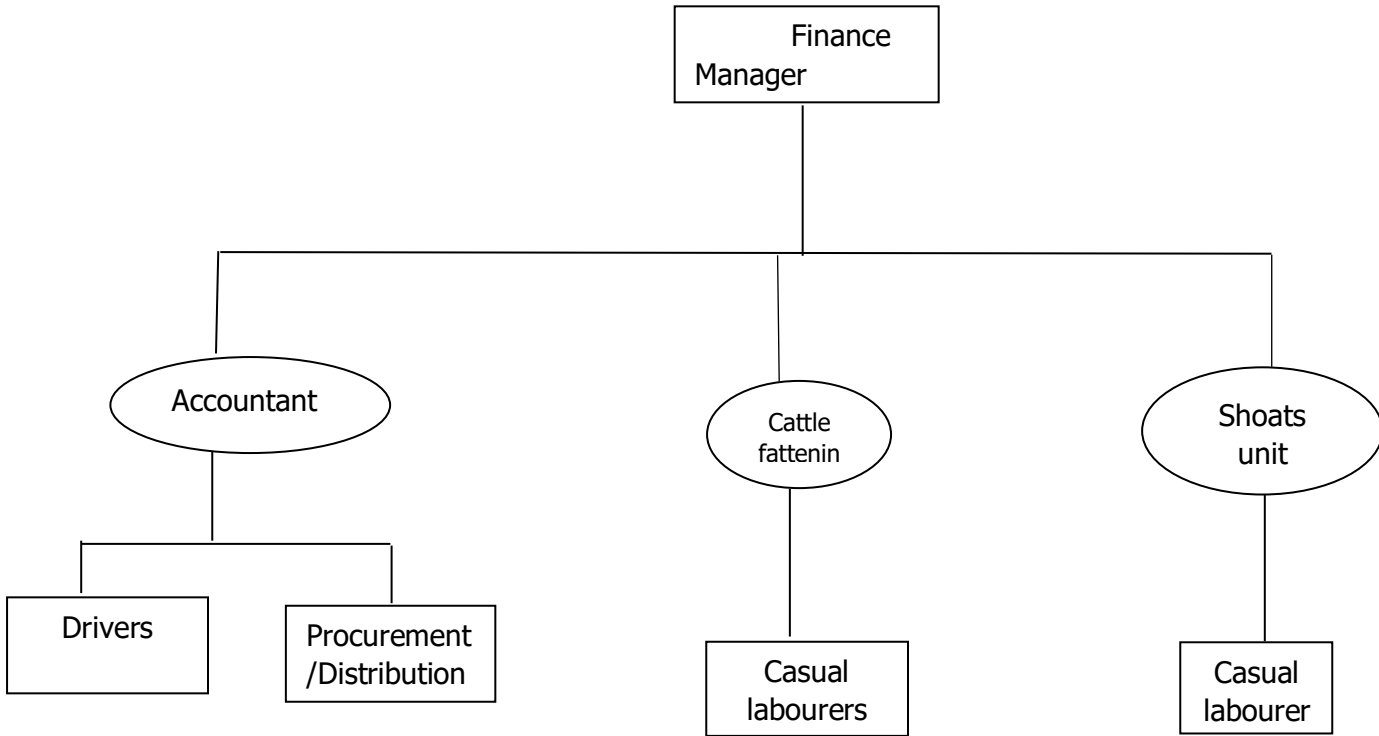
The company’s mission is to form long term relationship with livestock value chain actors for mutual benefits for all actors

4.1.3. The External Company Strategic Intents:

- Establish a fair business arrangement to actors it deals with
 - Foster close relationship with the surrounding community in which MOORO MOORO Range Limited operates
 - Promote trust and credibility among livestock value chain actors
 - Promoting ethical and sustainable production for the benefits of current and future generation
 - Be proactive, progressive and flexible when dealing with others
-
- Provide a strong commitment to helping employees realize their long-term goals
 - Exercise honesty, fairness and mutual respect are essential qualities of MOORO MOORO Range Limited
 - Strive to make our work environment pleasant, challenging, stimulating and most of all fun
 - Committed to continual learning and extending our knowledge

Figure 4: The Organogram of MOORO MOORO Range Limited





The Board of Directors will meet regularly to oversee the activities of the project departments/units represented by titles in circles in Figure 4. Each head of unit will conduct weekly meetings and produce monthly management reports together with financial statements to farm manager.

Due to sizeable contribution of the directors and diversity of MOORO MOORO Range Limited company's business activities, it is a prerequisite, for the board to tightly manage finances. The Board of Directors will design internal control and code of ethics mechanism which will promote good governance of resources at farm level. It is also a prerequisite that monthly verifiable financial statements are prepared, and copies provided to the board of directors. The financial statements shall include profit and loss statement, application of funds statement, balance sheet statement, cash flow statement and necessary notes to the statements.

4.2. Managers's Experience

The company will employ managers with energetic and person who must have experience in livestock value chain management. Additionally, the managers will have knowledge in businesses management. To this end, experienced managers will be hired to concretely establish and manage the project. Their recruitment will be on contractual basis to provide opportunity for management to be in position to evaluate

their performance based on key performance indicator (KPI) to take over as soon as they acquire the experience and expertise.

4.3 Training Needs

Experienced personnel that will be employed will carry out the investment activities at all four units of the project. Recruitment of other staff on experience will be based at the units' level. There is no need of training during these infant stages of the project, but staff will be enrolled into short time trainings to build on their practices and articulate efficiency. The company will arrange for regular trainings of the employees particularly managers and attendants and will be conducted by internal managers.

4.4 Human Resource Availability

The other staff (apart from farm managers and attendant already recruited), will be recruited from the open market and for strengthening relationship with the community surrounding the farm will be considered first. There is no constraint in recruiting persons of such a status. The company will use similar security company for provision of security services. This is due to the nature of the areas to be prone to encroaching and land conflicts.

4.5 Business Ownership

The business model of MOORO MOORO Range Limited follows company form of business in which the business will solely be operated by shareholder's entrepreneurs. In this way the business takes a sole proprietorship form of ownership and will be run as a family business from the beginning. Though owned as sole proprietorship family business, MOORO MOORO Range is registered as a Limited Liability Company (LLC) and consider the business as a separate entity from personal belongings.

4.5.1. Business Legality

The MOORO MOORO Range Limited is a Limited Liability private company owned and operated by three family friends. The Company holds a certificate of incorporation number **156676365** issued on 01 July 2022 under the Companies Act 2002, and it has a Taxpayer Identification Number **156-676-365** to operate as a commercial livestock keeper. The company has no legal restrictions. It deals with production of socially accepted livestock products beneficial to human health.

5.0. Financial Plan and Economic Analysis

5.1 Financial assumptions

The financial projections have been prepared based on the assumptions that the Farm carrying capacity should benefit from available and infrastructure that will be developed. MOORO MOORO Range Limited

goal is to have 4000 animals that include cattle and shoats in six years. Based on that the arguments govern our financial assumptions are as follows:

1. The existing water points and seasonal stream should be enough to undertake the large projects.
2. Grazing land should be divided into four sections each with 200 acres in the Farm.
3. Sheep and goats (Shoats) are kept at one of sections mentioned in two above.
4. Assumption for pasture farm should be developed at the farm with land remaining to avail pasture during dry season.
5. Management will follow and implement good animal husbandry
6. Investors will commit 100% of the total investment required.
7. Both projects (beefs and shoats) were assessed jointly.
8. The company shall start buying outside of the ranch parent stock and then breed the Boran breed which is highly demanded in the market.

The costs for undertaking the whole project have been divided into two major category investments for permanent equipment and working capital for purchasing consumables. For example, current retail price for steer and bull (Boran breeds) for fattened can reach TZS 3 million with more than 700 kgs as live weight.

The project shall include multiple projects such as beef cattle and shoats. However, the said projects will be run concurrently in the farm depends on the right land use. The projects need water resources, electricity and feeds. Therefore, each component will be established in the respective location where we make best use of the available resources.

Cattle for beef production unit: Assumption put forward is that the MOORO MOORO Range Limited shall feed and fatten them for sell as live animals or make meat for external market and domestic. The maximum number the farm can carry depends on the estimated vegetation biomass since the herd can be at maximum of 4000 animals separated into 4 groups of 1000 animals each at the four locations in the ranch.

5.2 The initial costs (Financial/Investment Plan)

Most of the ground works for the MOORO MOORO Range Limited are not in place and efforts are needed to make the farm modern. Therefore, Management is proposing the following to be done at initial stage of this investment which are construction of dam and dipping, construction of night sheds, and electricity installation. Also, family company must employ experienced personnel to conduct these activities at the initial stage of the farm set up. All these initial activities have cost implication and it's important for farm development.

According to the thorough analysis of the project financial requirements, it is indicated that the total investment cost for this project will be TZS 11.5 billion to make the full use of the project potential. The new investment cost will involve a purchase of animals, machinery, constructions of infrastructure and pasture development. We suggest that each phase should be five years and the first quick win is beef fattening and shoat's unit which need investment of TZS 11. 5 billion as initial investment.

In conclusion, the investment is viable with positive NPV of TZS 9.98 billion after five year and IRR of 20%.

5.3 The Working Capital

For the envisaged multiple projects to operate profitably, infrastructure and technological investments are inevitable and are of paramount importance. This importance makes the project front heavy in terms of investment but with better rewards in future as projected in the financial statements. The company will strategically invest in infrastructure and technology as well as in the working capital of the project. The projected monthly working capital for the investment is TZS 265,000,000 million per month. Working capital is comprised of monthly purchases of animals (starters) and other operational costs including monthly wages, purchase of animals, medical tr and development of pasture farm.

5.4 Projected Cash Flows

The required working capital and other construction cost will be buffered to successfully implement the project goals set. The projected cash flow of the envisaged business is positive with sufficient balances to cover all mature obligations, throughout the year. Each of the projects will be considered separately.

5.5 Projected Profit and Losses

With its heavy investment on the fixed assets, MOORO MOORO Range Limited will start to realize positive net profit from the year five as an aggregate project. However, each sub-project will have its own payback period as shown in the project worthiness of each subproject. The projected income statement shows net loss of TZS (101,400,000)/- million from year one. The net profit keeps on increasing from year to year until it reaches TZS 3,439,840,000/- in the fifth year.

5.6 Loan Repayment Plan

The loan repayment plan of MOORO MOORO Range Limited indicates that, the family business will be servicing the loan for five years without grace period. The loan will be serviced in Tanzanian local currency at an opportunity cost of 13%.

6.0. Economic Benefits and Social Issues

6.1 Contribution of the Investment to the Economy

The successful establishment of this project will result into outcomes that will be felt by the company owners, the government as well as the community at large. To the government, the investment to be undertaken will increase the government revenue through tax to the tune of TZS 553, 764,000/- in the second year and it will keep on increasing in years to come to TZS 1,031,000,000/- Some of local development projects in surrounding communities will be supported by organization through its corporate social responsibility.

6.2 Investment Contribution to Promoter

As an investor, MOORO MOORO Range Limited expects returns from the project that will cater for operational cost, short term financial obligations, and net profit. The return on investment for the project will be in the first six years used to grow the business organically through retained earnings. More importantly the investment to be undertaken is expected to enhance and increase the company's net average income to approximately TZS 3,079,000,000/- per annum from the first five years onwards. The net income to the promoter is an investment reward highly expected by the company, and this is one of the motives behind MOORO MOORO Range Limited investment decisions.

6.3 Employment Creation

The business will provide direct employment opportunities to 6-10 skilled people and additional 40 casual labourers, in which gender equality will be considered. Of the casual labourers, 10 will be women and 30 will be men. The return to employees is expected to TZS 192,040,000/- per annum.

6.4 Foreign Exchange Earning

Through its organic growth strategy, MOORO MOORO Range Limited will capitalize the domestic market first to contribute to the reduction of the meat demand gap currently filled up by imports. However, the company will look forward to expanding production to cater for export market in the East Africa region, Asia and Europe. In this regard, the project will have the potential to contribute to the national balance of payment through export of meat products.

6.5 Overall Contribution to the Economy

The total incremental return of the investment is estimated to contribute to economy to the tune of TZS 1,037,621,392/- with indirect employment of 300 individuals such as actors in the livestock value chain.

7.0 The Business Financial and Economic Feasibility

7.1 The Net Present Value and Internal Rate of Return (IRR)

The total investment costs for all three subprojects is estimated to be TZS 11.5 billion which management agreed to enter into commitment for servicing the 100% of the investment costs. With its benefits discounted at 15%, the project as whole is comprised of two units which have been assessed as a single project presented in Table 6.

Table 6: projects cashflow which comprises of beef and shoats

MOORO MOORO CASHFLOW PROJECTIONS FOR CATTLE AND SHOATS

Revenue(inflows)	Units kilogram	Price	Year 1	Year 2	Year3	Year 4	Year5
Sales of bulls	5600	3,350,000	18,760,000,000	26,264,000,000	30,016,000,000	30,016,000,000	30,954,000,000
Sales carcass	108800	8,000	870,400,000	1,218,560,000	1,305,600,000	1,392,640,000	1,349,120,000
Sales of fresh meat	544000	8,150	4,433,600,000	5,320,320,000	5,763,680,000	5,763,680,000	6,428,720,000
Sales of shoats and Camels	200000	4,900	980,000,000	1,372,000,000	1,470,000,000	1,470,000,000	1,568,000,000
total revenue from beef			25,044,000,000	34,174,880,000	38,555,280,000	38,642,320,000	40,299,840,000
Expenses (outflow for beef and shoats)							
investment costs			1,810,400,000				
operating costs (purchases of bulls)	8000	2,800,000	22,400,000,000	31,360,000,000	31,360,000,000	33,600,000,000	35,840,000,000
purchases of shoats	2000	85,000	170,000,000	204,000,000	238,000,000	255,000,000	255,000,000
veterinary drugs	3060	250,000	765,000,000	765,000,000	765,000,000	765,000,000	765,000,000
total outflow			25,145,400,000	32,329,000,000	32,363,000,000	34,620,000,000	36,860,000,000
netflow			-101,400,000	1,845,880,000	6,192,280,000	4,022,320,000	3,439,840,000
NPV			TSh9,981,392,468				
IRR			20				

Assumptions for cashflow projection

8000 two years old bulls of Boran will be purchased from the auction

Sales of live bulls which are reaching slaughter weight with 3 years will be sold in the auction

Costs for wells, sheds, and staff houses and transportation vehicles is estimated to TZS 1.8 billion

Total costs for year one is the total investment costs and working capital

veterinary drugs have estimated total annual litres for the various vaccine and washing.

Average price for fresh meat from Mooro Mooro is TZS 8150 per kilogram

Shoats sales estimated total 200,000 kilograms per annum.

The beef subproject is viable with positive Net present value of 9.98 billion and an internal rate of return of 20% which above the lending rate of 13%.

Project implementation technique

Company management will start with beef fattening while preparing the feed and sheds for other sub-projects. The phases of implementation should be based on the available funds to operate the ranch in two subprojects. Table 7 shows that beef fattening needs TZS 11.5 billion to operate and its result will be very quick within first six months in year one. Moreover, the project shall be implemented in phases based on available resources in the initial stages then build up experience and continue to reach a threshold for cattle and shoats in the five years' time.

Table 7: Summary of total costs of all sub-projects

Descriptions	Amount in TZS
Beef cattle fattening working capital (average for five years)	10,912,000,000.00
Goats and sheep (average for five years)	226,400,000.00
Infrastructures development (for five years average)	362,000,000.00
Total project costs	11,500,000,000.00

The owner's contribution would be in kind and the cost for infrastructure development