

Progress Report Farm Africa Agrofocous(Tanzania) Limited

1. Period of Activities for the Period : 2012 to Till Date
2. Achievements made : Annexure-I
3. Share holders information : Brela Online Search Attached
4. Company Communication Information:
 - a. Email : venkat.chelikani@farm-africa.com
 - b. Mobile Number : +255689396093
 - c. Physical Address : P.o.Box-1, Kilosa, Magomeni Village, Kilosa District, Morogoro Region.
5. Contact:
 - a. Name : Venkata Rao Chelikani
 - b. Position : Director and Manager-Farm Operations
 - c. Mobile : +255689396093
 - d. Email : venkat.chelikani@farm-africa.com
6. Certificate of Incorporation Number : 92353
7. TIN Certificate Number : 117-940-535
8. Project Core Activity : Cashew Plantations and Processing
9. Project Capacity : N/A
10. Direct Employment:
 - a. Foreign Men : 2
 - b. Foreign Women : 0
 - c. Local Men : 69
 - d. Local Women : 35
11. Indirect Employment : NIL
12. Project Financing Expenditure:

	USD
Farm land	362,222
Furniture and fittings	548
Computer and Equipment	4,468
Heavy Vehicles	410,375
Motor Vehicles	186,220
Machinery and Equipment	2,266,064
Work-in-Progress/Biological Assets	2,266,064
Total	5,495,961

13. Project Financing:

A. Complete Foreign Equity

: USD 5,800,000/-

Annexure 1 - Performance of the Farm

Farm Africa started mobilization in October 2012 and started procuring necessary equipment for bush clearing, tillage and planting.

Since our planting operations start in mid February 2013, we started recruiting tractor drivers, administrative staff and trained them to take up their operations smoothly. In addition to the staffing activity we started bush clearing, tillage operations and trial cropping including cereals, Vegetable crops and Horticulture crops to test the suitability of the land and environment.



Land Preparation and Trial Crops

Farm Africa has procured agricultural equipment to meet the varied requirements including Tractors from 50 to 420 HP, land clearing equipment, tillage, trailers, fuel & water bowsers, pneumatic precision planters amongst others. To support this large operation it was imperative that we establish our own infrastructure to handle repairs and maintenance of our equipment. The old building structure which was in need of much needed repairs, the repairs were taken up and workshop, machine Shop, Vehicle Service Bays, Vehicle washers and recruited Lathe operators, Welders, Mechanics were recruited and trained.

We established our own stores and procured all necessary spares, oils and lubricants to support ongoing operations, repairs and maintenance of equipment.



Buildings statues in 2012

Building Status 2020



Erection of Fuel Station and Roads Formation

Farm Africa approached TANESCO to provide electricity to our premises and they sought payment from us for huge dues which we left unpaid by Tanzania Sisal authority, Tanzania Carpet, Kilosa Sisal Estate, Myombo Sisal Estate, Dairy project amounting to Tshs 105,006,556.25 as on 31.12.2012. TANESCO stated that unless these dues are paid by Farm Africa they will not be able to provide power to the premises.

After prolonged negotiations with TANESCO, Farm Africa agreed to pay Tshs 55,426,017.45 to TANESCO in order for them to provide electricity. For the amounts paid by Farm Africa to TANESCO receipts were issued in the name of Tanzania Sisal Authority (payment receipts are enclosed as Annexure 12). Since Farm Africa has cleared dues to TANESCO, the amounts paid by it are owed by Tanzania Sisal authority.

In the Sale Agreement Dated 21st January 2009 between Tanzania Sisal Board and Agrofocus Tanzania Ltd, which is our Joint Venture Company that this farm is free from any encumbrances. (see Sale agreement in Annexure -12)

Tillage operations were started in Farm no - 350 only to be met with resistance from the encroachers, the same was reported to the DC, OCD and Lands department for their support and cooperation in continuing the operations. The main claim of the encroachers was that there were 7000 Acres of land set aside to distribute to the encroachers and they wanted that 7000 acres of land to be distributed amongst them. The matter of distribution of the 7000 acres by the district council has remained unresolved till date.

In order for us to continue our operations and keep our employees and equipment utilized we started our operation in another land parcel of our farm, diverting from our Main plan of planting irrigated dual season crops.

In 2013 we were able to plant 400 Acres of maize due the disturbances caused by the encroachers.



Planting with Pneumatic Vacuum precision planters and spraying with Boom Sprayers



Maize 400 Acres in 2013



Maize Grain in 2013

Farm Africa approached the WAMI river basin authority to seek permission to draw water from the Mkovondoa and Myombo rivers and were given temporary water rights for that year, which were not utilized due to the disturbances. Farm Africa was directed by the WAMI river basin authority to get necessary clearances from the NEMEC to grant water rights on Mkovondoa and Myombo rivers. As directed, Farm Africa appointed a certified agency to conduct the EIA and get the EIA certificate from NEMEC. The agency after following the due process was able to get the NEMEC EIA clearance certificate in 2015 (See Annexure 5). We still await to hear from the WAMI river basin authority on the allocation of water rights.

Farm Africa in association with Hy-Gene Biotech Seeds conducted trials of different vegetable crops under irrigation utilizing Water from Big dam. We used traveler irrigators for irrigating these crops.



Lindsey Make Travel Irrigator



Cabbage Crop with Traveller Irrigator

In addition we made an agreement with African Agricultural Technology Foundation (AATF) to produce WEMA Hybrid Maize Varieties under traveler irrigation.

In 2014 We procured more equipment to increase our acreage. i.e Multi Grain Harvester and Foldable disc Harrows which support 400 HP tractors.







Farm Africa planted 1400 Acres of White Maize and harvested through Dasmesh 9200 Maize harvester and we got considerable yields.

Farm Africa created additional infrastructure during this period. All our Lighting and office power is generated by Our 5 KVA Solar power System. Except workshop equipment all our power needs are met by the solar power generation.



Farm Africa has our Own Workshop and Machine shop. We have our own team of Mechanics, Welders, Lathe Operators. We have a high precision Lathe Machine to enable us to do detailed working.



Machine Shop and Victor Rajkot 12.5 Foot Lathe Machine

Since the Land encroachment issue was not resolved and we could not do anything on the irrigation side as we lost approach to River frontage and all our irrigation equipment Which we invested was lying idle in our godowns and most of our investment on procurement of irrigation equipment stills awaits utilisation.

Following are the irrigation equipment lying idle in our Godowns till date.

Irrigation Equipment

1.	Bulk Water Pump (Self Priming) with 30 HP Motor	-	4 Nos
2.	Submersible Pump Set Model FMQ:330 (12 1/2HP)	-	10 Nos
3.	Falcon Make Pump set Model:HMA-516(5HP)	-	2 Nos
4.	DECCAN Model: 40DX 40hp high Pressure Pump	-	6 Nos
5.	12.5 HP Star Delta Starters	-	11 Nos
6.	30 HP Star Delta Starters	-	4 Nos
7.	40 HP Star Delta Starters	-	7 Nos
8.	Automatic Starter Control Panel	-	2 Nos
9.	Champion make 3" Pipe	-	30 Nos
10.	4" Rigid Pipe Heavy	-	140 Nos
11.	Panel (Charge Over)	-	1 No
12.	Lindsey Traveler Irrigators with 305 mts PVC pipe	-	3 Nos
13.	L&T MK1 18A DOL Starters	-	3 Nos
14.	L&T MK1 14A DOL Starters	-	2 Non
15.	Centre Pivot - covering 49 HA	-	1 Set
16.	55KVA Generator	-	1 No
17.	125 KVA Generators	-	2 Nos
18.	110 KVA Generator	-	1 No
19.	40 KVA Generator	-	1 No
20.	Panel Change Over	-	1 No
21.	Electrical Cables for HV Power	-	14 Drums



Centre Pivot Equipment Lying in Store

Since we could not do anything on the irrigation front all our project plan was disturbed we decided to go with crops without irrigation and then we started thinking about Cashew project and started our initial nursery to start cashew plantation and planted 200 acres of cashew with 40 plants per acre density as a trial.



In 2015 we planted 200 acres of yellow maize and get good yields of 25 bags per acre.

Though we planted 800 acres of Cashew plantations in 2015 we had serious trouble with maasai cows as they are gazing in the nights and even on repeated complaints to the police this problem was not resolved and most of the plantation was damaged.

To protect our plantations and mark our boundaries we started measures to dig a trench marking our boundary to stop the maasai cattle and 2016 onwards we got considerable improvement in planting cashew plantation.



Boundary Trenching Around the Farm

In 2017 onwards we intensified the cashew project as we saw good yields from our initial plantations of 2014, though the survival rate was low due to the masai cattle herds grazing. Farm Africa has started using GPS Marking to speed up the plantations as manual marking is taking too long and no accuracy for future mechanisation. Farm Africa with this upgraded capabilities is now capable of achieving planting 2000 to 4000 acres of cashew in just 2 months.



GPS Marking of Cashew Rows

Farm Africa follows a high density 7.5 Meter Dimond type plantation pattern which gives 7.5 meter spacing from plant to plant and achieves 80 cashew plants per acre to double our production in the initial years of 3 to 12.



Cashew Nursery 2020



Cashew Nursery Under Shade Net

From 2017 to 2020 we completed the planting of areas in our control and to achieve our 10,000 Acre cashew project by 2022 we need to resolve the encroachment issue. Farm Africa has approached the Hon'ble High court of Tanzania(Land Division) Misc.Land Application No:335 of 2018(Arising from Land Case no:15 of 2018) and another Case Misc.Land Application No.464 of 2018 (Originating from land Case no:96 of 2018).

Farm Africa has started evaluating various equipment for processing cashew generated not only from its Kilosa farm but also procured through Tanzania cashew board auctions. In addition to the Cashew Nut processing we are also exploring the possibility of processing the Cashew Apple. Farm Africa envisages that over the years it will create over 1000 direct and indirect jobs in Tanzania. ***Over and above the current investments of over 12 Billion Tanzanian Shillings, Farm Africa envisages an additional 7 Billion Tanzanian Shillings in investments to achieve its goals.***

At The same time we are in consultation with local government officials to resolve the issue amicably and the District commissioner took an initiative and conducted a meeting with district officials and local leaders. We along with the local leaders went around the farm to hear their graveness and are trying to resolve the issue at the earliest.

Farm Africa invested in procurement of agriculture machinery and implements as we follow complete mechanization of the farm. Following are some of our major equipment purchased during these years in addition to Major irrigation equipment.

S No	Description	Make	Quantity
1	John Deere Tractor 410 HP	John Deere	1
2	Same Laser Tractor 150 HP	SAME	2
3	Landini Global Farm Tractor 100 HP	Landini	1
4	Mahindra 9200 Tractor 90 HP	Mahindra	2
5	John Deere 5503 Tractor 55 HP	John Deere	2
6	Combined Harvester 9200	Dasmesh	1
7	JCB Backhoe	JCB	1
8	Hitachi Excavator Z-Axis 200	Hitachi	1
9	Volvo Excavator EC55	Volvo	1
10	Eicher Trucks	Eicher	1

11	Eicher Tippers	Eicher	2
12	Toyota Hillux	Toyota	3
13	Landcruiser	Toyota	2
14	Ford Ranger	Ford	2
15	Motor Bikes	Bajaj and Honda	4
16	Tractor Trailers	Alipler	3
17	Water Browsers	Nanak Body Builders	1
18	130 KVA Generators	AfriEnergy	2
19	100 KVA Generator	AfriEnergy	1
20	55 KVA Generator	AfriEnergy	1
21	40 KVA Generator	Leyland	1
22	Boom Sprayers	CAFFINI	2
23	Centre Pivot System	Lindsay	1
24	Water Gun Irrigators	Lindsay	3
25	Pneumatic Precision Planter Row	Irtem	1
26	Nardi Seed Drill 8 Row Planter	NARDI	1
27	28,38,42 Disc Harrows	Dondi	3
28	12.5 Hp Submersible Water Pumps	Falcon	12
29	40 HP Submersible Water Pumps	Deccan	6
30	30 HP Monoblock Water Pumps	Crompton Greaves	4
31	Air Compressor	ELGI	1
32	Lathe Machine	Victor Rajkot	1

Following is the Status of Cashew Plantations till date		
Block Areas in Acres and planting status Till Date		
Block No	Total Acres	Total Plants
Block-1	96	7,680
Block-2	178	14,240
Block-3	269	21,520
Block-4	162	12,960
Block-5	165	13,200
Block-6	208	16,640
Block-7	175	14,000
Block-8	250	20,000
Block-9	243	19,440
Block-10	68	5,440
Block-11	250	20,000
Block-12	454	36,320
Block-13	169	10,160
Block-13A	97	7,760
Block-14	277	22,160
Block-15A	100	8,000
Airport A1	163	13,040
Airport A2	145	11,600
Airport A3	135	10,800
Airport A4	21	1,680
Airport A5	163	13,040
Airport-A 6	150	12,000
Block-16	114	9,120
Block-15B	30	2,400
Airport Tende	860	68,800
Airport Masai Area	58	4,640
2023	800	64,000
	-	-
	-	-
	5800	460,640