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MAINLAND GROUP AGRO PROCESS TANZANIA CO. LTD

**AMMENDED  
BUSINESS PLAN FOR SUNFLOWER, CORNFLOWER &  
SOYABEAN OIL EXTRACTION PROJECTS FOR DODOMA INDUSTRIAL  
ESTATE BLOCK NO.**



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MAINLAND GROUP AGRO PROCESS TANZANIA CO. LTD

MAINLAND AGRO GROUP PROCESS TANZANIA LIMITED

P.O BO 14826

DAR ES SALAAM



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## AUGUST 2023/Confidential Information

### Table of Contents

1. Executive Summary.....	
1.1 Objectives.....	
1.2 Vision.....	
1.3 Mission.....	
2. Services.....	
3. Market Analysis.....	
3.1 Market Trends.....	
4. Strategy and Implementation Summary.....	
4.1 Competition .....	
4.2 Marketing strategy.....	
4.3 Sales Forecast.....	
5. Management Summary.....	
5.1 Personnel Plan.....	
6. Financial Plan.....	
6.1 Important Assumptions.....	
6.2 Startup Funding Requirements.....	
6.3 Break-even Analysis.....	
6.4 Projected Profit and Loss.....	
6.5 Projected Cash Flow.....	
6.6 Projected Balance Sheet.....	
7. Appendix.....	

## Executive Summary

**MAINLAND GROUP AGRO PROCESS TANZANIA LIMITED** is a company registered in Tanzania under Company's act and bears a certificate of incorporation No. 156337803 dated on 06TH JUNE 2022, the company is intending to widen up by investing more in sunflower oil, cornflower oil and soyabean oil extraction plants in central Tanzania. The promoters of the project are well established in business with wide knowledge about Tanzania economic sector due to their engagement in the business for period of over five years. Being in the agricultural sector dealing with agricultural implements and consultancy has exposed them to the agriculture sector opportunities in central and southern Tanzania. The directors are well organized to execute these projects of increasing number of trucks that will assist in transportation of the products throughout Tanzania and neighboring countries.

The sunflower oil, cornflower oil and soyabean oil are fast being realized as one of the healthiest options for cooking oil and for use in foods. The oil is high in vitamin E and necessary healthy polyunsaturated fats. It is also commonly used in cosmetics to produce a strong barrier on the skin to help keep moisture in. It is also sometimes used on premature or low birth weight infants to provide protection of the undeveloped skin against infection. Due to its importance the company has intention to invest in cereals oil extraction as it seems to both economic and social beneficial to the company and the society.

The company headquarter is located at Veyula-New city, Block no. AH, Plot no. 1 in Dodoma. The company was founded by Jad El-Taouil and Mainland group (Hongkong) Company Limited who actively managing the company.

### *Capital Requirements and Use of Funds*

The company is about to invest 60 million US dollars for heavy trucks and general expansion of the business. All vehicles will be equipped with advanced GPS vehicle operation management systems, which can provide real-time monitoring 24 hours a day, and thus can report accurate vehicle tracking information to customers. The fund will be used as categorized in the following:

- Purchase of 30 trucks (horses and trailers): \$ 2,400,000.
- \$ 41,057,265 to purchase more machines, land, industrial building constructions and more equipment's for the extraction of oil.
- Working Capital of \$ 10,969,560 for purchase of the soyabean, sunflower and cornflower from local farmers and delivery costs.
- \$ 5,573,175 for salaries and other administrative costs until the Company receives its first payment from customers.

#### Vision

Our vision is to be the leading manufacturing company in east and central Africa

#### Mission

To provide customized service to our clients

#### Motto

Quality products for stable market and healthy life

MAINLAND GROUP AGRO PROCESS TANZANIA LIMITED is a company that looks forward to deliver excellent goods and services in terms of helping our customers delivery to their destination. We want to be known in the market as the manufacturing company that care for our customers.

### **Management Summary**

Mainland Group Agro Process Tanzania Limited will be managed by Mr. Jad El-Taouil Malango and Mainland Group (Hongkong) Company Limited

#### **Mr. Jad El-Taouil- General Manager**

Graduated from Alassane Ouattara University in the ivory cost with a bachelor's degree in project planning and management majoring in project management. Mr. Jad El-Taouil worked at a managerial level as a managing director at tropical rubber cote d'ivoir for 4 years where he was able to learn ins and outs of the manufacturing industry. This experience will be the company's most valuable asset.

#### **Mainland Group (Hongkong) Company Limited – Head of Operations**

The company has over 4 years of experience in PALM OIL and NATURAL RUBBER projects management. Mainland Group (Hongkong) Company Limited was responsible for delivering projects against agreed scope, budget, schedule and customer expectations. In addition, it managed risks and issues that arose and provided support for all off site activities. Further, Mainland Group (Hongkong) Company Limited processes a consistent track record of improving performance, increasing efficiency to budget and tight time scales.

#### **Marceline Dominick Rutakwa - Head of Sales and Marketing**

**Marceline Dominick Rutakwa** is an experienced Relationship Manager with routinely assessing and meeting the financial needs of various business customers. Having

working in the manufacturing industry for over 10 years, **Marceline Dominick Rutakwa** has an extensive network on both personal and professional front that illustrates his ability to maintain and develop long term relationship with clients. His roles as a Relationship Manager include managing assigned credit portfolio & monitoring the quality of existing credit relationships on a continuous basis, initiating and carrying out recovery action on non-performing credit facilities on assigned accounts, analyzing and screening applications for loans. Frequently contact customers via phone calls, and physical visits to obtain feedback on service quality and customer satisfaction levels **Marceline Dominick Rutakwa** holds an Advanced Diploma in procurement and supply from Institute of Accountancy (IAA), Tanzania.

### ***Hiring Plan***

In order to launch, the company needs to hire the following personnel:

- Sales and Customer service: 4 full time employees to manage the day-to-day operations and customer service.
- Drivers: skilled, responsible 30 drivers who are willing to travel locally or internationally.
- Casual labors, responsible 45 short term labors to assist in day-to-day manufacturing activities
- Permanent employees, responsible 45 long term contracted employees to assist in day-to-day manufacturing activities and good services to our esteemed customers
- For now, we will contract the maintenance of our trucks to service provider, we don't intend to maintain a very large overhead from the onset. But as soon as the business grow and stabilize, we will assemble our own in-house maintenance team.

### **Market Analysis**

#### ***Market Trends***

The market trend as it involves the manufacturing of oil and delivering the order to customers is dynamic and at the same time challenging. But one thing is certain, once manufacturing oil company gain credibility, it will be much easier for the company to secure permanent deals/contracts with big corporations, big time merchants, warehouse operators etc. who are involved in selling goods and delivering the order form one location to another on a regular basis.

Operators in this industry know that some of the major factors that count positively in this line of business are competence, trust, honesty, good relationship management and timely and safe pick-ups and deliveries. Hence, they will ensure that they portray their company in this light.

### **Strategy and Implementation Summary**

#### ***Competition***

In addition to competing with other manufacturing companies, including regional carriers such as Murzah Oil Mills, Sanrich Sunflower Cooking Oil, Zuri Virgin Coconut Oil: Mainland Group Agro

Process Tanzania Limited will compete with coconut and cotton oil. However, for the quality it intends to manufacture, then soyabean, cornflower and sunflower cereals oil are at advantage.

### ***Marketing Strategy***

Mainland Group Agro Process Tanzania Limited will ensure that we leverage our strength and opportunities available to us in the market to generate enough income that will help us drive the business to stability.

Marketing strategy adopted by Mainland Group Agro Process Tanzania Limited is going to be driven basically by professionalism, excellent customer service, honesty and quality goods delivery. We will ensure that we build a loyal customer base.

### ***Production process***

1. **Sunflowers** is the non-volatile oil pressed from the seeds of the sunflower (*Helianthus annuus*). Sunflower oil is commonly used in food as a frying oil, and in cosmetic formulations as an emollient.

Sunflower oil is primarily composed of linoleic acid, a polyunsaturated fat, and oleic acid, a monounsaturated fat. Through selective breeding and manufacturing processes, oils of differing proportions of fatty acids are produced. The expressed oil has a neutral taste profile and also contains a large amount of vitamin E.

Sunflowers are grown all over the country, mostly by small-scale farmers. Therefore, the development of the sunflower oil sector has a great potential for improving livelihoods and the welfare of relatively poorer households.

2. **Cornflower** is an herb. The dried flowers are used to make medicine. People take cornflower tea to treat fever, constipation, water retention, and chest congestion. They also take it as a tonic, bitter, and liver and gallbladder stimulant.

Cornflowers grow and flower best in sunny positions. They need a fertile soil enriched with lots of organic matter, which holds plenty of moisture in spring and summer, doesn't dry out or become waterlogged.

Easy to start from seed, this annual plant is hugely popular as a bedding plant or cut flower for home gardeners and florists, prized for their brilliant blue flowers, reminiscent of wild chicory. Cornflower is a member of the Asteraceae or Compositae family, which is a large and widespread group of plants that includes sunflowers, daisies, and asters.

3. **Soybeans** and soy foods may reduce the risk of a range of health problems, including cardiovascular disease, stroke, coronary heart disease (CHD) and some cancers, as well as improving bone health. Soy is a high-quality protein – one or 2 daily serves of soy products can be beneficial to our health.

Soybeans contain hormone-like substances (called phytoestrogens) that copy the action of the female hormone oestrogen. It is thought soy can reduce menopausal symptoms (such as hot flashes).

The production of soybeans in Tanzania has increased progressively in the last 10 years, from 3,100 metric tonnes in 2009 to 22,953 metric tonnes in 2019. However, productivity is still very low as compared to other countries globally.

Soya beans are a minor crop in Tanzania. Production is mostly by smallholder farmers using traditional cultivation methods. A small number of larger scale enterprises also grow soya.

Processing for livestock feed includes some large-scale operators who mainly use imported soya bean meal in their products. The Tanzania Government has very ambitious plans for development of soya beans for both people and animals but has made little progress towards its target as set out in the Soya Bean Development Strategy 2010-20102. There is, however, a bright future for soya in Tanzania.

The Dodoma region in the country's central zone is a major producer, accounting for over 20 per cent of national production. About half of the region's farmers are engaged in sunflower oil production, but few small-scale producers have realized the full potential of this sector, either in terms of improved quality or higher volumes. Among the factors contributing to low productivity and quality are inadequate machinery and limited or no access to value-added services and markets.

Mainland Group Agro Process Tanzania Limited is willing to invest in common facilities to store, clean and refine sunflower seeds, and to take joint marketing actions in order to enhance the productivity and competitiveness of the business.

We want to drive sales via the output of our jobs and via referral from our satisfied customers. We are quite aware of how satisfied customers drive business growth especially business-like manufacturing of oil.

Our sales and marketing team will be recruited based on their vast experience in the industry and they will be trained on a regular basis so as to be well equipped to meet their targets and the overall goal of Mainland Group Agro Process Tanzania Limited.

### ***Sales Forecast***

The sales projections are based on the secured contracts and the location of our business.

Below are the sales projections for Mainland Group Agro Process Tanzania Limited for the first three years of operation per each project.

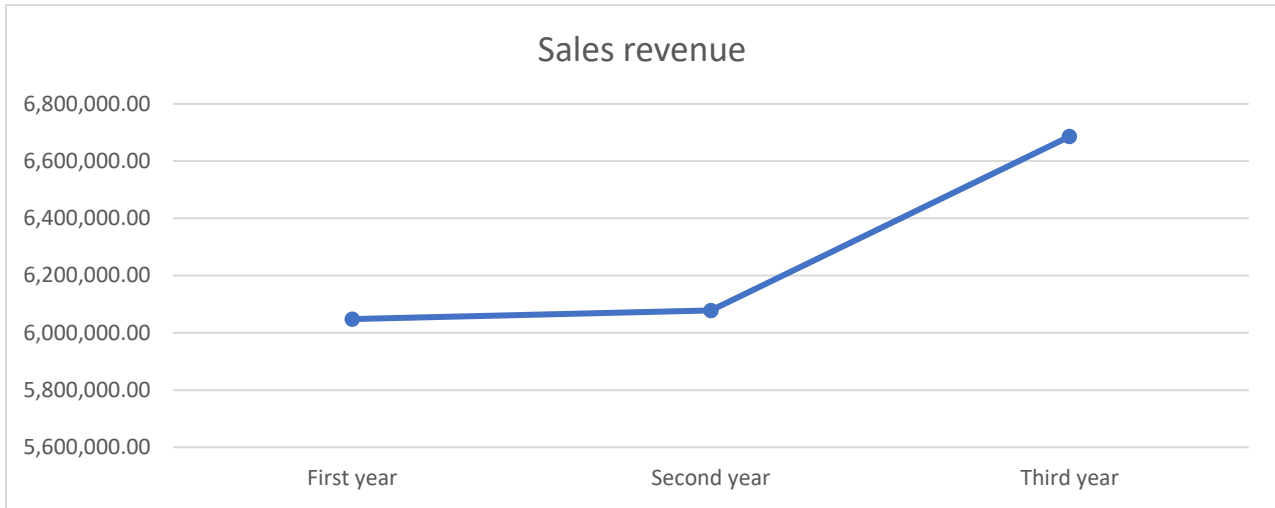
- First Fiscal Year-: \$ 6,048,000.
- Second Fiscal Year-: \$ 6,078,040.
- Third Fiscal Year-: \$ 6,686,064.



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**Important to note:** The projection is done based on what is obtainable in the industry and with the major assumption that there won't be any major economic meltdown and natural disaster within the period stated above.

### Financial Plan

#### Important Assumptions

#### Startup Funding Requirements and uses (use the below format)

The company is seeking loan/Investors amounting to \$ 60,000,000 for the purpose of investing in the already existing business in manufacturing industry. The funds will be used to purchase 30 trucks (horses and trailers), land purchase for warehouse and industrial building, purchase of machines and other equipment advertising, etc. The table below provides a breakdown of the use of funds

## Breakeven Analysis (Assuming sale of 1 Kiloliter)

The Table and chart below contain the Break-even analysis Mainland Group Agro Process Tanzania Limited

Breakeven analysis has been built using 1 litter to establish the cost per unit in relation the direct costs

### Breakeven Analysis Mainland Group Agro Process Tanzania Limited

Amounts shown in U.S. dollars

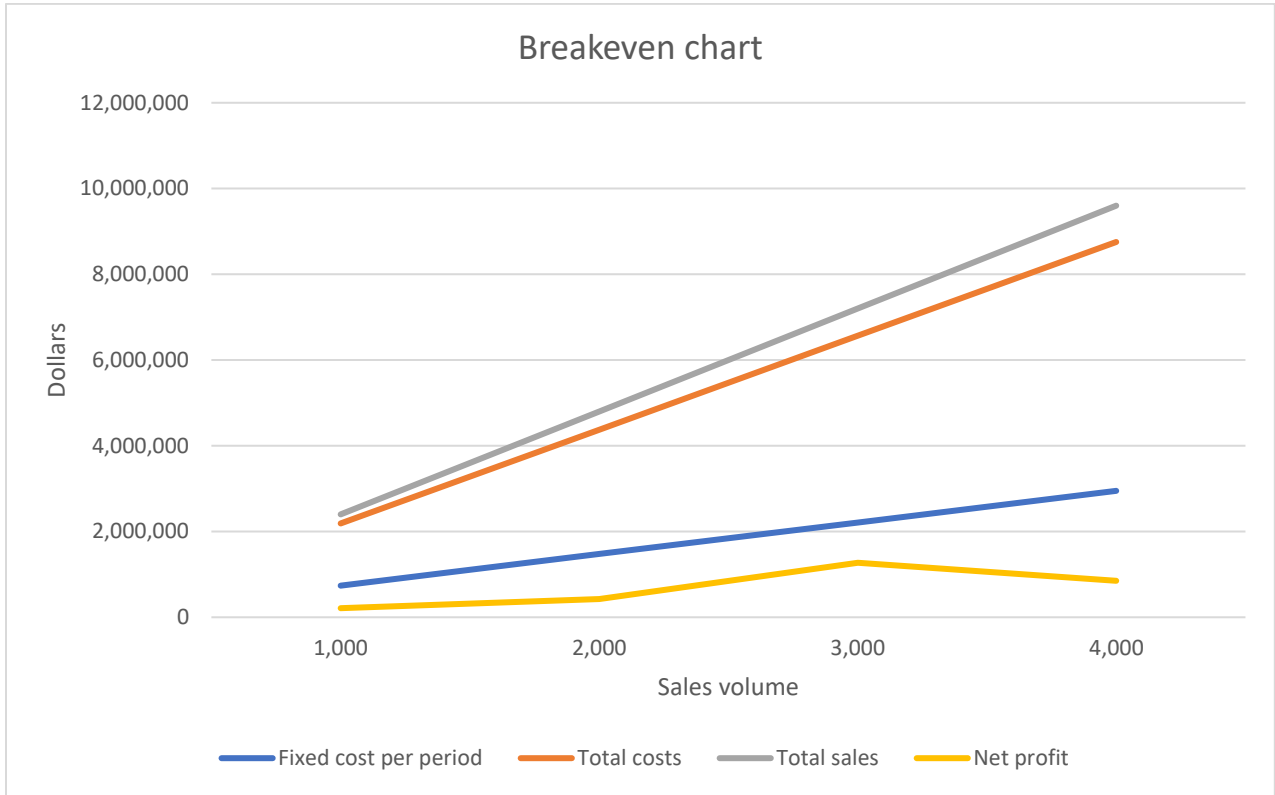
<b>Sales</b>		
Sales price per unit (1 Kilolitre)	2,400	
Sales volume per period (units)	2,520	
<b>Total Sales</b>		<b>6,048,000</b>
<b>Variable Costs</b>		
Purchase of raw material	1,000	
Delivery costs	451	
<b>Variable costs per unit</b>	<b>1,451</b>	
<b>Total Variable Costs</b>		<b>3,656,520</b>
<b>Unit contribution margin</b>	<b>949</b>	
<b>Gross Margin</b>		<b>2,391,480</b>
<b>Fixed Costs Per Period</b>		
Administrative costs	1,256,500	
Insurance	90,000	
Machine and equipment maintenance	126,225	
Other fixed costs	385,000	
<b>Total Fixed Costs per period</b>		<b>1,857,725</b>
<b>Profit before Tax</b>		<b>533,755</b>



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**Projected Profit and Loss (use the below format and design)**

The projected profit and loss can be seen in the below table and charts. The company is projected to generate \$6,048,000 and 533,755 in revenue and profit, respectively by the end of ....year, although the company will incur high startup costs due to the initial purchase of trucks, machines, land and industrial area constructions. We estimate that our business model will allow us to be profitable at the end of year..... This achievement is not often accomplished by startups, but conceivable for Mainland Group Agro Process Tanzania Limited as its management team is made up of individuals who are well-versed in business management.

### Projected Profit and Loss (For 1 project)

	Y1	Y2	Y3
	\$	\$	\$
Revenue	6,048,000	6,078,040	6,686,064
<b>Cost of sales (Variable costs)</b>			
Raw materials	2,520,000	2,532,517	2,785,860
Delivery costs	1,136,520	1,142,165	1,256,423
	<u>3,656,520</u>	<u>3,674,682</u>	<u>4,042,283</u>
Gross profit	<u>2,391,480</u>	<u>2,403,358</u>	<u>2,643,781</u>
<b>Operating expenses (Fixed costs)</b>			
Electricity	340,000	341,689	375,870
Water	180,000	180,894	198,990
Marketing	135,000	135,671	149,243
Business License	100	100	111
Office Rent	80,000	80,397	88,440
Yard Rent	145,000	145,720	160,298
Repair and Maintenance	126,225	126,852	139,542
Security and safety equipment	200,000	200,993	221,100
Professional fees	41,400	41,606	45,768
Payroll cost	520,000	522,583	574,860
Insurance	90,000	90,447	99,495
<b>Total operating expenses</b>	<b>1,857,725</b>	<b>1,866,952</b>	<b>2,053,715</b>
<b>Profit before tax</b>	<u><b>533,755</b></u>	<u><b>536,406</b></u>	<u><b>590,066</b></u>
Income Tax (30%)	160,127	160,922	177,020
<b>Net profit</b>	<u><u><b>373,628</b></u></u>	<u><u><b>375,484</b></u></u>	<u><u><b>413,046</b></u></u>

### Projected Profit and Loss (For 3 projects)

	Y1	Y2	Y3
	\$	\$	\$
Revenue	18,144,000	18,234,120	20,058,192
<b>Cost of sales (Variable costs)</b>			
Raw materials	7,560,000	7,597,550	8,357,580
Delivery costs	3,409,560	3,426,495	3,769,269
	<u>10,969,560</u>	<u>11,024,045</u>	<u>12,126,849</u>
Gross profit	<u>7,174,440</u>	<u>7,210,075</u>	<u>7,931,343</u>
<b>Operating expenses (Fixed costs)</b>			
Electricity	1,020,000	1,025,066	1,127,610
Water	540,000	542,682	596,970
Marketing	405,000	407,012	447,728
Business License	300	301	332
Office Rent	240,000	241,192	265,320
Yard Rent	435,000	437,161	480,893
Repair and Maintenance	378,675	380,556	418,625
Security and safety equipment	600,000	602,980	663,300
Professional fees	124,200	124,817	137,303
Payroll cost	1,560,000	1,567,748	1,724,580
Insurance	270,000	271,341	298,485
<b>Total operating expenses</b>	<b>5,573,175</b>	<b>5,600,857</b>	<b>6,161,145</b>
<b>Profit before tax</b>	<u><b>1,601,265</b></u>	<u><b>1,609,218</b></u>	<u><b>1,770,198</b></u>
Income Tax (30%)	480,380	482,766	531,060
<b>Net profit</b>	<u><u><b>1,120,885</b></u></u>	<u><u><b>1,126,453</b></u></u>	<u><u><b>1,239,139</b></u></u>

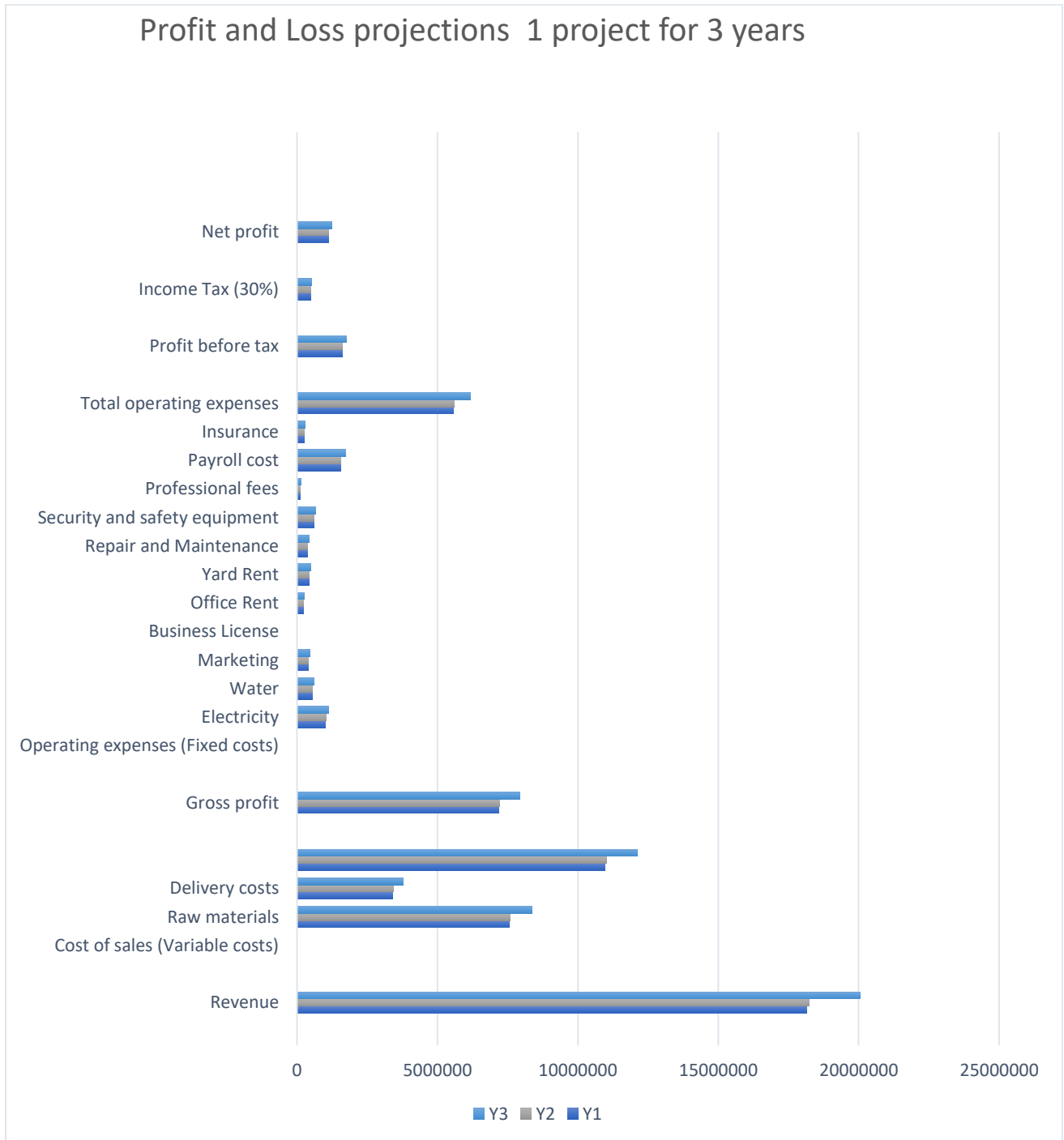


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### Chart of Projected Profit and Loss (Assuming other factors remain constant)



## Projected Balance Sheet

Mainland Group Agro Process Tanzania Limited projected balance sheet from Year 1 to Year 3

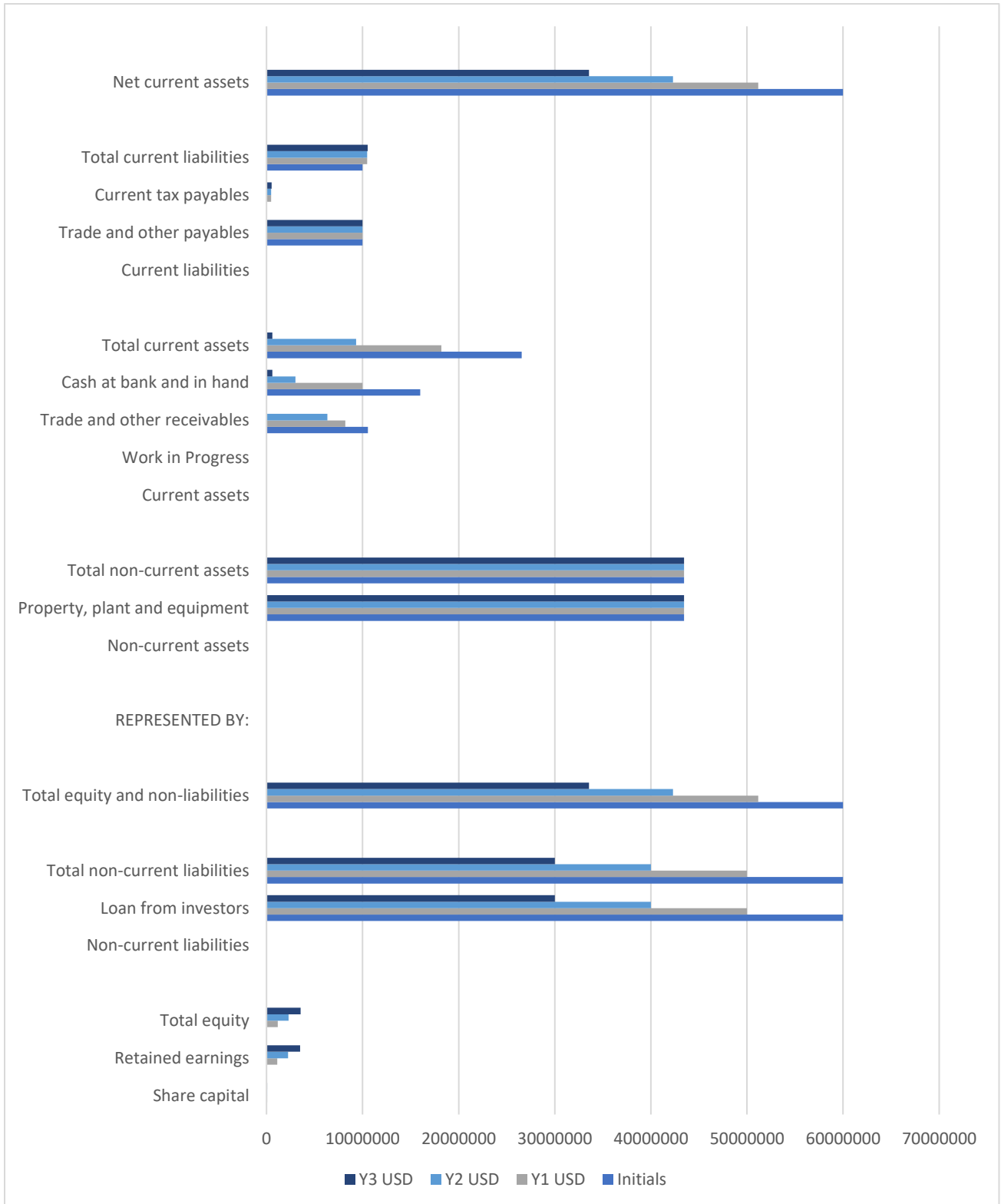
	Initials	Y1 USD	Y2 USD	Y3 USD
<b>EQUITY</b>				
Share capital		60,000	60,000	60,000
Retained earnings		1,120,885	2,247,337	3,486,476
<b>Total equity</b>		<b>1,180,885</b>	<b>2,307,337</b>	<b>3,546,476</b>
<b>Non-current liabilities</b>				
Loan from investors	60,000,000	50,000,000	40,000,000	30,000,000
<b>Total non-current liabilities</b>	<b>60,000,000</b>	<b>50,000,000</b>	<b>40,000,000</b>	<b>30,000,000</b>
<b>Total equity and non-liabilities</b>	<b>60,000,000</b>	<b>51,180,885</b>	<b>42,307,337</b>	<b>33,546,476</b>
<b>REPRESENTED BY:</b>				
<b>Non-current assets</b>				
Property, plant and equipment	43,457,265	43,457,265	43,457,265	43,457,265
<b>Total non-current assets</b>	<b>43,457,265</b>	<b>43,457,265</b>	<b>43,457,265</b>	<b>43,457,265</b>
<b>Current assets</b>				
Work in Progress	-	-	-	-
Trade and other receivables	10,542,735	8,203,999	6,332,838	-
Cash at bank and in hand	16,000,000	10,000,000	3,000,000	620,271
<b>Total current assets</b>	<b>26,542,735</b>	<b>18,203,999</b>	<b>9,332,838</b>	<b>620,271</b>
<b>Current liabilities</b>				
Trade and other payables	10,000,000	10,000,000	10,000,000	10,000,000
Current tax payables	-	480,380	482,766	531,060
<b>Total current liabilities</b>	<b>10,000,000</b>	<b>10,480,380</b>	<b>10,482,766</b>	<b>10,531,060</b>
<b>Net current assets</b>	<b>60,000,000</b>	<b>51,180,885</b>	<b>42,307,337</b>	<b>33,546,476</b>



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## Projected Cash Flow

The following table and chart are the projected cash flow figures for Mainland Group Agro Process Tanzania Limited

		Y1 USD	Y2 USD	Y3 USD
Profit/(loss) before tax	-	1,601,265	1,609,218	1,770,198
<b>Cash flows from operating activities</b>				
Adjustment for:				
Depreciation		-	-	-
(Increase)/Decrease in Receivables	-10,542,735	2,338,735	1,871,161	6,332,838
Increase/(Decrease) in Payables	10,000,000	-	-	-
Tax paid	-	-	- 480,380	- 482,766
<b>Net used in operating activities</b>	<b>- 542,735</b>	<b>3,940,000</b>	<b>3,000,000</b>	<b>7,620,271</b>
<b>Cash flows from Investing activities</b>				
Acquisition of non-current assets	-43,457,265	-	-	-
<b>Net cash flows from investing activities</b>	<b>-43,457,265</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flow from Financing activities</b>				
Issued share capital	-	60,000	-	-
Long term loan	60,000,000	-10,000,000	-10,000,000	-10,000,000
<b>Net cash flow from financing activities</b>	<b>60,000,000</b>	<b>- 9,940,000</b>	<b>-10,000,000</b>	<b>-10,000,000</b>
<b>Net increase in cash and cash equivalents</b>	<b>16,000,000</b>	<b>- 6,000,000</b>	<b>- 7,000,000</b>	<b>- 2,379,729</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>-</b>	<b>16,000,000</b>	<b>10,000,000</b>	<b>3,000,000</b>
<b>Cash and cash equivalent at the end of the year</b>	<b>16,000,000</b>	<b>10,000,000</b>	<b>3,000,000</b>	<b>620,271</b>



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