

LIAM RANCH LIMITED

BUSINESS PLAN



FEBRUARY 2023

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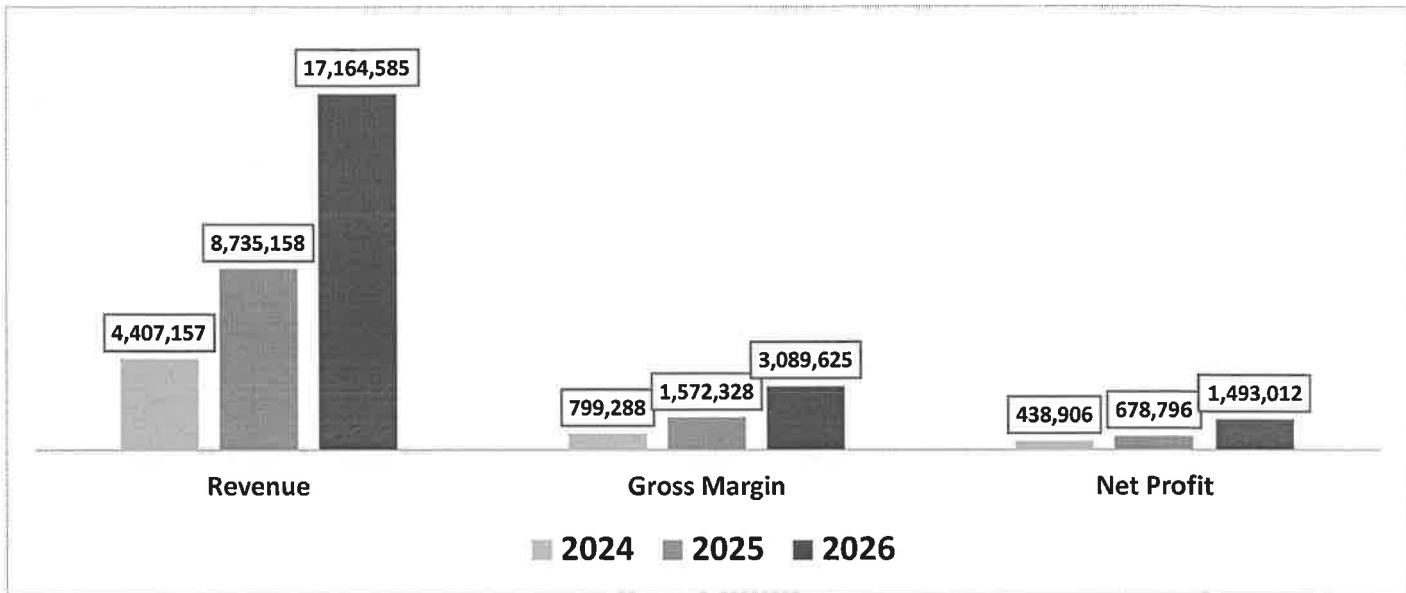
1.0 Executive Summary

LIAM RANCH LIMITED is a start-up commercial agribusiness firm founded in Dar es Salaam, Tanzania in September 2022. In its early stages it will choose to establish a ranch for a modern and commercial livestock keeping for production of meat and dairy products. In due course of executing the above business idea. The promoters of the company have lodged their expression of interest on long term leasing of 8,000 hectares at Ruvu Ranch owned by NARCO, since October 2022. Thus, LIAM RANCH LIMITED will focus its start-up efforts in securing the said ranch, establishing of meat and dairy processing plants, and marketing its products. The principal plans to utilize his expertise in the selling field and an initial investment of \$10 million in capital to begin distribution.



LIAM RANCH LIMITED immediate post plan goal is to oversee its own manufacturing division in a meat and dairy products processing facilities to be installed at the Ruvu Ranch. The proposed factories will also have the resources to develop and produce other products not limited to hides/skin. The company's initial product offering will be various dairy products. These products are expected to be very popular among the multibillion market segments. The project promoters will use their contacts in this industry and referral networks to allow for rapid entry into this growing market. In addition these products will be marketed to the supermarkets and wholesalers and expects to see exponential growth in sales.

Chart: Highlights



1.1 Objectives

The objectives of LIAM RANCH LIMITED are:

- a) To deal with manufacturing of dairy products
- b) To deal with retail sale of food including dairy products
- c) To deal with wholesale and food including dairy products
- d) To deal with growing of rice activities
- e) To deal wholesale and retail of raw materials and live animals
- f) To deal with activities of growing vegetables and melons, roots, and tubers
- g) To deal with activities of growing of fibre crops
- h) To deal with activities of growing cereals, leguminous crops, and oil seeds
- i) To deal with activities of raising of cattle and buffaloes
- j) To deal with activities of raising sheep and goats
- k) To deal with activities of raising poultry
- l) To deal with activities of plant propagation and supporting activities of plant propagation
- m) To deal with supporting activities for crop production and supporting activities of animal production
- n) To deal with post-harvest activities
- o) To do and perform all such other acts as may be necessary for attainment of the objects of the company.

1.2 Mission

LIAM RANCH LIMITED would like to provide its market with healthy, reliable dairy and meat products that improves people's quality of life while addressing health issues related to meat and dairy products.

1.3 Keys to Success

LIAM RANCH LIMITED keys to success will include:

1. A high level of quality in its products
2. Maintaining and growing its referral network and industry co-operative agreements to generate new sales
3. Competitive pricing
4. Aggressive plan for growth to reach maximum production within three years.
5. Net working capital increases each year as we bring the new campaign to maximum return on investment and exposure to its markets.

2.0 Company Summary

LIAM RANCH LIMITED is a start-up agribusiness firm that will be managed by a small team of professionals during its initial stages, but as the project and responsibilities grow, more personnel will be added. The company plans to bring in 28 total employees in its start-up plan phase. The current principal shareholders bring with them a wealth of contacts and hands-on experience in the self-help and entrepreneurial skillset. With these contacts, LIAM RANCH LIMITED plans to capitalize on the above attributes to reach the plethora of potential buyers. The company is organized, as a private company limited by shares with the plan to distribute shares to key investors in the future.

LIAM RANCH LIMITED will be seeking to raise \$10.0 million in investment for start-up purposes. The company will focus its distribution out of its intended facilities at Ruvu ranch.

2.1 Company Ownership

LIAM RANCH LIMITED is currently the creation of its duo founders, JAMES SOSTEN KISINDA (200 shares) and ALOYS NTAKURITIMANA (800 shares).

2.2 Start-up Summary

The following table and chart illustrate the projected pre-inventory purchase and distribution start-up costs for LIAM RANCH LIMITED.

Table: Start-up

<i>Start-up</i>	
Requirements	
Start-up Expenses	
Legal	\$9,500
Stationery etc.	\$450
Insurance	\$0
Rent/lease	\$630
Computer	\$15,000
Other	\$450
Total Start-up Expenses	\$26,030

Start-up Assets	
Cash Required	\$0
Other Current Assets	\$285,000
Long-term Assets	\$250,000
Total Assets	\$535,000
Total Requirements	\$561,030

3.0 Products

LIAM RANCH LIMITED will design ranch, collecting and keeping livestock in the initial phase of start-up before it begins to manufacture meat and dairy products, after year 1. Its primary focus will be to solidify the initial market share to ensure exceptional growth into phase two. At this stage, it will focus on plant engineering and the manufacturing process, to attain the most efficient manufacturing process possible. At start-up, the company will begin the formulation and development of dairy and meat products, which are difficult to imitate by the competition. Apart from the dairy and red meat products the company will exploit the lucrative market of red meat byproducts from hide and hair, fats and fatty acids, intestines, manure, bones, horns, and hooves. The above by products are used by various manufacturers to produce various valuable items which are useful in other industries.

The company will establish two state of the art production lines. One plant for dairy products processing and the other one for meat products processing. The two plants will be installed at the proposed Ruvu ranch which will be leased on a long term from NARCO.

Dairy Production Plant

The dairy processing plant to be established will produce various dairy products such as flavored yoghurt, packed fresh milk and mtindi. The products will be accommodated in various packages such as disposable cups, buckets (family size), half litre, one litre sachets etc. The dairy production plant will be running on the latest Ultra High Temperature (UHT) production technology with production capacity of 10,000 litres per hour. Alongside the milk production plant, the project sponsors will build automatic milking parlour.

The Lactation Cycles

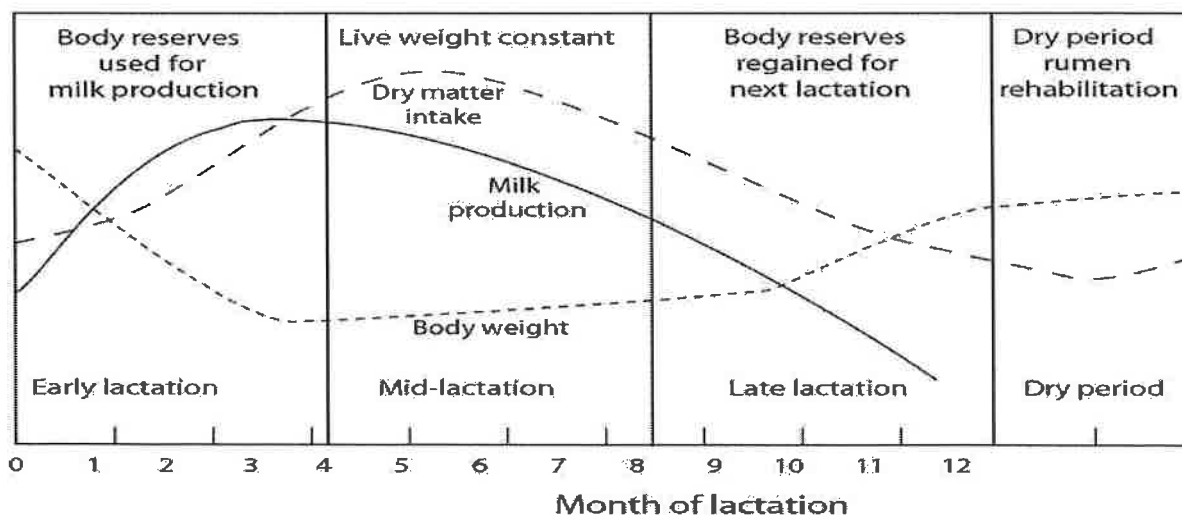


Figure 1. Dry matter intake, milk yield and live weight changes in a cow during her lactation cycle

Abattoir and Meat Processing Plant

The project sponsors in due course wish to establish state of the art automated abattoir and meat processor. The meat products will be traded in both local and the external markets. In the local market the sponsors will establish relationship with meat suppliers, supermarkets, hotels, and potential mining companies.

The abattoir line will process both beef and muton. The production cycle of the meet products will undergo through three stages of slaughtering, processing packaging and distribution.

The estimated budget for the meat production plant may require an investment of around USD 30 million.

The meat processing plant will accommodate the following facilities:

- a) A complete automated Abattoir meat processing facility with capacity to slaughter 150 cattle per day.
- b) Sausage plant with production capacity of 50 tons per day
- c) Microbiology and chemistry labs in house testing facilities for quality assurance
- d) Water treatment facility for treating water from the abattoir.

Raw Materials for Dairy and Meat Product Plant

Major raw material for the company production lines is raw milk and slaughter cattle. The Company will obtain raw milk and slaughter cattle from third parties (small holder farmers) and from own farm. The fattening will be done under a semi-intensive grazing system where the animals will graze on existing natural pastures and be supplemented with additional feed including maize bran, sunflower cake, premix, and salt. For dairy, the Company will set up collection points in various areas in prime areas where milk is collected, tested for quality before loading onto specialized trucks to be hauled to Ruvu where the main collection centre will be located. Milk is tested for water (should have zero added water content) and antibiotics (including milk from recently treated cow).

Apart from the out growers, the company will have a reasonable supply of milk from its own Ruvu Ranch Farm. It is estimated that, the farm will have nearly 300 milk-giving cows and around 1,500 in total including bulls and calves. There will be no manual milking, all milking will be done by the automatic milking parlour at the farm.

Animal Feeds Factory

Plans will be underway to construct animal feeds factory and to build t maize storage bunkers. The project sponsors will acquire farms which will be used to grow maize and hay grass for cattle feeds. The farm is estimated to be over 2,000 acres where maize and hay grass will be grown. The plan is also to have a milling machine in the farm.

Packaging materials

The company main packaging materials include cups, plastic bottles, plastic buckets, sachets, and boxes. Plastic bottles are produced in-house whereas cups and sachets are supplied by Tetrapak Kenya. Boxes are supplied by Techpak. Company has plans to commission large scale production of plastic bottles and cups for own use and sell to other companies in the highlands zone.

Cow Seedling

The project sponsors in due course set to pursue the importation of cow seedlings from Denmark and plant directly into cow thus eliminating the need to have bulls in the farms to minimize operating costs (such veterinary, food and stabling).

4.0 Market Analysis Summary

Both dairy and red meat are multibillion industry that LIAM RANCH LIMITED must tap into. The dairy and red meat products will be one of its kind, and the same will be protected from direct competition. Initially the company plans to only market in Tanzania, but the world market for red meat is not beyond its short-term goals or reach. The second market for the company would naturally be SADC and east African countries. Combined with the gulf states market, would make the goal of reaching 0.5 billion households by the end of year three a definite reality. Apart from the dairy and red meat products the company will exploit the lucrative market of red meat byproducts from hide and hair, fats and fatty acids, intestines, manure, bones, horns, and hooves. The above by products are indispensable as they are being used by various manufacturers to produce various valuable items which are useful in daily life.

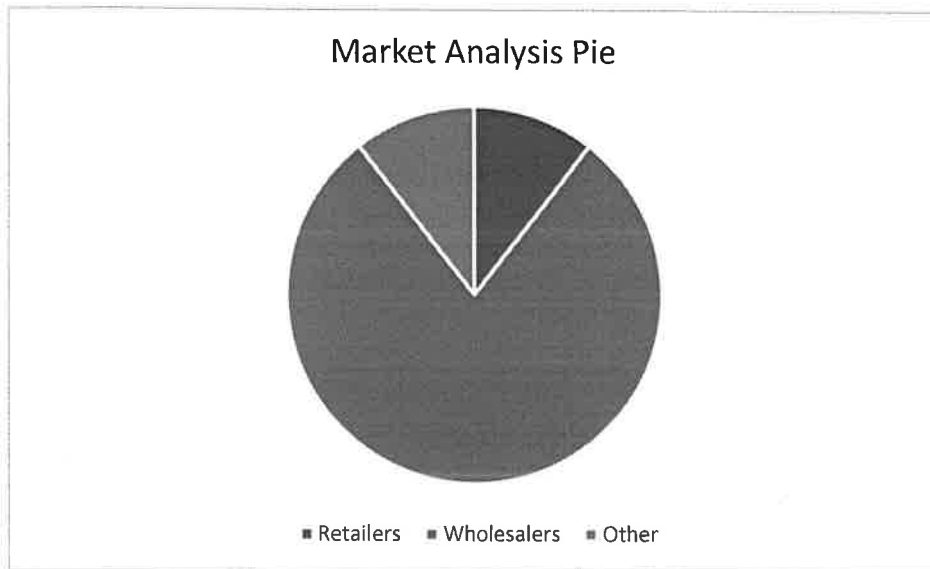
4.1 Market Segmentation

Since the company involves in lines of business which have been in existence for a lifetime. The company will segment the targeted market based on behavior and reaction of the expected customers. The company will rely heavily on market data, consumer actions, and decision-making patterns of customers. This approach will group consumers based on how they have previously interacted with markets and products. This is because the approach assumes that consumers prior spending habits are an indicator of what they may buy in the future, though spending habits may change over time or in response to global or local events.

Table: Market Analysis

<i>Market Analysis</i>		2024	2025	2026	2027	2028
Potential Customers	Growth					
Retailers	2%	120,000	122,400	124,848	127,345	129,892
Wholesalers	15%	40,000	46,000	52,900	60,835	69,960
Other	2%	10,000	10,200	10,404	10,612	10,824
Total	5.51%	170,000	178,600	188,152	198,792	210,676

Chart: Market Analysis (Pie)



4.2 Target Market Segment Strategy

LIAM RANCH LIMITED will focus on its two major target markets, the retailers, and wholesalers, through direct selling via various cooperative relationship agreements and referral networks. In addition, \$250,000 will be devoted to advertising to promote product awareness, through the traditional mediums, TV, radio, and print ads. LIAM RANCH LIMITED will form direct alliances with industry leaders in the main two segments.

4.3 Industry Analysis

General Overview

Tanzania ranks second in Africa after Ethiopia in terms of cattle stockpiling. According to National Sample Census of Agriculture 2019/20, Tanzania stocks 33.9 million cattle, other livestock species include 24.5 million goats, 8.5 million sheep and 87.7 poultry. In addition, the Economic Survey Report of 2020, indicates that the livestock sector accounts for 27% of the Agricultural Sector contribution to GDP, of which 40% arises from beef production, 30% from the dairy industry, and the remaining 30% is contributed by other livestock products such as eggs, hides and skin. The National Sample Census of Agriculture further indicates that approximately 33% of households in the country are engaged in both crops and livestock production. In addition, the proportion of the percentage of household income generated from animal husbandry come from chickens (53%), cattle (32%), goats (10%), pigs (4%); and sheep (1%). Despite recorded achievements, the sector in the country continues to face some challenges, including:

- 1. Animal breeds with low productivity:** The national herd is dominated by indigenous cattle which are currently displaying low productivity, but they have much potential if feed, health, and breed improvements can be made. The main breeds of beef cattle in the country include Tanzania Shorthorn Zebu (TSHZ) characterized by small size mature body weight (200–350 kg); Longhorn Cattle (LHC) such as the Ankole which is characterized by large, matured body weight (500–730 kg); and the Boran which has a large body weight (500–800 kg). On the other hand, milk production for native cow per day remains low at between 0.5 to 2 litres compared to pure dairy

breed that could produce between 20 to 30 litres per day. Similarly, the productivity from local chickens stands at 45 eggs per hen per year comparing to layers with capacity to produce an average of 250 eggs per hen per year.

2. **Presence of livestock diseases:** Livestock diseases continue to impose huge operation costs on farmers, and it is estimated that total cost from treating Foot and Mouth Disease (FMD), Peste des Petits Ruminants (PPR) and Newcastle Disease (ND) in the country stands at 101.8 billion Shillings per year. Meanwhile, the loss estimates from Tick-borne diseases is estimated at 150 billion shillings per annum. In addition, the diseases not only affect human health but also deter meat trade; nationally and internationally.
3. **Shortage of water infrastructure and pasture:** water and pasture shortages contribute greatly to livestock deaths and production of substandard livestock to meet market requirements especially in the meat and milk processing industry. During dry seasons, milk and meat production comes to minimum, hampering value chain. Also, search of water and pasture leads to conflicts between pastoralists and other users of land resources.
4. **Inadequate markets and value addition of livestock and livestock products:** the livestock sector is facing critical shortage of appropriate infrastructure necessary to facilitate trade within domestic and foreign markets. There is also limited value additions to livestock products, thus limiting availability of various livestock commodities.
5. **Inadequate extension services:** shortage of Extension Officers at the Village, Ward, and District Council levels as well as inadequate working tools and facilities; including transport and extension toolkits remain a matter of concern in the livestock sector. The Extension Staff also do not undertake regular refresher training courses to acquire updated knowledge according to technological and economical changes.

Source: Livestock Sector Transformation Plan (LSTP) 2022/23 - 2026/27.

The Dairy Sector:

The dairy sector is one of the significant sectors in Tanzania, with high potential for improving food security and welfare. Despite being the second in Africa in terms of largest cattle population, Tanzania is a net importer of milk and milk products spending well above TZS 30 billion in milk importation per annum. The country has more than 30.5 million cattle producing 2.4 billion liters sourced mainly from 1.5 million cattle. This low processing level of locally available milk is attributed to capital issues, price instability and market challenges, low production and high animal mortality rate are the biggest factors which affect the dairy market of Tanzania among others.

The dairy sector suffers from increasing imports from the European Union leading milk producers, that is Germany (19%), France (16%), Poland (7.9%), Netherlands (7.8%), Italy (7.4%) which together with the UK (9%) account for almost 70% of the bloc's consumption. This is evident with a strong presence of the European dairy processors like Nestlé, Lactalis, Danone, Friesland Campina, Arla Foods, and Sodiaal in Africa. Dairy imports mainly originate from Kenya, South Africa and the Netherlands <https://www.foodbusinessafrica.com/2018/06/05/tanzania-milk-production-increases-by-400m-litres>)

Despite the above bottlenecks, Tanzania has potential to increase production and possibly even exports if efficiency can be improved. The Dairy Sector in Tanzania is driven by large number of improved dairy cattle, rapid population growth, and increasing consumption. The analysis estimated that between 1993 and 2020, the annual demand for milk and dairy products in developing countries would grow at between 3.2% and 3.5% annually, implying that the demand will more than double by 2020. Demand for milk is expected to increase in Tanzania from the average of per capita consumption of 45 liters per year to at least the level that the highest milk consuming country has attained, i.e. 100 liters per year <https://www.mordorintelligence.com/industry-reports/dairy-products-in-tanzania-industry>).

The government has also put in place measures to protect the local milk and dairy products industry. In 2019, government announced measures to support dairy industry. The measures included:

harmonization of functions between the TBS and TFDA thus reducing double charge to producers from the two regulatory bodies, increase in import duty and taxes for fresh and processed milk products from TZS 150/liter to TZS 1,200/liter (1233% increase). The latter move had greater impact and scared away most imported milk products especially from Kenya and South Africa.

The Red Meat Sector

Red meat is an extremely important component of the agrifood sector in Tanzania. It has many linkages along the chain, is a source of income for a large segment of the country's population, provides high value protein in the nation's diet, contributes to food security and was once — and could be again — a major earner of foreign exchange. Despite these facts, the value chain has faced, and continues to face, a series of challenges that have had a negative impact on its performance. Production and productivity have stagnated or declined over many years. Opportunities in local, regional, and international markets are largely under exploited or not exploited at all. In the current highly competitive and increasingly globalized agrifood sector quality-based differentiation is a fundamental factor in success. Branding (for example, of 'Kongwa Beef') will become essential to indicate the origin and quality of the product. Reliability of supply in terms of volume, price, and quality throughout each year and over a period of years is also an important determinant of a successful red meat chain. As Tanzania continues to struggle in these matters it fails to gain and is, indeed, losing market share to its competitors.

The red meat value chain begins with the primary producers of cattle, sheep and goats and ends with consumers. It covers all stages from 'pasture to plate'. Producers overwhelmingly work in traditional systems and are either small-scale mixed farmer, agropastoralists with a few head of stock, or pastoralists with a greater number of animals and who depend more heavily on livestock for their livelihoods. There is very little 'modern' production. Livestock production is based on indigenous types of livestock finding their feed resources on natural rangelands; there are few 'improved' or 'exotic' animals and virtually no areas of highly productive planted pastures. There is strong internal (regional and national) demand for red meat, and the world market for red meat is also expanding rapidly. Tanzania should be well placed geographically and in terms of output to gain access to these markets but for many years has not had great success in doing so other than through the (often informal) transfers of live animals to neighboring countries, intermittent shipments of live animals to the Comoros, and exports of meat to countries farther afield, the Arab Gulf states.

The value chain includes a multitude of participants at several levels. These include primary producers, agents (who buy, sell and move stock to and from primary and secondary markets), dealers, trekkers and transporters (animals are trekked to primary markets though the law requires their transport by truck or train to secondary markets), meat inspectors, butchers, processors and consumers. To these may be added suppliers of inputs, research and extension workers, exporters and importers, wage labourers and facilitators of various hues. In addition to these principal actors there are many other small operators who make a living from the red meat business. It is unusual to find fewer than three links between the producer and the plate, and there may be as many as ten transactions before the final product reaches the consumer.

Most players operate on low margins per animal or product, although the bigger the operation the bigger the margin. Producers, agents, and butchers alike handle from very few to very many animals or products a year. Sales are supposed to take place by auction at market, but buyers and sellers tend to prefer one-on-one individual bargaining for an animal. Very little new technology is generated and the use of technology at all levels is limited. Few inputs are used at a producer level although, as animals move through the chain, there are — of necessity — some additional uses of inputs.

4.3.1 Competitive Situation

Dairy Products

Despite there being several players, the dairy industry in the country is dominated by few players who command the greater portion of the market. The players include Azam (Azam milk), Tanga Fresh (Tanga Fresh, Fresh milk and Yogurt), Dar Fresh (Dar Fresh milk and Yogurt) and ASAS Diaries. Apart from Azam who only sells fresh packed milk, the rest have diversified product range. Recent market information has shown that Tanga Fresh, once the country's largest producer, is rapidly losing market share due to lack of raw materials and use of obsolete machinery. Tanga Fresh is currently sourcing milk from ASAS Diaries. Dar Fresh has been persistent in the market but is yet to make a recognized brand as wide as ASAS. These players combined, command over 90% of local dairy products market.

However, due to low entry barriers, the sector has seen several new entrants in the recent years. Some of the entrants, their location and daily production capacity are shown in the table below:

Company	Location	Daily Production
Galaxy Foods	Kilimanjaro	75,000 liters/day
Machame Dairy	Machame	400 liters/day
Bayana Milk	Arusha	100 liters/day
Dar Zoo Farm Milk	Dar	6,000 liters/day
Gonza Milk	Dar	700 liters/day
Mzeituni Business	Geita	500 liters/day
Katavi Milk Supplier	Katavi	3,000 liters/day
Nronga Dairy	Kilimanjaro	3,000 liters/day
Sebadon Milk	Mbeya	500 liters/day
Mazimbu Cheese	Morogoro	500 liters/day
Gema Milk	Ruvuma	300 liters/day
Taishi Milk	Singida	1,000 liters/day
Singida Milk	Singida	500 liters/day
Neema Brands	Tabora	1,000 liters/day
Biderman Dairy	Tanga	500 liters/day

Meat Products

Tanzania Meat Board (TMB) has not published and updated the list of abattoir or meat industries since 2017/2018. Despite that, further inquiry suggests that there might be no reasonable new abattoir or meat industries in place.

Meat production has increased largely because of increases in livestock numbers and not because of greater output per animal. Animals are slaughtered at rural slaughter slabs (of which there are hundreds); rural or urban slaughterhouses (of which there are fewer than 100); and abattoirs (of which there are fewer than 10). Slaughter slabs and slaughterhouses are generally old, lack equipment and often slaughter well more than their design capacity under deplorable conditions of animal welfare and food hygiene. Abattoirs are designed to supply a more sophisticated and export market but are facing marketing difficulties, and generally operating at less (and sometimes much less) than their design capacity. Local demand is for undifferentiated 'warm' meat that is supplied to consumers via thousands of small butcher's outlets that are often unregistered, with local environmental conditions often compounding the problems of food safety. There is thus minimal value added towards the end of the chain. The sophisticated market for prime and processed products (much of which is imported) is

extremely small and there is very little processing of any kind internally and only limited processing for the external market.

List of Abattoir/Meat Industries available for the year 2017/2018

No	Name of Abattoir/Industry	Place		Type of livestock engaged	Service Capacity per day (KG)	Types of Meat and meat products produced
		District	Region			
A: Abattoir / Meat industry operating for 2017/2018						
1.	Kuku Poa		Mwanza	Poultry	5,000	Meat cuts (Poultry)
2.	Brich Company Ltd	Ubungo	Dar es Salaam	Pig	1,200	Meat cuts (Pork)
3.	Wilhelm Mlinga	Tegeta	Dar es Salaam	Pig	3,000	Meat carcass (Pork)
4.	Meat King Distributor Ltd	Mushono	Arusha	Cattle, Pig & Poultry	16,178	Meat cuts (Cattle, Pork & Poultry)
5.	Swedtan	SIDO	Arusha	Cattle & Pig	1,500	Meat cuts (Poultry)
6.	Huacheng International Ltd (Punda)	Kizota	Dodoma	Donkey	4,000	Boneless Donkey Meat (Donkey)
7.	Fan Hua Investment Co. Ltd (Punda)		Shinyanga	Donkey	13,000	Boneless Donkey Meat (Donkey)
8.	GES Company	Bunju	DSM	Cattle & Pig	500	Meat cuts (Cattle & Poultry)
9.	HEBO Group	Kawe	Dar es Salaam	Poultry	7,500	Meat cuts (Poultry)
10.	Kilitan	Moshi	Kilimanjaro	Poultry	4,000	Meat cuts (Poultry)
11.	Alpha Choice LTD	Magu	Mwanza	Cattle	7,800	Meat cuts (Cattle)
12.	Arusha Meat Company	Sakina	Arusha	Cattle	10,400	Meat cuts (Cattle)
13.	Mtanga Farms	Kilolo	Iringa	Cattle	10,400	Meat cuts (Cattle)
14.	Peramiho	Songea	Songea	Cattle & Pig	6,127	Meat cuts (Cattle & Pork) & Sausages
15.	S and Y Group Meat Co. Ltd	Zuzu	Dodoma	Cattle	7,800	Meat cuts (Cattle)
16.	Chobo Investment Ltd	Misungwi	Mwanza	Cattle, Goat & Sheep	8,570	Meat, Meat cuts (Cattle, Goat & mutton)

17.	Tanzania Meat Company	Kizota	Dodoma	Cattle, Goat & Sheep	40,400	Meat, Meat cuts (Cattle, Goat & mutton)
18.	Happy Sausage	Sakina	Arusha	Pig	6,000	Sausages & Meat cuts (Poultry)

19.	Zheng He International (T) Ltd	Temeke	Dar es Salaam	Cattle	4,000	Offals (Cattle)
20.	Interchick	Kinondoni	Dar es Salaam	Poultry	3,000	Meat cuts (Poultry)
21.	Kijenge Farms	Arusha	Arusha	Poultry	4,000	Meat cuts (Poultry)
22.	Mkuza Chicks	Kibaha	Pwani	Poultry	5,000	Meat cuts (Poultry)
23.	Damari Company	Kinondoni	Dar es Salaam	Cattle	400	Biltong "Nyama Okwa "

Total production capacity per day (KG) 169,775

B: Abattoir / Meat industries on progress building for 2017/2018

1.	Manispaa ya Iringa	Iringa MC	Iringa	Cattle, Goat & Sheep	26,000	Meat, Meat cuts (Cattle, Goat & mutton)
2.	BIMJIANG Company Ltd	Shinyanga MC	Shinyanga	Cattle, Goat & Sheep	39,000	Meat, Meat cuts (Cattle, Goat & mutton)
3.	Halmashauri ya Mbeya	Mbeya DC	Mbeya	Cattle, Goat & Sheep	13,000	Meat, Meat cuts (Cattle, Goat & mutton)
4.	Nguru Hills Ranch	Mvomero	Morogoro	Cattle, Goat & Sheep	19,500	Meat, Meat cuts (Cattle, Goat & mutton)
5.	Kampuni ya Ranchi za Taifa (NARCO)	Ruvu	Pwani	Cattle, Goat & Sheep	104,000	Meat, Meat cuts (Cattle, Goat & mutton)

Total production capacity per day (KG) 201,500

C: Abattoir/ Meat Industries not operating

1.	SAAFI Ltd	Sumbawanga	Rukwa	Cattle, Goat & Sheep	19,500	Meat, Meat cuts (Cattle, Goat & mutton)
2.	Buibui Investment Ltd	Kibaha	Pwani	Ostrich	300	Meat, Meat cuts (Ostrich)

3.	Mitoboto farms Ltd	Kibaha	Pwani	Poultry	3,000	Meat cuts (Poultry)
4.	Tandan Farms	Mkuranga	Pwani	Pig	6,000	Meat, Meat cuts (Pork)
5.	Orpul Ltd	Simanjiro	Arusha	Cattle, Goat & Sheep	10,400	Meat, Meat cuts (Cattle, Goat & mutton)
6.	Shinyanga Abattoir	Shinyanga	Shinyanga	Cattle,	19,500	Meat, Meat cuts
				Goat & Sheep		(Cattle, Goat & mutton)
7.	Al Kafir Co. Ltd	Dodoma	Dodoma	Cattle, Goat & Sheep	3,300	Meat cuts (Cattle, Goat & mutton)
8.	Fudar Enterprise Co	Dodoma	Dodoma	Goat	12,000	Meat with Skin
9.	Ali Allaba Company Ltd	Bagamoyo	Pwani	Cattle, Goat & Sheep	52,000	Meat cuts (Cattle, Goat & mutton)
Abattoir/ Meat Industries not operating					126,000	

5.0 Strategy and Implementation Summary

LIAM RANCH LIMITED will succeed by manufacturing quality and unique products through its processing plants run by skilled and specialized professionals. Additionally, the company will target potential retailers and wholesalers in the market. This will give the company a direct avenue into the market and further exposure will come from traditional marketing to other segments. For example:

- By partnering with dairy and meat suppliers, LIAM RANCH LIMITED will tap into large mining companies such as ANGLO GOLD ASHANTI Geita Gold Mine, Barrick.
- The project promoters will use their contacts in this industry and referral networks to allow for rapid entry into this growing market.
- The products will be marketed to the supermarkets and wholesalers and expects to see exponential growth in sales.

5.1 SWOT Analysis

The following SWOT analysis captures the key strengths and weaknesses within the company and describes the opportunities and threats facing LIAM RANCH LIMITED.

5.1.1 Strengths

- Access to initial start-up capital of USD 10 million
- As a second mover will benefit from the first movers by appealing to its existing customer base and using marketing strategies that have proof of success.
- A totally unique products isolated from industry competition

- Proposed meat Processing facilities are world class and are EU, BRC- British Retail Consortium, USA, China, FSSC 22000 and HALAL approved.

5.1.2 Weaknesses

- LIAM RANCH LIMITED being a startup will have to overcome the challenge of market acceptance and pursue market segmentation.

5.1.3 Opportunities

- The National Livestock Policy of 2006 is designed to stimulate the development of the livestock industry to exploit available resources whilst at the same time showing due concern for the environment. The policy emphasizes the importance of competitive markets including commercialization of the livestock industry, value added products and sustainable livestock development and is said to be among many of Tanzania's initiatives to invite and open doors for private sector investments.
- Captive demand of both dairy and red meat products which guarantee the markets for the products.

5.1.4 Threats

- A 2022 analysis of global food security placed Tanzania 90th out of 113 countries measured, with 6 of the 13 countries below it being contiguous (Uganda, Malawi, Zambia, Burundi, Democratic Republic of Congo, and Mozambique) and two being relatively near neighbors (Ethiopia, Chad). This might have negative impact on the export market particularly in Gulf States and European Markets.
- Heavy regulatory burden, but with regulations only lightly implemented since the responsible authorities are not in a position (financially or materially) to enforce them. Traders in live animals or in meat, for both internal and external markets, are subject to an onerous regime of form-filling and permissions. Multiple — and often conflicting — legal instruments under the jurisdiction of multiple ministries and other official bodies impinge upon the livestock sector.
- Corruption, tax rates, inadequate infrastructure, inflation, and inefficient government bureaucracy. This does not bode well for encouraging external or internal investment in new or expanding businesses.
- Availability of close substitutes produced by the competition.

5.2 Competitive Edge

Second-mover advantage is the competitive edge of LIAM RANCH LIMITED simply because it enters the market later than the first mover competition. LIAM RANCH LIMITED as a second mover will benefit from the first movers by appealing to its existing customer base and using marketing strategies that have proof of success. The company in due course may create an original product for a new market while others trying to mimic existing products. The company further will enjoy the Competitive advantage factors (cost structure, technology, branding, the quality of product offerings, the distribution network, intellectual property, and customer service) that allow the company to produce products better or more cheaply than its rivals. These factors allow the company to generate more sales or superior margins compared to its market rivals.

5.3 Marketing Strategy

Presenting Compelling Value Through a Unique Product

LIAM RANCH LIMITED is positioned to be the markets only leader in the manufacturing of dairy and meat products. The company will offer a novel approach that clearly provides significant value to its customers and final consumers. The company will provide its market with healthy, reliable dairy and meat products that improves people's quality of life while addressing health issues related to meat and dairy products.

Marketing to Retailers and Wholesalers

LIAM RANCH LIMITED will ally itself with presence in various national and regional trade shows and exhibition. These events can have as many as 50,000 people at one show. This will give the company a developed platform to market its products. The type of clients that attend these shows will be interested in what the dairy and meat products have to offer.

5.4 Sales Strategy

As the table shows, LIAM RANCH LIMITED plans to deliver sales of approximately \$4,407,157 in the year 2024, \$8,735,158 in the second year, and **\$17,164,585** in the third year of the plan.

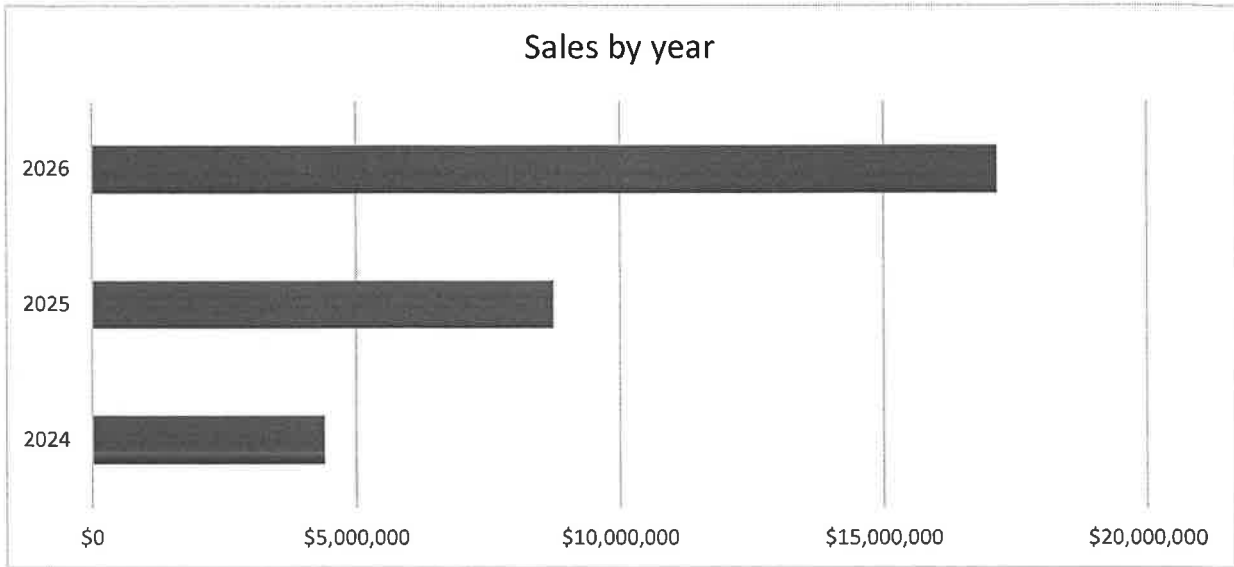
5.4.1 Sales Forecast

The company will begin by utilizing extensive contacts in dairy and meat industry and referral networks to allow for rapid entry into this growing market. In addition these products will be marketed to the supermarkets and wholesalers and expects to see exponential growth in sales. The company's extensive advertising campaign will be used to create product awareness using websites links, self-help literature, magazines ads, and other means.

Table: Sales Forecast

<i>Sales Forecast</i>	2024	2025	2026
Sales	\$4,407,157	\$8,735,158	\$17,164,585
Total Sales	\$4,407,157	\$8,735,158	\$17,164,585
Direct Cost of Sales	\$3,613,869	\$7,162,830	\$14,074,960
Subtotal Direct Cost of Sales	\$3,613,869	\$7,162,830	\$14,074,960

Chart: Sales by Year



5.5 Milestones

The accompanying table shows specific milestones, dates, and budgets. The milestones represented in this plan are those, which the company has determined to be the most important.

Table: Milestones

<i>Milestones</i>	Start Date	End Date	Budget	Manager	Department
Milestone Company Incorporation	26/09/2022				
TIC clearance	26/09/2022				
Leasing of Ruvu Ranch	08/10/2022	31/05/2023			
Hire initial employees	30/06/2023				
Farm preparation	01/07/2023				
Grow maize and hay grass for cattle feeds	01/09/2023				
Purchase of live animals for dairy farming and cattle fattening					
Cow seedling	31/10/2023				
Purchase and installation of dairy processing plant	01/07/2023	31/12/2023			
Purchase and Installation abattoir and meat processing plant	01/01/2026	30/06/2026			

Purchase of packaging materials Totals	31/12/2023				
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Chart: Milestones



6.0 Management Summary

Initially the company will be run by two founders Mr. JAMES SOSTEN KISINDA (200 shares) and Mr. ALOYS NTAKURITIMANA (800 shares). In due course the professional management team will be hired. The organization structure of the company will be full compliant to corporate governance.

6.1 Personnel Plan

As the personnel plan shows, LIAM RANCH LIMITED expects to make significant investments in dairy farming and meat processing professionals and employees. In addition, it will invest in research and development and laboratory facilities.

Table: Personnel

<i>Personnel Plan</i>	2024	2025	2026
Farm Manager	\$8,010	\$44,000	\$54,920
Feeder	\$13,020	\$26,000	\$48,000
Milker	\$10,020	\$24,000	\$47,200
Quality Assurance Checker	\$0	\$40,000	\$100,000
Attorney	\$0	\$40,000	\$206,000
Total People	5	29	48

Total Payroll	\$31,050	\$174,000	\$456,120
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7.0 Financial Plan

LIAM RANCH LIMITED expects to raise \$10 million in equity funding for start-up costs in the first three years. This will provide the bulk of the financing required to grow operations at the planned rate. Then on year 4 the company is planning to finance the second phase by \$10 million.

7.1 Start-up Funding

The start-up costs of LIAM RANCH LIMITED will consist of primarily leasing of Ruvu Ranch, Hire Initial Employees, Farm preparation Grow maize and hay grass for cattle feeds, Purchase of live animals for dairy farming and cattle fattening; \$300,000. Moreover, it will secure contracts for cow seedling importation \$200,000. It expects to spend \$35,000 on its advertising campaign before the initial inventory is secured in December of the 1st year. Additionally, \$6,000 has been set aside to cover miscellaneous costs at start-up for a total of \$1,122,060.

Table: Start-up Funding

Start-up Funding	
Start-up Expenses to Fund	\$52,060
Start-up Assets to Fund	\$1,070,000
Total Funding Required	\$1,122,060
Assets	
Non-cash Assets from Start-up	\$1,070,000
Cash Requirements from Start-up	\$0
Additional Cash Raised	\$8,877,940
Cash Balance on Starting Date	\$8,877,940
Total Assets	\$9,947,940
Liabilities and Capital	
Liabilities	
Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$0
Capital	
Planned Investment	
Owner	\$0
Investor	\$10,000,000
Additional Investment Requirement	\$0
Total Planned Investment	\$10,000,000
Loss at Start-up (Start-up Expenses)	(\$52,060)

Total Capital	\$9,947,940
Total Capital and Liabilities	\$9,947,940
Total Funding	\$10,000,000

7.2 Important Assumptions

Important assumptions for this plan are found in the following table. These assumptions largely determine the financial plan and require that the company secure initial financing.

7.3 Break-even Analysis

LIAM RANCH LIMITED break-even analysis is based on the average of the first-year figures (with only one month of sales) for total sales and by operating expenses; multiplied by 12. These are presented as per-unit revenue, per-unit cost, and fixed costs. These conservative assumptions make for a more accurate estimate of real risk.

Table: Break-even Analysis

Break-even Analysis	
Monthly Units Break-even	26,909
Monthly Revenue Break-even	\$690,940
Assumptions:	
Average Per-Unit Revenue	\$100.00
Average Per-Unit Variable Cost	\$60.00
Estimated Monthly Fixed Cost	\$176,376

7.4 Projected Profit and Loss

As the profit and loss table shows, LIAM RANCH LIMITED expects to continue its steady growth in profitability over the next three years of operations

Table: Profit and Loss

Pro Forma Profit and Loss	2024	2025	2026
Revenue			
Milk Sold	\$4,407,157	\$8,735,158	\$13,102,737
Meat Sold	\$0	\$0	\$4,061,848
Total Income	\$4,407,157	\$8,735,158	\$17,164,585
Cost of Sales	\$3,613,869	\$7,162,830	\$14,074,960
Gross Margin	\$799,288	\$1,572,328	\$3,089,625
Gross Margin %	18.00%	18.00%	18.00%
Other Income			
Gross Profit & Other Income			

Administrative Expenses	\$143,872	\$283,019	\$556,133
Operating Profit	\$655,416	\$1,289,309	\$2,533,492
Depreciation	\$2,499	\$10,000	\$10,000
Utilities	\$5,250	\$21,000	\$21,000
Insurance	\$10,000	\$120,000	\$120,000
Payroll Taxes	\$4,659	\$144,600	\$219,618
Other	\$6,000	\$24,000	\$30,000
Total Operating Expenses	\$28,408	\$319,600	\$400,618
Profit Before Interest and Taxes	\$627,008	\$969,709	\$2,132,874
EBITDA	\$627,008	\$969,709	\$2,132,874
Interest Expense	\$0	\$0	\$0
Taxation	\$188,102	\$290,913	\$639,862
Net Profit	\$438,906	\$678,796	\$1,493,012
Net Profit/Sales	10%	8%	9%

7.5 Projected Cash Flow

The table presents the company's projected cash flow balances. The critical second year reflects positive cash flow. From the first year, monthly cash flow is positive and more important the balances are positive, which indicates adequate financial reserves and correct planning of the required working capital. The estimated results permit a margin of error and still appear strong, even though the numbers remain conservative.

Table: Cash Flow

<i>Pro Forma Cash Flow</i>	2024	2025	2026
Cash Received			
Cash from Operations			
Cash Sales	\$4,407,157	\$8,735,158	\$17,164,585
Subtotal Cash from Operations	\$4,407,157	\$8,735,158	\$17,164,585
Additional Cash Received			
Sales Tax, VAT, Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$4,407,157	\$8,735,158	\$17,164,585
Expenditures	2024	2025	2026
Expenditures from Operations			
Cash Spending	\$31,050	\$964,000	\$464,120
Bill Payments	\$47,258	\$401,376	\$367,375
Subtotal Spent on Operations	\$78,308	\$1,365,376	\$831,495

Additional Cash Spent			
Sales Tax, VAT Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$78,308	\$1,365,376	\$831,495
Net Cash Flow	\$4,328,849	\$7,369,782	\$16,333,090
Cash Balance	\$13,206,789	\$20,576,571	\$36,909,661

7.6 Projected Balance Sheet

As shown in the balance sheet in the following table, the company's net worth will grow from approximately \$10.3M in the first year, which only includes month number 12, to \$11M in year two. Finally, in year three, the company expects an exponential increase in units sold to achieve its goal of \$12.5 Million in net worth.

Table: Balance Sheet

Pro Forma Balance Sheet	2024	2025	2026
Assets			
Current Assets			
Cash	\$13,206,789	\$20,576,571	\$36,909,661
Other Current Assets	\$285,000	\$285,000	\$285,000
Total Current Assets	\$13,491,789	\$20,861,571	\$37,194,661
Long-term Assets			
Long-term Assets	\$250,000	\$250,000	\$250,000
Accumulated Depreciation	\$2,499	\$12,499	\$22,499
Total Long-term Assets	\$252,499	\$262,499	\$272,499
Total Assets	\$13,744,288	\$21,124,070	\$37,467,160
Liabilities and Capital	2024	2025	2026
Current Liabilities			
Accounts Payable	\$3,357,382	\$10,058,425	\$24,908,503
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$3,357,382	\$10,058,425	\$24,908,503

Long-term Liabilities	\$0	\$0	\$0
Total Liabilities	\$3,357,382	\$10,058,425	\$24,908,503
Paid-in Capital	\$10,000,000	\$10,000,000	\$24,908,503
Retained Earnings	(\$52,060)	\$386,849	\$1,065,645
Earnings	\$438,906	\$678,796	\$1,493.012
Total Capital	\$10,386,846	\$11,065,645	\$12,558,657
Total Liabilities and Capital	\$13,744,288	\$21,124,070	\$37,467,160
Net Worth	\$10,386,906	\$11,065,645	\$12,558,657