

A hand holding a piece of seaweed over the ocean. The background is a blurred view of the sea with a boat visible in the distance. The text is overlaid on the image.

# BUSINESS PLAN

**Fish Farm**

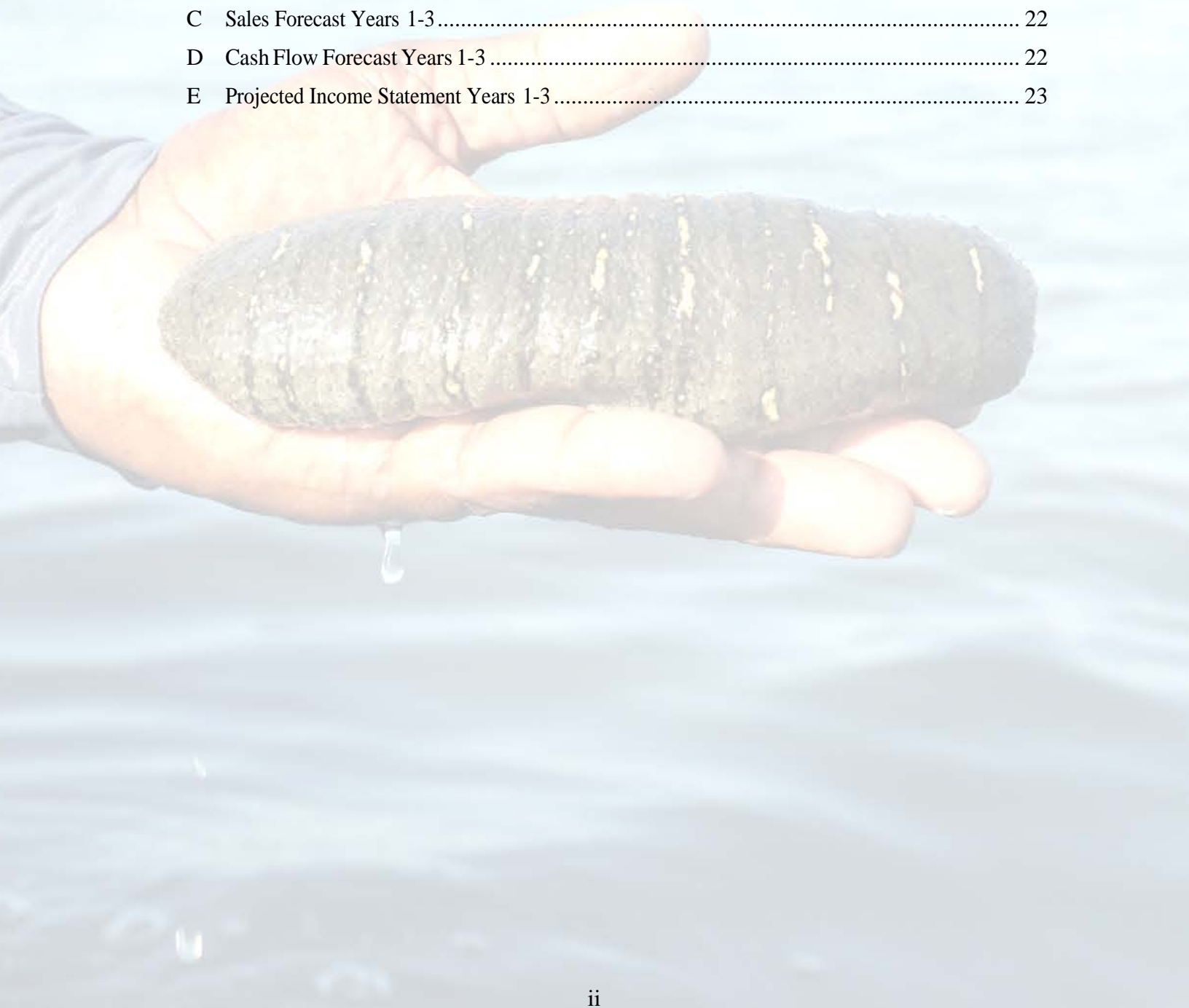
*Zhongtan International Marine  
Fisheries Company Limited*

**JUNE, 2024**

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## **1.0 Industry Overview**

The agricultural industry of which the Fish Aquaculture business is a subset of is no doubt among the leading industry in most countries of the world; it is the industry that produces fish for the populace.

Because of the significant role the agriculture sector plays, the government of most countries ensures that they go all the way to subsidize seedlings, fertilizers, and farming implements and machinery for farmers and also encourage entrepreneurs to go into commercial farming (fish farming inclusive).

The Fish Aquaculture industry comprises businesses that farm aquatic animals or plants in controlled aquatic environments. Businesses in this industry make use of some form of intervention in the rearing process to enhance production, such as holding in captivity and protecting from predators, pests, and disease. It is important to state that this industry does not include the fishing and harvesting of wild fish and shellfish especially on the high sea.

The fish industry involves the cultivation and marketing of fish in a controlled environment for all or part of their life cycle. The catfish industry in Tanzania is one of the fastest growing segments of the agriculture fish market today. The growth potential for the catfish market is at its strongest level ever. The demand for catfish is increasing due to the ever-increasing health consciousness of consumer. Per capita consumption of fish in Tanzania has increased geometrically. These increases in demand are stressing the world's natural fisheries, which are generally considered to be at or near their maximum sustainable yield, thus increasing the demand for the catfish raised in aquaculture facilities. Not to mention the increasing demand in our society for locally grown products.

## **2.0 Executive Summary**

Zhongtan International Marine Fisheries Company Limited Farms lobster and sea cucumber business will be established to meet the fish demand in the community. It will be located in Kilindoni Village, Mafia District, Pwani Region, Tanzania. The main economic significance of the business is to contribute towards narrowing down the fish demand-supply gap deficit in Tanzania and the supply of proteins and micronutrients for feeding the teeming population of Kilindoni Mafia District, Pwani Region and Tanzania at large.

The Fish Industry is a lucrative business as the demand for fish in the country is growing geometrically, the opportunity to expand is necessary because of the growing demand for fish and due to some health benefits attached to the consumption of fish as compared to the consumption of meat. With our dominance, and being the only pioneering fish farm in this locality, we would flood the whole market with our fish.

The business will be limited by shares with the shareholders required to contribute capital and also sourced for credit facilities.

The risk of the business is mainly getting a market and we have already identified our target market. The cost benefit analysis of this plan shows that in the startup year, with 12,000 fingerlings in stock and projected sales of 11,700 adult fish in one circle which is half a year, we would make Tsh 700 million This implies that about Tshs 1.4 billion is realizable annually for two (2) production cycles, indicating that the project is feasible, viable, profitable, and worth investing.



### **3.0 Our Products and Services**

Zhongtan International Marine Fisheries Company Limited is going to operate a standard and licensed fish farm company whose products will not only be sold in Tanzania, but also in the Middle East countries and China. We are in this line of business to make profits and also to give our customers value for their money.

#### **Fish and fisheries products:**

According to the Ministry of Livestock and Fisheries (2018) The fish demand gap in Tanzania is over 350,000 tons per year as capture fisheries production has been stationary for 30 years with an increasing population. Today, aquaculture accounts for a mere 1% of fish production in Tanzania. Regional and international imports of frozen aquaculture products are starting to enter the market to meet the gap.

Opportunities for fish farmers included readily available markets for fish in the villages and nearby towns.

Opportunities for traders include high demand for fish and fisheries products due to the availability of tenders in hotels and the increase of the middle-class group in the country.

We are going to do all that is permitted by the law of the United Republic of Tanzania to achieve our business aim and ambition. Our products offering will be;

- Lobster and Sea Cucumber



#### **4.0 Our Mission and Vision Statement**

The Zhongtan International Marine Fisheries Company Limited is a new company that was recently registered by The Registrar of the Companies (BRELA), incorporated number 175382402.

The idea for this business plan emanated from the desire to secure a loan to further expand the operation of the intended business of Lobster and Sea Cucumber farming.

- **Our Goals**

- ❖ To remain pioneers in the fish farm business and to further strengthen our leading position.
- ❖ To increase the production of our products (Lobster and Sea Cucumber).
- ❖ To lay emphasis on the vertical integration of the production and to achieve added value.
- ❖ To increase productivity and efficiency to the benefit.
- ❖ To establish long-term planning for the benefit of the consumers and make more profit.
- ❖ To successfully meet the challenges and demands of the domestic market.
- ❖ To seek transparency in the structure, operation and production of the company.

- **Mission**

To provide healthy fish of high nutritional value and affordable prices that improves people's lives and high quality while improving their lives and livelihood.

- **Products and Services**

Production of Lobster and Sea Cucumber is one business that demands care and expertise, the main expenditure in the production cycle is the fish feed and the staff salary. It takes a life cycle of about six months to get to maturity when fed adequately.

Lobster and Sea Cucumber are indigenous species. As a result of the growing cost of buying meat, this has created much demand for fish. This is the market we intend to fill by taking our products (Lobster and Sea Cucumber) to the market.

- **Legal Status**

The Company is incorporated under the Companies Act, 2002 of The United Republic of Tanzania, and will comply with all the necessary rules and regulations that guide the operations of Companies in Tanzania as contained in the Act.

## **5.0 Environmental issues**

Zhongtan International Marine Fisheries Company Limited processing facility will produce various wastes including general office (papers, boxes) and organic waste (food and wastewater). The company has been contracted a private company for its waste disposal. All wastewater will be disposed through the contracted company. Zhongtan fish farms has developed and uses a vendor evaluation form which will check for their vendors' compliance with social and environmental requirements. Zhongtan fish farms complies with all environmental regulations in Tanzania including those under National Environmental Management Council (NEMC) and the Municipal Environmental Office. Furthermore, the company has social and environmental related licences including Environmental Impact Assessment (EIA) certificate and OSHA certificate. So far, no complaints have been reported from the local community or workers related to pollution effects from the fish farms.

## **6.0 Social and Environmental Management System**

Zhongtan International Marine Fisheries Company Limited has internal policies procedures and tools to identify and manage social and environmental risks and impacts (that originate from their activities) relevant to the workforce, the community and the environment. The company is registered and adheres to regulations set by NEMC, MOH2 and relevant OSHA divisions. These are supplemented by their weekly trainings on health, safety, and environment. Government officials have inspected Zhongtan fish farms within the last 12 months and found the company compliant with set regulations. They include Tanzania Bureau of Standards (TBS), National Environmental Management Council (NEMC), Occupation Safety and Health Authority (OSHA), and fire inspectors. Zhongtan Company reports having 6 designated staff (HR manager, HSSEQ manager and Officer, SHE representative and Two First-aiders) for monitoring and management of social and environmental aspects of the company. The budget allocated for capacity development and system improvement of social and environmental aspects estimated at TZS 10 million.

## 7.0 Organization Structure

Zhongtan International Marine Fisheries Company Limited is a business that is established with the aim of competing favorably with other leading Lobster and Sea Cucumber fish farms in Tanzania and East Africa. This is why we will ensure that we put the right structure in place that will support the kind of growth that we have in mind while setting up the business.

We will ensure that we only hire people that are qualified, honest, hardworking, customer centric and are ready to work to help us build a prosperous business that will benefit all the stake holders (the owners, workforce, and customers).

As a matter of fact, profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of five years or more depending how fast we meet our set target. In view of that, we have decided to hire qualified and competent hands to occupy the following positions;

- Chief Executive Officer (Owner)
- Farm Managers
- Human Resources and Admin Manager
- Merchandize Manager
- Sales and Marketing Manager
- Machine Operators
- Chief Financial Officer
- Distribution Truck Drivers

Therefore profit-sharing arrangement will be made available to all our senior management staff and it will base on their performance for a period of ten years or more. In view of the above, organization structure look will be as below chart explain:



## **8.0 Job Roles and Responsibilities**

### **8.1 Chief Executive Officer – CEO (Owner)**

- Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.
- Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for fixing prices and signing business deals
- Responsible for providing direction for the business
- Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for signing checks and documents on behalf of the company
- Evaluates the success of the organization

### **8.2 Farm Manager**

- Managing All activities of production, quality and maintenance.
- Implement ISO system.
- Cooperating with top Management to procure raw materials and spare parts.
- Responsible for overseeing the smooth running of the fish ponds
- Part of the team that determines the quantity of fish products that are to be produced
- Maps out strategy that will lead to efficiency amongst workers in the plant
- Responsible for training, evaluation and assessment of plant workers
- Ensures that the steady flow of fingerlings to the ponds and easy flow of finished products through wholesale distributors to the market
- Ensures operation of equipment by completing preventive maintenance requirements; and calling for repairs.
- Ensures that the ponds meet the expected safety and health standards at all times.
- Preparing the annual budget.
- Preparing the monthly, and yearly performance reports including the key performance indicators results.



### **8.3 Human Resources and Admin Manager**

- Responsible for overseeing the smooth running of HR and administrative tasks for the organization
- Updates job knowledge by participating in educational opportunities; reading professional publications; maintaining personal networks; participating in professional organizations.
- Enhances department and organization reputation by accepting ownership for accomplishing new and different requests; exploring opportunities to add value to job accomplishments.
- Defines job positions for recruitment and managing interviewing process
- Carries out staff induction for new team members
- Responsible for training, evaluation and assessment of employees
- Oversees the smooth running of the daily office and factory activities.

### **8.4 Merchandize Manager**

- Manages vendor relations, market visits, and the ongoing education and development of the organizations' buying teams
- Helps to ensure consistent quality of fish products and packaging materials are purchased
- Responsible for the purchase of raw materials and packaging materials.
- Responsible for planning sales, monitoring inventory, selecting the merchandise, and writing and pricing orders to vendors
- Ensures that the organization operates within stipulated budget.

### **8.5 Sales and Marketing Manager**

- Manages external research and coordinates all the internal sources of information to retain the organizations' best customers and attract new ones
- Models demographic information and analyzes the volumes of transactional data generated by customer purchases
- Identifies, prioritizes, and reaches out to new partners, and business opportunities et al
- Responsible for supervising implementation, advocate for the customer's needs, and communicate with clients
- Develops, executes, and evaluates new plans for expanding and increasing sales
- Documents all customer contact and information
- Represents the company in strategic meetings
- Helps to increase sales and growth for the company

### **8.6 Chief Financial Officer**

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Provides management with financial analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.
- Responsible for financial forecasting and risk analysis.
- Performs cash management, general ledger accounting, and financial reporting
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensuring compliance with taxation legislation
- Handles all financial transactions for the organization
- Serves as an internal auditor for the organization

### **8.7 Client Service Executive**

- Ensures that all contacts with customer (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
- Through interaction with customers on the phone, uses every opportunity to build client's interest in the company's products and services
- Manages administrative duties assigned by the store manager in an effective and timely manner
- Consistently stays abreast of any new information on Zhongtan International Marine Fisheries Company Limited products, promotional campaigns etc. to ensure accurate and helpful information is supplied to clients when they make enquiries

### **8.8 Production Workers / Machine Operators**

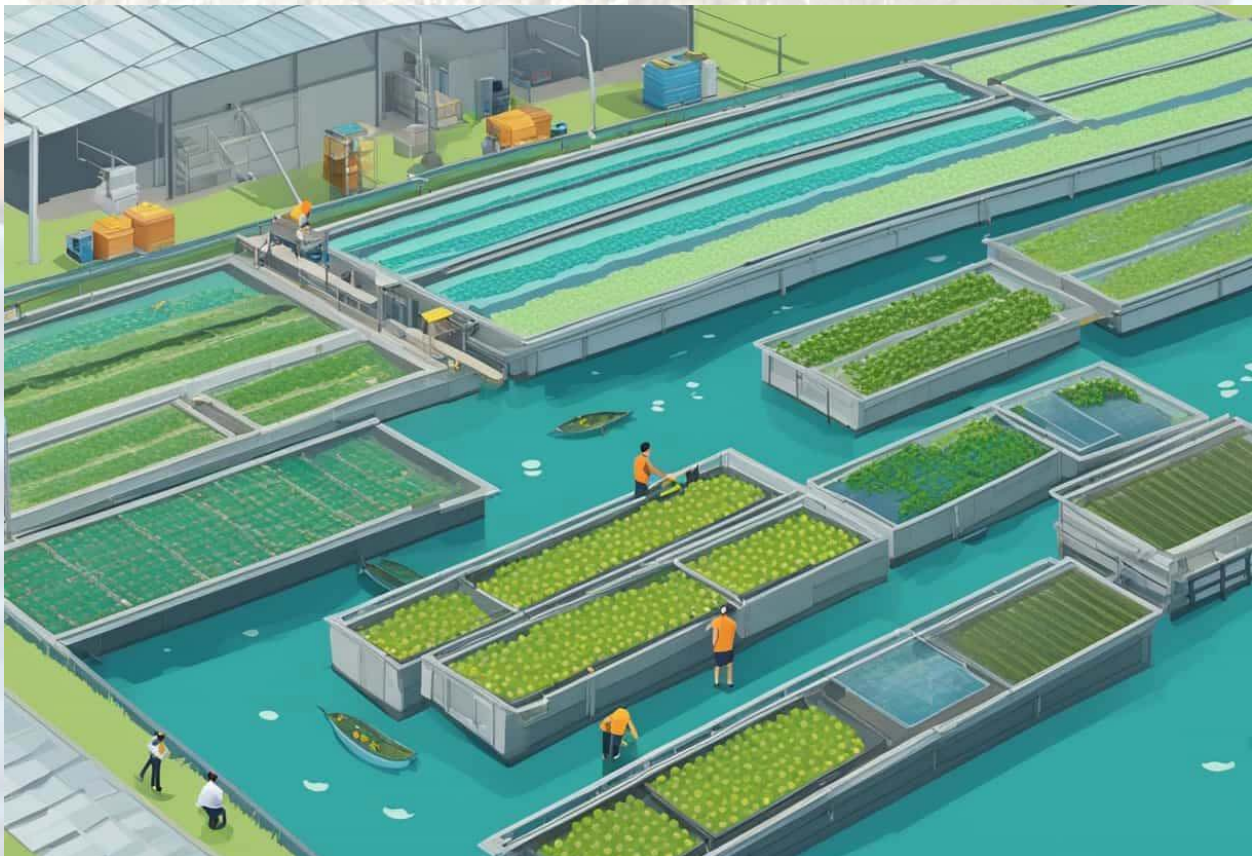
- Responsible for processing and packaging of dried Sea Cucumber and frozen Lobster
- Assists in packaging and loading fish products into distribution trucks
- Any other duty as assigned by the plant manager.

### **8.9 Distribution Truck Drivers**

- Assists in loading and unloading final products dried Sea Cucumber and frozen lobster
- Maintains a logbook of their driving activities to ensure compliance with federal regulations governing the rest and work periods for operators.
- Keeps a record of vehicle inspections and make sure the truck is equipped with safety equipment
- Assists the transport and logistics manager in planning their route according to a delivery schedule.
- Local-delivery drivers may be required to sell products or services to stores and businesses on their route, obtain signatures from recipients and collect cash.
- Transports finished goods and raw materials over land to and from the farms or retail and distribution centers
- Inspect vehicles for mechanical items and safety issues and perform preventative maintenance
- Complies with truck driving rules and regulations (size, weight, route designations, parking, break periods etc.) as well as with company policies and procedures
- Collects and verifies delivery instructions
- Reports defects, accidents or violations

## 9.0 Job Creation and opportunities

Zhongtan fish farms intend to produce 150-180 direct vacancies and 200 indirect vacancies. The aim is to provide employment to local Tanzanians especially in the area surrounding the project and personnel with the expertise.



## **10.0 SWOT Analysis**

Zhongtan International Marine Fisheries Company Limited do not intend to launch out with trial and error hence the need to conduct a proper SWOT analysis.

We know that if we get it right from the onset, we would have succeeded in creating the foundation that will help us build a standard fish farming company that will favorably compete with leading players in the Fish and Seafood Aquaculture industry in the Tanzania.

A SWOT analysis was conducted for Zhongtan Fish Farms. Here is a summary from the result of the SWOT analysis;

### **10.1 Strength**

Our strength as Lobster and Sea Cucumber farmers is the fact that we have healthy relationships with loads of major players (agriculture merchants) in the industry; both suppliers of fish, feeds and medications and buyers of products within and outside the country.

We acquire some of the latest fish farming tools and equipment that will help us raise and produce catfish in commercial quantities with less stress. Aside from our relationship (network) and equipment, we can confidently boast that we have some the most experienced hands in our payroll.

### **10.2 Weakness**

Our weakness could be that we are new fish farmers, and perhaps it might take us some time to attract big-time customers in the industry. We are aware of this and from our projection will overcome this weakness with time and turn it to a major advantage for the business.

### **10.3 Opportunities**

The opportunities that are available to us as standard and world-class Lobster and Sea Cucumber fish farmers cannot be quantified, we know that there are lots of households, and businesses such as hotels and fast food restaurants that can't do without daily supply of our products. We are well-positioned to take advantage of this opportunity.

### **10.4 Threat**

Some of the threats and challenges that we are likely going to face when we start our own fish farming are global economic downturn that can impact negatively on household spending, bad weather cum natural disasters (draught, epidemics), unfavorable government policies and the arrival of a competitor within same location. There is hardly anything you can do as regards this threats and challenges other than to be optimistic that things will continue to work for your good.

## **11.0 Market Analysis**

### **Market Trends**

Our main competitor in this fish farming business is the importers of Lobster and Sea Cucumber from neighborhood countries. For other competitors in the market, we have a considerable advantage, being that fish farming is our passion and our farm is situated right within reach and the market premises which makes supervision easier and effective. The factors for the production as land, the location, and the climate of the area is very suitable for fish production. The business

has relatively low overhead expenses with few staff presently to match the current production capacity.

## **12.0 Marketing Plan**

We are quite aware that the reason why some fish farming companies hardly make good profits is their inability to sell off their Lobster and Sea Cucumber as at when due. Our sales and marketing team will be recruited based on their vast experience in the catfish industry and they will be trained on a regular basis so as to be well equipped to meet their targets and the overall business goal of Zhongtan Fish Farm. Over and above, we have perfected our sale and marketing strategies first by networking with agriculture merchants and businesses that rely on daily supply of fish that are likely to become our customers. In summary, Zhongtan fish farm will adopt the following strategies in marketing our fish and seafood;

- Introduce our business by sending introductory letters alongside our brochure to stakeholders in the agriculture industry, households, hotels and restaurants and agriculture produce merchant etc.
- Advertise our business in agriculture and food related magazines
- Attend related agriculture and food expos, seminars, and business fairs etc.
- Leverage on the internet to promote our business
- Engage in direct marketing
- Encourage the use of word of mouth marketing (referrals);

With the location of our business in Pwani Region, Mafia District and particularly Kilindoni Village to be specific, we hope to enjoy huge patronage of the large population here.

Below is a list of the people and business that we will market our products to;

- Far East
- China
- Hotels
- Restaurants
- Agriculture merchants

We are planning to meet a production capacity of 2,700 Lobster and 4,000 Sea Cucumber per month. We would make effort to contact cold room buyers within, and preservation through drying is also an option we are planning for. We are also planning to reach out to industrial users that utilize the fish for fish meal production and other products. Having carried out our feasibility analysis and research on our target market and location, we have seen that basket load of tomatoes thrown away at the end of market day but fish is one product that is never sufficient for sale and here are adequate preservation processes available.



### **Our competitive advantage**

Our main competitor in this fish farming business is the importers of Lobster and Sea Cucumber from neighborhood countries. For other competitors in the market, we have a considerable advantage, being that fish farming is our passion and our farm is situated right within reach and the market premises which makes supervision easier and effective. The factors for the production as land, the location and climate of the area is very suitable for fish production. The business has relatively low overhead expenses with few staff presently to match current production capacity..

### **13.0 Sales and Marketing Strategy**

- **Sources of Income**

Zhongtan International Marine Fisheries Company Limited was established to maximize profits in the fishing industry in Tanzania and Asian countries and we are going to go all the way to ensure that we do all it takes to sell our well-processed and well-packed Lobster and Sea Cucumber to a wide range of customers.

Zhongtan company will generate income by processing, packaging, distributing and retailing fish products (sea cucumber and lobster).

### **14.0 Sales Forecast**

Some of the factors that will help you sell your farm produce at the right price that will guarantee that you make profits is dependent on your strategy while some of the factors are beyond your control. For example, if the climatic condition is unfavorable and if there is natural disaster in the location where you have your catfish farm, then it will directly affect the prices of your fish. Over and above, if you want to get the right pricing for your Lobster and Sea Cucumber, then you should ensure that you choose a good location for the Lobster and Sea Cucumber farm, choose a good breed that will guarantee bountiful harvest, cut the cost of running your Lobster

and Sea Cucumber farm to the barest minimum and of course try as much as possible to attract buyers to your Lobster and Sea Cucumber farm as against taking your catfish to the market to source for buyers; with this, you would have successfully eliminate the cost of transporting the goods to the market and other logistics.

We are quite aware that one of the easiest means of penetrating the market and acquiring loads of customers for all our catfishes is to sell them at competitive prices hence we will do all we can to ensure that the prices of our fish and seafood are going to be what other catfish farmers would look towards beating.

One thing is certain; the nature of the Lobster and Sea Cucumber farming business makes it possible for Lobster and Sea Cucumber farmers to place prices for their catfish based on their discretion without

following the benchmark in the industry. The truth is that it is one of the means of avoiding running into loss.;

- **First Fiscal Year-:** TZS 2.7 Billion
- **Second Fiscal Year-:** TZS 2.9 Billion
- **Third Fiscal Year-:** TZS 3.2 Billion

**N.B:** This projection is done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and there won't be any major competitor offering same products and customer care services as we do within same location. Please note that the above projection might be lower and at the same time it might be higher.

- **Marketing Strategy and Sales Strategy**

The demand for Lobster and Sea Cucumber are non-seasonal commodity, we have plans to reach out to other market in the targeted area for faster sales and better profit, we plan to also employ the service of the available modern fish driers as we have identified that dry fish yield more profit and it is preserved and sold at will. We are also planning to contact Bulk cold room buyers from target market, who are still looking for more fish supply as the fish demand and fishes' stock have not been able to satisfy them and they are always on the lookout for more.

We are quite aware that the reason why some fish farming companies hardly make good profits is their inability to sell off their Lobster and Sea Cucumber as at when due. Our sales and marketing team will be recruited based on their vast experience in the catfish industry and they will be trained on a regular basis so as to be well equipped to meet their targets and the overall business goal of Zhongtan Fish Farm. Over and above, we have perfected our sale and marketing strategies first by networking with agriculture merchants and businesses that rely on daily supply of fish that are likely to become our customers. In summary, Zhongtan fish farm will adopt the following strategies in marketing our fish and seafood;

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- Advertise our business in agriculture and food related magazines

- Attend related agriculture and food expos, seminars, and business fairs etc.
- Leverage on the internet to promote our business
- Engage in direct marketing
- Encourage the use of word of mouth marketing (referrals)

## **15.0 Publicity and Advertising Strategy**

Any business that wants to grow beyond the corner of the street or the city they are operating from must be ready and willing to utilize every available means (both conventional and non – conventional means) to advertise and promote the business.

We intend growing our business which is why we have perfected plans to build our brand via every available means. We know that it is important to create strategies that will help us boost our brand awareness and to create a corporate identity for our fish and seafood farming business.

Below are the platforms we will leverage on to boost our fish and seafood farming brand and to promote and advertise our business;

- Place adverts on community-based newspapers, radio stations and TV stations.
- Encourage the use of word-of-mouth publicity from our loyal customers
- Leverage on the internet and social media platforms like; YouTube, Instagram, Twitter, LinkedIn, Snapchat, Badoo, Google+ and other platforms to promote our business.
- Distribute our fliers and handbills in target areas in and around our neighborhood
- Contact corporate organizations, households, landlord associations and schools by calling them up and informing them of Zhongtan Fish Farm and the catfish we sell
- Brand our car and ensure that all our staff members are involved in the publicity.

## **16.0 Our Pricing Strategy**

Some of the factors that will help you sell your farm produce at the right price that will guarantee that you make profits is dependent on your strategy while some of the factors are beyond your control. For example, if the climatic conditions is unfavorable and if there is a natural disaster in the location where you have your catfish farm, then it will directly affect the prices of your fish. Over and above, if you want to get the right pricing for your Lobster and Sea Cucumber, then you should ensure that you choose a good location for the Lobster and Sea Cucumber farm, choose a good breed that will guarantee bountiful harvest, cut the cost of running your Lobster and Sea Cucumber farm to the barest minimum and of course try as much as possible to attract buyers to your Lobster and Sea Cucumber farm as against taking your catfish to the market to source for buyers; with this, you would have successfully eliminate the cost of transporting the goods to the market and other logistics.

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One thing is certain; the nature of the Lobster and Sea Cucumber farming business makes it possible for Lobster and Sea Cucumber farmers to place prices for their catfish based on their discretion without following the benchmark in the industry. The truth is that it is one of the means of avoiding running into loss.

- **Payment Options**

The payment policy adopted by Zhongtan International Marine Fisheries Company Limited is all inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of the United Republic of Tanzania.

Here are the payment options that Zhongtan Company will make available to her clients;

- Payment via bank transfer
- Payment with cash
- Payment via Mobile Money
- Payment via Point of Sale Machine (POS)
- Payment via online bank transfer
- Payment via check
- Payment via bank draft

In view of the above, we have chosen banking platforms that will enable our client make payment for farm produces purchase without any stress on their part. Our bank account numbers will be made available on our website and promotional materials to clients who may want to deposit cash or make online transfer for the purchase of our products.

## **17.0 Startup Expenditure (Budget)**

Starting a standard fish farm company is indeed a capital-intensive business. This is so because the amount required setting – up fish ponds is not a piecemeal. The bulk of the start – up capital will be spent on leasing or acquiring a facility and also in purchasing fish farm machines, and packaging equipment.

Aside from that, you are not expected to spend much except for purchase and servicing of distribution trucks, paying of your employees and utility bills. This is the key areas where we will spend our start – up capital;

We would need an estimate of **TZS 2,700,000,000** to successfully set up our farm in Tanzania. Please note that this amount includes the salaries of all the staff for the first 3 month of operation.



## **18.0 Generating Startup Capital**

Zhongtan International Marine Fisheries Company Limited is a corporation business that is owned and financed by Bingwen Jiang and Meiqing Yang. They do not intend to welcome any external business partner which is why he has decided to restrict the sourcing of the start – up capital to 3 major sources.

These are the areas we intend generating our start – up capital;

- Generate part of the start–up capital from personal savings
- Source for soft loans from family members and friends
- Apply for loan from Commercial Banks

## **19.0 Sustainability and Expansion Strategy**

The future of a business lies in the numbers of loyal customers that they have the capacity and competence of the employees, their investment strategy and the business structure. If all of these factors are missing from a business (company), then it won't be too long before the business close shop.

One of our major goals of starting Zhongtan Company is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running.

We know that one of the ways of gaining approval and winning customers over is to retail our well processed and well bagged Lobster and Sea Cucumber a little bit cheaper than what is obtainable in the market and we are well prepared to survive on lower profit margin for a while.

Zhongtan Company will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our company's corporate culture is designed to drive our business to greater heights and training and re – training of our workforce is at the top burner.

As a matter of fact, profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of three years or more. We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.





## 20.0 Check List/Milestone

- Company Name Availability Check: Completed
- Company Registration: Completed
- Opening of Corporate Bank Accounts: Completed
- Securing Point of Sales (POS) Machines: Completed
- Opening Mobile Money Accounts: Completed
- Opening Online Payment Platforms: Completed
- Application and Obtaining VRN: In Progress
- Application for business license and permit: In Progress
- Purchase of Insurance for the Business: Completed
- Purchase of facility and construction of standard ponds: In Progress
- Conducting Feasibility Studies: Completed
- Generating capital from family members and friends: Completed
- Applications for Loan from the bank: In Progress
- Writing of business plan: Completed
- Drafting of Employee's Handbook: Completed
- Drafting of Contract Documents and other relevant Legal Documents: In Progress
- Design of The Company's Logo: Completed

- Graphic Designs and Printing of Packaging Marketing / Promotional Materials: In Progress
- Recruitment of employees: In Progress
- Purchase of the Needed furniture, racks, shelves, computers, electronic appliances, office appliances and CCTV: In progress
- Creating Official Website for the Company: In Progress
- Creating Awareness for the business both online and around the community: In Progress
- Health and Safety and Fire Safety Arrangement (License): Secured
- Establishing business relationship with vendors – wholesale suppliers / merchants: In Progress.



## 21.0 ANNEX 1: Financial Projection for 3 Years

### A Starting Balance Sheet Zhongtan International Marine Fisheries Company Limited

<b>Fixed Assets</b>	<b>Amount (TZS)</b>	<b>Depreciation (years)</b>	<b>Notes</b>
<b>Real Estate-Land</b>	45,000,000	Not Depreciated	
<b>Real Estate-Buildings</b>	78,009,050	20	
<b>Leasehold Improvements</b>	46,050,000	7	
<b>Equipment</b>	320,000,000	7	
<b>Furniture and Fixtures</b>	93,400,800	5	
<b>Vehicles</b>	280,000,000	5	
<b>Other</b>	7,560,800	5	
<b>Total Fixed Assets</b>	870,020,650.00		
<b>Operating Capital</b>	<b>Amount (TZS)</b>	<b>Notes</b>	
<b>Pre-Opening Salaries and</b>	220,000,000		
<b>Prepaid Insurance Premiums</b>	15,000,000		
<b>Inventory</b>	83,000,000		
<b>Legal and Accounting Fees</b>	17,000,000		
<b>Rent Deposits</b>	-		
<b>Utility Deposits</b>	29,608,100		
<b>Supplies</b>	75,000,000		
<b>Advertising and Promotions</b>	62,804,520		
<b>Licenses</b>	2,000,000		
<b>Other Initial Start-Up Costs</b>	52,709,000	Additional expenditure including website, business cards, signage and miscellaneous	
<b>Working Capital (Cash On</b>	-		
<b>Total Operating Capital</b>	557,121,620.00		
<b>Total Required Funds</b>	<b>1,427,142,270.00</b>		

## B Projected Operating Expenses Years 1-3

Line Item	First year	Second year	Third year
Advertising	62,804,520	64,688,656	66,629,315
Car and Truck Expenses	280,000,000	288,400,000	297,052,000
Commissions and Fees	6,500,000	6,825,000	7,166,250
Insurance (other than health)	15,000,000	15,450,000	15,913,500
Legal and Professional Services	17,000,000	17,510,000	18,035,300
Licenses	2,000,000	2,100,000	2,205,000
Office Expense	2,000,000	2,060,000	2,121,800
Rent or Lease -- Vehicles, Machinery, Equipment	-	-	-
Rent or Lease -- Other Business Property	3,000,000	3,090,000	3,182,700
Repairs and Maintenance	14,560,010	15,288,011	16,052,411
Supplies	75,000,000	77,250,000	79,567,500
Travel, Meals and Entertainment	7,023,050	7,233,742	7,450,754
Utilities	29,608,100	30,496,343	31,411,233
Miscellaneous	52,709,000	54,290,270	55,918,978
Total Expenses	567,204,680.00	584,682,020.60	602,706,741.43
Other Expenses			
Depreciation	132,385,630	132,385,630	132,385,630
Commercial Loan	-	-	-
Commercial Mortgage	-	-	-
Credit Card Debt	-	-	-
Vehicle Loans	-	-	-
Other Bank Debt	-	-	-
Line of Credit	32,945,384	35,940,418	35,940,418
Total Other Expenses	165,331,013.15	168,326,048.02	168,326,048.02
<b>Total Operating Expenses</b>	<b>732,535,693.15</b>	<b>753,008,068.62</b>	<b>771,032,789.44</b>

### C Sales Forecast Years 1-3

Product Lines	Year 1 Totals	Year 2 Totals	Year 3 Totals
<b>Sea Cucumber and Lobster</b>			
1457223 Sold	1,457,223.549	1,602,945.90	1,763,240.49
Total Sales	2,623,002,388.13	2,885,302,626.94	3,173,832,889.64
Total COGS	670,322,832.52	737,355,115.77	811,090,627.35
Total Margin	1,952,679,555.61	2,147,947,511.17	2,362,742,262.29
<b>Total Units Sold</b>	<b>1,457,223</b>	<b>1,602,946</b>	<b>1,763,240.49</b>
<b>Total Sales</b>	<b>2,623,002,388.13</b>	<b>2,885,302,626.94</b>	<b>3,173,832,889.64</b>
<b>Total Cost of Goods Sold</b>	<b>670,322,832.52</b>	<b>737,355,115.77</b>	<b>811,090,627.35</b>
<b>Total Margin</b>	<b>1,952,679,555.61</b>	<b>2,147,947,511.17</b>	<b>2,362,742,262.29</b>

### D Cash Flow Forecast Years 1-3

	Year 1 Totals	Year 2 Totals	Year 3 Totals
<b>Beginning Balance</b>			
<b>Cash Inflows</b>			
Cash Sales	2,623,002,388.13	2,885,302,626.94	3,173,832,889.64
Accounts Receivable	-	-	-
<b>Total Cash Inflows</b>	<b>2,623,002,388.13</b>	<b>2,885,302,626.94</b>	<b>3,173,832,889.64</b>
<b>Cash Outflows</b>			
Investing Activities			
New Fixed Asset Purchases	-	-	-
Additional Inventory	-	-	-
Cost of Goods Sold	670,322,832.52	737,355,115.77	811,090,627.35
Operating Activities			
Operating Expenses	567,204,680.00	584,682,020.60	602,706,741.43
Payroll	331,698,595.84	386,254,065.46	497,388,606.44
Taxes	266,533,579.99		328,296,259.92
Financing Activities			
Loan Payments	-	-	-
Owners Distribution	-	-	-
Line of Credit Interest	32,945,383.51	35,940,418.37	35,940,418.37
Line of Credit Repayments	-	-	-
Dividends Paid	-	-	-
<b>Total Cash Outflows</b>	<b>1,868,705,071.86</b>	<b>1,744,231,620.21</b>	<b>2,275,422,653.51</b>
<b>Net Cash Flows</b>	<b>754,297,316.27</b>	<b>1,141,071,006.74</b>	<b>898,410,236.13</b>
<b>Operating Cash Balance</b>			
<b>Line of Credit Drawdown</b>	<b>449,255,229.65</b>		
<b>Ending Cash Balance</b>			
<b>Line of Credit Balance</b>			

## E Projected Income Statement Years 1-3

Revenue	FIRST YEAR	SECOND YEAR	THIRD YEAR
Sea Cucumber	1,623,002,388	1,885,302,627	1,173,832,890
Lobster	1,314,148,485	1,429,855,909	1,651,348,704
<b>Total Revenue</b>	<b>2,937,150,873</b>	<b>3,315,158,536</b>	<b>2,825,181,594</b>
<b>Cost of Goods Sold</b>			
Sea Cucumber	370,322,833	437,355,116	411,090,627
Lobster	335,161,417	368,677,558	405,545,314
<b>Total Cost of Goods Sold</b>	<b>705,484,250</b>	<b>806,032,674</b>	<b>816,635,941</b>
<b>Gross Margin</b>	<b>1,952,679,556</b>	<b>2,147,947,511</b>	<b>2,362,742,262</b>
<b>Payroll</b>	<b>331,698,596</b>	<b>386,254,065</b>	<b>497,388,606</b>
<b>Operating Expenses</b>			
Advertising	62,804,520	64,688,656	66,629,315
Car and Truck Expenses	280,000,000	288,400,000	297,052,000
Commissions and Fees	6,500,000	6,825,000	7,166,250
Contract Labor (Not included in payroll)	-	-	-
Insurance (other than health)	15,000,000	15,450,000	15,913,500
Legal and Professional Services	17,000,000	17,510,000	18,035,300
Licenses	2,000,000	2,100,000	2,205,000
Office Expense	2,000,000	2,060,000	2,121,800
Rent or Lease -- Other Business Property	3,000,000	3,090,000	3,182,700
Repairs and Maintenance	14,560,010	15,288,011	16,052,411
Supplies	75,000,000	77,250,000	79,567,500
Travel, Meals and Entertainment	7,023,050	7,233,742	7,450,754
Utilities	29,608,100	30,496,343	31,411,233
Miscellaneous	52,709,000	54,290,270	55,918,978
Other Expense 1			
Other Expense 2			
<b>Total Operating Expenses</b>	<b>567,204,680.00</b>	<b>584,682,020.60</b>	<b>602,706,741.43</b>
<b>Income (Before Other Expenses)</b>	<b>1,053,776,279.77</b>	<b>1,177,011,425.11</b>	<b>1,262,646,914.42</b>
<b>Other Expenses</b>			
Amortized Start-up Expenses	158,040,540	158,040,540	158,040,540
Depreciation	132,385,630	132,385,630	132,385,630
Interest			
Line of Credit	32,945,384	35,940,418	35,940,418
Bad Debt Expense	-	-	-
<b>Total Other Expenses</b>	<b>323,371,553.15</b>	<b>326,366,588.02</b>	<b>326,366,588.02</b>
<b>Net Income Before Income Tax</b>	<b>730,404,726.62</b>	<b>850,644,837.09</b>	<b>936,280,326.40</b>
<b>Income Tax</b>	<b>266,533,579.99</b>	<b>302,605,613.13</b>	<b>328,296,259.92</b>
<b>Net Income/Loss</b>	<b>463,871,146.63</b>	<b>548,039,223.97</b>	<b>607,984,066.48</b>