



OVERLAND FARMS LIMITED



BANKABLE BUSINESS PLAN

FOR

**PROCUREMENT, INSTALLATION AND
COMMISSIONING OF ANIMAL FEEDS MILLING
PLANT WITH CAPACITY TO PROCESS 480 MT IN 24
HOURS IN IFUNDA WARD, IRINGA DC.**

SUBMITTED TO

**TANZANIA INVESTMENT CENTER(TIC)
FOR APPLICATION OF REGISTRATION OF THE
PROJECT**

OWNED AND SUBMITTED BY:

**Overland Farms Limited,
Plot No. 39 – D, Chuma Road, Chang’ombe Area,
P.O. Box 5055, Dar Es Salaam, Tanzania
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March, 2025

SUMMARY AND RECOMMENDATIONS

The Application



The application for registering investment worth **TZS 6, 087,600,000 (Six Billion Eighty-Seven Million Six Hundred Thousand Only)** is submitted by Overland Farms Limited to Tanzania Investment Center (TIC). This project shall erect Animal Feeds Milling Plant that will have installed capacity to process and pack about 480 MT/ 24 Hours of animal feeds. The implementation of the project will involve; Procurement, Installation & Commissioning of Animal Feed Milling Machine (480 MT/24 Hours Capacity), Construction of Industrial Building, and Construction of Storage Facilities (Warehouse- 10,000 MT Capacity). This project will be implemented in Ifunda Ward, in Iringa District.

The erection of project infrastructure will be financed through both equity and debt funds. The equity funds will be for Construction of Industrial Building, and Construction of Storage Facilities (Warehouse- 10,000 MT Capacity) and to finance initial working capital. While, the debt finances will be for Procurement, Installation & Commissioning of Animal Feed Milling Machine (480 MT/24 Hours Capacity). In the project financing plan, the company is already owning the land at which the plant will be erected and it will contribute about **TZS 4,500,000,000** which is 74% of the project total costs. The Bank loan (Debt funds) planned to be applied as long-term loan facility from Tanzania Agricultural Development Bank (TADB) will account 26% of the total value of the project **(See table 1)**.

Moreover, the company will deploy its own funds to procure other assets relevant to these projects and not financed through bank loan, some of the assets have already acquired. This project once implemented as planned will offer more than 25 permanent and personable jobs and at least 150 indirect jobs in along the value chain and in complement sub-sectors.

Thus, Overland Farms Limited submits this Bankable document as supportive attachment to TIC for the consideration of the registration of the project.

Table 1: Planned Investments and Financing Structure

 OVERLAND FARMS LIMITED Plot No. 39 – D, Chuma Road, Chang’ombe Area, P.O. Box 5055, Dar Es Salaam, Tanzania Phone Contact: +255 747 600 008/+255 746 488 488 E-Mail: info@overland.co.tz Website: www.overland.co.tz 				
PROCUREMENT, INSTALLATION AND COMMISSIONING OF ANIMAL FEEDS MILLING PLANT WITH CAPACITY TO PROCESS 480 MT IN 24 HOURS IN IFUNDA WARD, IRINGA DC.				
PROJECT FINANCING PLAN				
S/N	Descriptions of the Asset/Investment	Total Value (TZS)	Proposed Sources of Fund	
			Equity Funds	Loan From TADB
1	Procurement, Installation & Commissioning of Animal Feed Milling Machine (480 MT/24 Hours Capacity)	1,587,600,000	-	1,587,600,000
2	Construction of Industrial Building	1,500,000,000	1,500,000,000	-
3	Construction of Storage Facilities (Warehouse- 10,000 MT Capacity)	2,500,000,000	2,500,000,000	-
4	Working Capital	500,000,000	500,000,000	-
GRAND TOTAL		6,087,600,000	4,500,000,000	1,587,600,000
PERCENTAGE			74%	26%

Current status of the project



Currently, Overland Farms Limited has recorded the following achievements in relation to this project; The company that will own the project (Overland Farms Limited) is fully registered by BRELA and it has all business permits needed in implementation of the project and it has the asset base of more than **TZS 17,000,000,000 (See table 2)**, the land plot for erection of the Plant has already secured and it will be in Isupilo Village in Ifunda Ward, the Ownership of Dairy Cattle farm that has more than 1,400 cattle and implementation of Poultry farming project is enough internal market for animal feeds to be processed by the project, the company has strong Top Management team having experienced personnel emerged in business for more than 40 years now and the Company has already consulted TADB and the project of raising additional capital (Debt funds) to finance the project is in process.

The Applicant

The applicant is Overland Farms Limited a Tanzanian local company, this entity is operating under Overland Group of Companies that have number of sister companies including E. Awadh & Co. Ltd that is majoring in Transportation and logistics. The company was found and is owned by experienced Tanzanians Business persons Mr. Faisal Edha Awadh and Abdallah Faisal Awadh. The company has its head offices at Plot No. 39, Block D, Chuma Road, Chang'ombe Area, in Dar Es Salaam, Tanzania. It also owns 6,500 acres of farm land in Isupilo, Muwimbi and Magunga Villages, in Ifunda Ward, in Iringa region where agribusiness projects are implemented. The Company's farming projects have been in operations for more than ten years now. Having manned with competent Management team and support staff, the company is one of the leading livestock keepers in and producers of raw milk in Southern Highlands that is supplies to ASAS and to other milk processing firms found in Iringa, Morogoro and Dar es Salaam. The company has sufficient annual turnover, and by 2024 its annual sales was reported to be more than 2 billion Tanzanian Shillings. The company is also in process of implementing other projects such as Poultry farming project that will raise at least 20,000 breeders, this project is implemented along with the planned animal feeds milling plant project. The investment of the company in terms of farm machinery, tools and equipments, land and buildings up to March 2024 is estimated at **TZS 17,838,124,235** and there is sufficient cashflows generated from sales of milk products by the company (**See table 2 and see the bank Statement attached**). The company has strong financial systems that guarantee discipline and safety of both financial and non-financial assets. This means the Overland Farms Limited proves to stay solvent and sustainable in long-run period. The address of the applicant in relation to this application is;

Overland Farms Limited,
Plot No. 39, Block D, Chuma Road, Chang'ombe Area,
P.O. Box 5055, Dar Es Salaam, Tanzania
Phone Contact: **+255 747 600 008/+255 746 488 488**
E-Mail: info@overland.co.tz
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Table 2: Current Value of the Company Assets

 OVERLAND FARMS LIMITED  Plot No. 39 – D, Chuma Road, Chang’ombe Area, P.O. Box 5055, Dar Es Salaam, Tanzania Phone Contact: +255 747 600 008/+255 746 488 488 E-Mail: info@overland.co.tz					
PROCUREMENT, INSTALLATION AND COMMISSIONING OF ANIMAL FEEDS MILLING PLANT WITH CAPACITY TO PROCESS 480 MT IN 24 HOURS IN IFUNDA WARD, IRINGA DC.					
ASSETS OWNED BY OVERLAND FARMS LIMITED- BY APRIL 2025					
S/N	Descriptions of the Asset/Investment	Unit of Measure	No. of Units	Unit Price (TZS)	Total Value (TZS)
1	Property, Plant and Equipments	Lumpsum	1	998,124,235	998,124,235
2	Dairy Cattle (Biological Assets)	No.	1418	5,000,000	7,090,000,000
3	Farm Land	Acres	6500	1,500,000	9,750,000,000
					17,838,124,235

Project Management and Organization Structure

Overland Farms Limited has appropriate organization structure that ensures best management practices of company’s businesses. The Company has Board of Directors that at minimum contains five Directors, founders of the company being part of board members. The Board of Directors is the overall supervisory body of the company businesses. Below the Board there is Managing Director who is the Chief accounting officer of the company and reports directly to the Board. For the Animal Feeds Milling Plant the Managing Director shall be assisted by one Plant Manager who shall report directly to the Managing Director of the company. Below Company Plant Manager Managers there are support staff to support operations in that particular department, there are Project Accountants, Marketing and Sales Staff, Plant Operators, Procurement and Logistics, and other support staff. This project will be manned by at least 25 permanent and pensionable staff. The company will also have casual labourer how shall be hired on the daily basis based on the existing demand for labour at the project. The reporting relation in Overland Farms Limited in relation to Animal Feeds Milling Plant is presented in organization structure in **figure 1**.

Projected Financial Aspects of proposed projects

These projects prove to be financially viable and less risky taking into account on analysis of different financial aspects. From the results of analysis that show eight (8) years projection of project life cycle (2025-2032), the project is estimated to earn a profit after corporate tax of **TZS 22,908,912,028** during the first year of operation-2026, the profit is observed to be **TZS 20,528,538,487** in the eighth year of operations (See Annex 9). The project also records positive value in its Income Statement in all years since 2026 when production starts, this proves this viability. The Internal Rate of Return (IRR) for the project is **218%** and the Net Present Values (NPV) is **TZS 453,838,798,994** (See Annex 16), this proves the project to be more valuable and less risky in the side of financiers-TADB, it also proves the cost of capital to be lower than gain generated from the project. The balance sheet/assets are projected to grow from **TZS 1,619,352,000** during the first year of financial analysis to **TZS 24,998,618,487** in the eighth year of operations/ financial projection (See Annex 11). Lastly, the project is seen to have positive net cashflows throughout the duration of its operations; this proves its ability to meet both short-run and long-run financial obligations. The net cashflows in the first year of project operations is **TZS 1,587,600,000** the net cashflows is **TZS 132,362,885,460** during the eighth year of operations, the decrease in the Net cashflows is due to large value of outflows as the result of repaying TADB loan facility, thus, it will start shooting after full recover of Bank loan (See cashflows Annex 15).

Socio-Economic Benefits of the Investment/Project

A part from the financial gains that Overland Farms Limited is expecting from this this investment, the project is also expected to have number of Socio-Economic benefits to the surrounding community and the country at large. The following are some of notably benefits that are expected from the project;

- (a). The company through this project is expecting to create more than 200 employment opportunities along the value chain, this includes the permanent and pensionable jobs (at least 25), casual labours (At least 50), dealers, transporters and other (at least 200);
- (b). Livestock keepers are expected to benefit through access to animal feeds and supplements for their herds and chickens that will be produced by the plant;
- (c). The project is expected to stimulate the development of other support activities in agricultural value chain, raising the level of liquidity in Iringa District, thus improving the standard of living of residents; and,

(d). The project will contribute to the receipts of company, thus raising profit and corporate tax to be paid to the Government.

Conclusions and Recommendations

The analysis of the project shows that it is technically feasible, socially and economically desirable, and financially viable. The demand for animal feeds has a growing trend following mushrooming of the investors/ farmers engaging in livestock husbandry, there is large number of Tanzanian current raise Chicken, cattle, Goats, Pigs and other animals, thus, this project will enable the company to gain market share and to expand its profit and manage to repay the Bank loan within the agreed duration. The short payback period of 2 years also proves the ability of the project to generate cashflows and to stay solvent in the going concern. It is therefore recommended that TIC to accept the registration of this project and financiers (TADB) to consider and approve the proposed loan package of **TZS 1,587,600,000 (One Billion Five Hundred Eighty-Seven Million Six Hundred Thousand Only)** Establishment of Animal Feeds Mill that have the capacity to process 480 MT/ Day. Moreover, the interest rate for the facilities to be charged by the financiers (Bank) is requested to be **less or equal to 7% per annual, charged on reduce balance**. The repayment is proposed to be semi-annually (every after six months) as proposed in loan repayment schedule presented in **annex 13**. The **company also requests the grace period of two years** from the date of disbursement of the loan in exclusive of six years of loan repayment duration.

List of Abbreviations

BRELA	Business Registration and Licensing Agency
Co.	Company
EAC	East Africa Community
FAO	Food and Agriculture Organization of United Nations
Ltd	Limited
MD	Managing Director
MoLD	Ministry of Livestock Development
MoLF	Ministry of Livestock and Fisheries
PAYE	Pay As You Earn
RMP	Risk Management Plan
SADC	Southern African Development community
TADB	Tanzania Agricultural Development Bank
TIC	Tanzania Investment Center
TZS	Tanzania Shillings
UHT	Ultra-High Temperature
URT	United Republic of Tanzania

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CHAPTER ONE

1.0. DESCRIPTION OF THE PROJECT

1.1. Background Information about Overland Farms Limited

Overland Farms Limited is a Tanzanian locally registered company found by Mr. Faisal Edha Awadh and Mr. Abdallah Faisal Awadh operating under Overland Group of Companies. This company has purposefully incorporated to take lead in undertakings that involve investing in Agribusiness value chain, thus the company implements all Agricultural projects under Overland Group of Companies. The company currently own 6,500 acres of farm land distributed in four farm plots; Kitemela Farm in Muwimbi Village with 1,500 acres, Sambusi Farm in Isupilo Village with 1,500 acres, Kiyegema Farm with 3,000 acres in Magunga Village and Makota Farm in Isupilo Village with 500 acres, all this are found in Ifunda Ward in Iringa District Council. It also owns other farm plots in different places in Tanzania. The Overland Farms Limited has fenced the all of its farm plots and has established Dairy Cattle project that has 1,418 herds and 2,500 acres of animal feeds grown using advanced technologies. The farms are also equipped with modern animal sheds, pivot irrigation systems and other technologies that aid in day-to-day operations. The company is one of major producers of raw cattle milk in Southern Highlands and it trades the product to milk processing plants found in Iringa (ASAS), Morogoro and Dar es Salaam regions. Currently, the company produces more than 35,000 litres of raw cattle milk per day, approximately to 9,500,000 liters per annum. The value of Assets owned by the company is estimated to be **TZS 17,838,124,235**, this includes Property, Plant & Machinery, farm land (6,500 acres) and Biological Assets (Dairy Cattle)- **See table 2**

1.2. Establishment of Animal Feeds Milling Plant

Overland Farms Limited is in process of establishing new project named Animal Feeds Milling Plant Project. This project shall erect Animal Feeds Plant that will have installed capacity to process and pack about 480 MT/ 24 Hours. The implementation of the project will involve; Procurement, Installation & Commissioning of Animal Feed Milling Machine (480 MT/24 Hours Capacity), Construction of Industrial Building, and Construction of Storage Facilities (Warehouse- 10,000 MT Capacity). This project will be implemented in Ifunda Ward, in Iringa District. The erection of project infrastructure will be financed through both equity and debt funds. The equity funds will be for Construction of Industrial Building, and Construction of Storage Facilities (Warehouse- 10,000 MT Capacity) and to finance initial working capital. While, the debt finances will be for Procurement, Installation & Commissioning of Animal Feed Milling Machine (480 MT/24 Hours Capacity). In the project

financing plan, the company is already owning the land at which the plant will be erected and it will contribute about **TZS 4,500,000,000** which is 74% of the project total costs. The Bank loan (Debt funds) planned to be applied as long-term loan facility from Tanzania Agricultural Development Bank (TADB) will account 26% of the total value of the project (See table 1).

This plant is expected to operate in 300 days each year that will result the production of at least 144,000 MT of animal feeds of varied types for Cattle, Chicken, and other livestock. The projected volumes of animal feeds that will be processed each year by the Plant is presented by table 3 below.

Table 3: Projected Outputs from planned projects

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		Plot No. 39 – D, Chuma Road, Chang’ombe Area, P.O. Box 5055, Dar Es Salaam, Tanzania									
		Phone Contact: +255 747 600 008/+255 746 488 488 E-Mail: info@overland.co.tz Website: www.overland.co.tz									
PROCUREMENT, INSTALLATION AND COMMISSIONING OF ANIMAL FEEDS MILLING PLANT WITH CAPACITY TO PROCESS 480 MT IN 24 HOURS IN IFUNDA WARD, IRINGA DC.											
ESTIMATED VOLUME OF OUTPUT FOR EACH PROJECT											
S/N	Description of the Project	Expected Products/output	Unit of measure	Volume of Output							
				2025	2026	2027	2028	2029	2030	2031	2032
1	Animal Feeds Millng Plant	Animal Feed	MT	0	0	144,000	144,000	144,000	144,000	144,000	144,000
Note:											
(a). Animal Feed Processing Plant is estimated to operate in 300 days per year											
(b). First two years- 2025 and 2026 will be for projects infrastructure construction/erection											
(c). About 40% of animal feed will be sold and 60% will be supplied to Dairy Cattle and Poultry Farm											
(d). The plant will start to process at full capacity from year 2027 since there is sufficient market for the products											

1.3. Project Organization and Management

Overland Farms Limited has appropriate organization structure that ensures best management practices of company’s businesses. The Company has Board of Directors that at minimum contains five Directors, founders of the company being part of board members. The Board of Directors is the overall supervisory body of the company businesses. Below the Board there is Managing Director who is the Chief accounting officer of the company and reports directly to the Board. For the Animal Feeds Milling Plant the Managing Director shall be assisted by one Plant Manager who shall report directly to the Managing Director of the company. Below Company Plant Manager Managers there are support staff to support operations in that particular department, there are Project Accountants, Marketing and Sales Staff, Plant Operators, Procurement and Logists, and other support staff. This project will shall be manned by at least 25 permanent and pensionable staff. The company will also have

causal labourer how shall be hired on the daily basis based on the existing demand for labour at the project. The reporting relation in Overland Farms Limited in relation to Animal Feeds Milling Plant is presented in organization structure in **figure 1**.

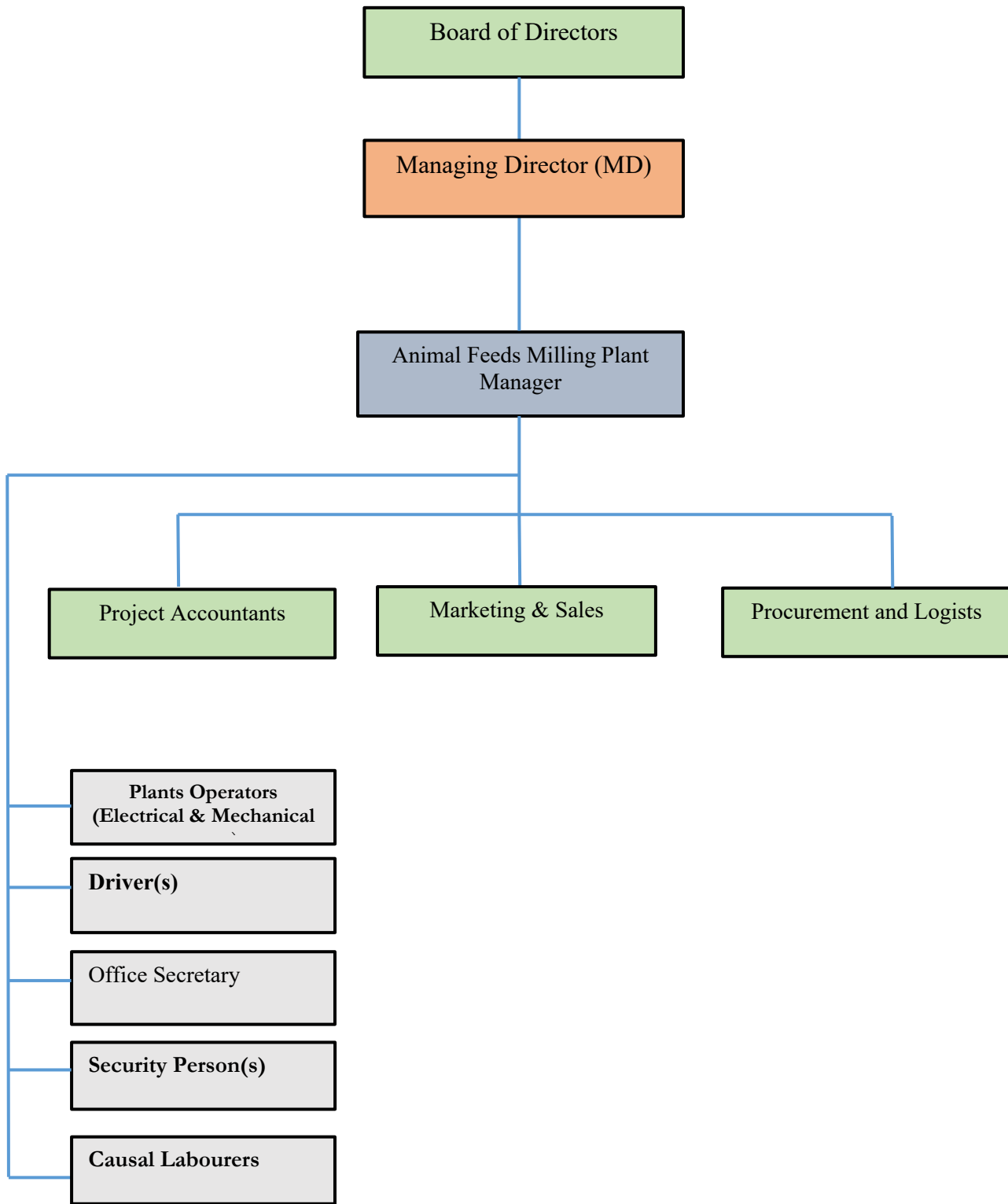
farm/projects. The reporting relation in Overland Farms Limited is presented in organization structure in **figure 1**.

1.4. Physical location, address and contacts of the Projects

This project Will be located at Sambusi Farm, in Isupilo Village, Ifunda Ward, in Iringa District. In this area Overland Farms Limited Owns 1,500 acres of the farm land. Milk processing plant will also be erected in this place. However, the Company's address in relation to this project will be;

Overland Farms Limited,
Plot No. 39 – D, Chuma Road, Chang'ombe Area,
P.O. Box 5055, Dar Es Salaam, Tanzania
Phone Contact: **+255 747 600 008/+255 746 488 488**
E-Mail: info@overland.co.tz
Website: www.overland.co.tz

Figure 1: Overland Farms Limited- Animal Feeds Milling Plant Organization structure



CHAPTER TWO

2.0. OVERVIEW ON ANIMAL FEEDS PRODUCTION IN TANZANIA

2.1. Background Information

Tanzania's animal feed industry is experiencing significant growth, driven by the country's expanding livestock sector, which supports over 80% of the population and contributes 7.4% to the national GDP. In the fiscal year 2023/2024, processed animal feed production reached 1.88 million tons, marking a 19% increase from the previous year. Despite the growth, Tanzania faces a substantial supply-demand gap in animal feed. The estimated national demand is 2.5 million metric tons annually, yet local production meets only about 30% of this requirement making Tanzania as net importer of animal feeds and supplements.

Tanzania has approximately 223 registered feed mills; however, only 15 to 20 operate at professional and commercial levels. Many of these mills function below 50% capacity due to challenges such as limited raw materials, high operational costs, and inadequate technology. Amidst the shortfalls experienced in this sub-sector, the animal feed market in Tanzania holds significant potential for growth. The government of Tanzania strategic plans include encouraging private sector investment in modern feed processing facilities and promoting research and development to improve feed formulations. Efforts are also underway to increase local soybean production, which is crucial for feed manufacturing, as current production meets only half of the annual demand of over 400,000 tons. Additionally, the exploration of alternative protein sources such as insect-based proteins and cattle blood is being considered to reduce dependence on traditional raw materials and lower production costs.

2.2. Main producers of Animal Feeds in Tanzania

The main producers of animal feeds in Tanzania include **AKM Glitters (Sunkist Feeds)**, **Mount Meru Millers**, **Silverlands Tanzania**, and **TANFEEDS International**. These companies operate large-scale, mechanized milling plants and supply a wide range of feeds for poultry, dairy, beef, and aquaculture. As narrated in the paragraphs above the animal feeds sub-sector is still having the market gap of 70% feeds needed to be produced to meet domestic demand. This, means implementation of this project by Overland Farms Limited is genuine as there is sufficient market for the products that will be processed. Competitors have not managed to saturate the market. The market is still virgin and there is the potential to penetrate and gain market share.

CHAPTER THREE

3.0. MARKET ANALYSIS

3.1. Market Niche Focused by Animal Feeds Milling Plant

In Tanzania, the animal feed market presents several promising niche opportunities, particularly in response to the needs of the rapidly growing livestock sector. Key niches include poultry, cattle and pig feeds, which are in high demand due to the widespread adoption of smallholder and commercial farming systems. Poultry, especially broilers and layers, represents a major segment of animal feeds market as the number of smallholders/Entrepreneurs in the sub-sector increase rapidly. Pig farming in southern and central regions including Iringa, Mbeya, and Morogoro, offers another market with growing demand for high-quality, affordable feeds. There is also increasing interest in aquaculture feeds, especially for tilapia and catfish, driven by the expansion of fish farming in areas like Mwanza and around Lake Victoria, in in house ponds established by individuals in aquaculture sector. Additionally, dairy and beef cattle feeds are gaining attention, particularly in regions with established cattle populations such as Arusha, Tanga, and Rukwa. Nutritionally balanced and cost-effective feed formulations using locally available ingredients (e.g., maize bran, sunflower cake, cottonseed cake) and alternative proteins (like insect meal or legumes) are essential. Furthermore, fortified feeds tailored to different life stages of livestock represent a growing segment with strong market potential.

Overall, the Tanzanian market demands innovation, affordability, and regional customization in feed products to meet the evolving needs of livestock farmers and contribute to improved food security and incomes. Thus, the Overland Animal Feeds Processing Plant focuses to explore opportunities available in market segments narrated in previous paragraphs. The company will produce feeds from Poultry sub-sector, Cattle, Pigs, Aquaculture and other domesticated animals.

3.2. Degree of Competition in the market

The company's products are expected to face competition from other, the main producers of animal feeds in Tanzania include AKM Glitters (Sunkist Feeds), Mount Meru Millers, Silverlands Tanzania, and TANFEEDS International. These companies operate large-scale, mechanized milling plants and supply a wide range of feeds for poultry, dairy, beef, and aquaculture. However, Overland Farms Limited will maintain its competitive advantage through maintain quality of the products from the plant to the market, diversification of the market and increasing order customers (Sales by order). There will be kin establishment of sales centers and selection of products agents. However, the company itself is the market for

about 60 percent of animal feeds that will be produced, this means the company is at better hedge when it comes to the market competitiveness.

3.3. Marketing Strategy

For the sake of managing entry in the market and creating strong muscles against the main competitors Overland Famrs Limited will use market penetration strategy, sales by contracts strategy and right marketing principle. Market penetration strategy involves charging low prices for the products compared to the prices charged by competitor on the similar products, for instance processed animal feeds to be charged at 1% less than the price charged by the main competitors- Mount Meru Millers, Silverlands Tanzania, and TANFEEDS International, this is possible since the project location positions Overland Farms to access raw material (Cereals) at affordable prices. Moreover, the possibility of procuring raw cereals and other produce to feed the Animal feed plant at lower prices will make price penetration strategy work in the market. Price penetration strategy will enable to attract new customers and even engulf some of customers from the competitors. More customer to be supplied by order, that is, sales by contract is expected to be adopted, this will reduce competition as these customers will be sure market for company products. The company will as well follow marketing **'Right'** Principle i.e., Make right Products to the right people at the right place, at right time and the right price, use right promotional techniques in facing its competitors and attracting potential customers.

CHAPTER FOUR

4.0. RISK AND FINANCIAL ANALYSIS

4.1. RISK ANALYSIS

Risk is the probability of deviation of the actual outcome of an event from the expected/desired outcome. These projects, like all other projects, have their own set of risks. It is important that possible risks are identified and necessary actions to minimise or eliminate them altogether are outlined and implemented when and where necessary so as to improve the overall sustainability and viability of the project. In establishment of Animal Feeds Milling Plant the following are possible risks that Overland Farms Limited is expected to face; Raw Material Supply Instability, High Cost of Inputs, Limited Access to Finance, Inadequate Technical Expertise, Market Competition, Weak Regulatory Environment, Inadequate Infrastructure, Climate Change and Environmental Risks, Animal Disease Outbreaks, Low Farmer Awareness and Demand and others.

4.1.1. Risk Management Plan

The Risk Management Plan (RMP) has taken into consideration on the three main angles in assessment of the risks associated with the businesses. With RMP in place the risks have been assessed on the basis of:

- (i). The kind of Risk;
- (ii). Nature of Occurrence; and,
- (iii). Action to be taken to mitigate identified risks.

Table 4 below summarizes the risks associate with the projects, their possibility of occurrence and actions to be taken to mitigate. However, the summarized risks might be not the only risks of engaging in these businesses, the Management of the project will for several time review the projects' risks based on the experience from the actual operations and take appropriate mitigation measures.

Table 4: Summary of the proposed Risks and the Management Plan

Risk	Description	Action to be taken
Raw Material Supply Instability	Seasonal shortages or poor quality of maize, cottonseed, sunflower, or fishmeal can affect production.	Develop contract farming arrangements, diversify sources, and invest in raw material storage facilities.
High Cost of Inputs	Prices of raw materials and additives (like premixes) can be volatile.	Bulk purchasing agreements, local sourcing, and lobbying for import duty relief facilitated through registering the project to TIC
Limited Access to Finance	Difficulties in obtaining affordable loans and credit facilities.	Engage with agricultural finance institutions, cooperatives, and government funding schemes like the Tanzania Agricultural Development Bank (TADB)
Inadequate Technical Expertise	Shortage of skilled personnel in feed formulation, machinery operation, and quality control.	Partner with training institutions, offer staff capacity building, or hire consultants.
Market Competition	Stiff competition from imported feeds or large domestic producers.	Focus on niche markets (e.g., organic or specialty feeds), improve quality and branding.
Weak Regulatory Environment	Poor enforcement of feed quality standards may lead to unfair competition or unsafe products.	Engage with regulatory bodies (e.g., TBS, FCC), adopt internal quality assurance, and obtain certifications.
Inadequate Infrastructure	Poor roads, electricity, and water supply affect production and distribution.	Invest in backup systems (e.g., generators, boreholes), and select locations near better infrastructure.
Climate Change and Environmental Risks	Droughts and floods can impact raw material availability and logistics.	Promote climate-smart sourcing, invest in climate-resilient infrastructure, and insure assets.
Animal Disease Outbreaks	Reduced demand during disease outbreaks like Foot and Mouth Disease or Avian Flu.	Diversify feed types (e.g., for different species), maintain flexibility in operations.
Low Farmer Awareness and Demand	Smallholder farmers may not see the value of quality feeds or may lack purchasing power.	Invest in farmer education programs, offer trial packages, and flexible payment models.

4.2. FINANCIAL ANALYSIS

This part presents the financial performance of the project through analysing basic financial statement and other performance indicators. The part presents; Projected Income Statement (Profit and Loss Account), Balance Sheet (Statement of Financial Position), Cashflow Statement, Sensitivity Analysis, Internal Rate of Return (IRR), Net Present Value (NPV) and Payback Period. All these analyses are in relation to Animal Feeds Milling Plant that Overland Farms Limited plans to establish.

4.2.1. Major Assumptions

Projection of results of the project has made under the consideration of the assumptions as presented in **Table 5** below;

Table 5: Assumptions employed in project Financial Analysis

 OVERLAND FARMS LIMITED  Plot No. 39 – D, Chuma Road, Chang’ombe Area, P.O. Box 5055, Dar Es Salaam, Tanzania Phone Contact: +255 747 600 008/+255 746 488 488 E-Mail: info@overland.co.tz Website: www.overland.co.tz	
PROCUREMENT, INSTALLATION AND COMMISSIONING OF ANIMAL FEEDS MILLING PLANT WITH CAPACITY TO PROCESS 480 MT IN 24 HOURS IN IFUNDA WARD, IRINGA DC.	
ASSUMPTION USED IN FINANCIAL ANALYSIS	
1	A business-friendly political, economic and social environment will continue to persist throughout the duration of the project.
2	Procurement, Installation & Commissioning of Animal Feeds Milling Plant Machinery will be facilitated through Bank loan amounting TZS 1,587,600,000 (Equivalent to 600,000 USD) proposed to be applied from Tanzania Agricultural Development Bank (TADB)
3	Other Infrastructure such as Industrial Buildings and Initial Working Capital will be financed through Equity Funds. The total Project value is estimated at TZS 6,087,600,000
4	The proposed interest on the applied Loan facilities applied to finance the project is 7% p.a , charged on reduced balance and repayment made semi-annually.
5	Loan duration will be Six (6) Years, two years of grace period exclusive .
6	Animal Feed Plant will have the installed Capacity to process 480 MT of feed mill in 24 Hours, the market for 60% will be internal(to feed Poultry and Cattle raised by the Overland Farms) & 40% will be traded to other customers.
7	The Selling price per MT of Animal feed will be TZS 1,000,000
8	Straight-line depreciation method is used in depreciating fixed assets of the farm.
9	The estimates covers the period of ten (8) years from 2025 to 2032, this means loan repayment will start at the mid of 2027
10	Exchange rate Employed is 1USD= TZS 2,646 BOT rate of 18 Th March, 2025.

4.2.2. Financial Performance

With regard to the aforementioned assumptions, the financial forecasts of the projects illustrate to have strong financial performance as described in the following parts;

4.2.2.1. Income Statements

The projected income statement as indicated in **annex 9** shows the project to have the profit after corporate tax of **TZS 22,908,912,028** during the first year of operation, the profit stands at **TZS 20,528,538,487** in the eighth year of operations. The profit is expected to grow further from the Ninth year of operations after full repayment of TADB loan. Thus, the business is worth to undertake as it records positive value in its Profit and Loss Account during all period under estimations.

4.2.2.2. Projected Cash flow Statements

The cashflows projection portrays a liquidity position for the projects. The project has positive net cashflows during all years of operations. This proves that the business is able to meet its short-term and long-term financial obligations including servicing the loan facility applied from the TADB Bank. The net cashflows in the first year of project operations is **TZS 1,587,600,000**, the net cashflows is **TZS 132,362,885,460** during the eighth year of operations **(See cashflows Annex 10)**.

4.2.2.3. Balance Sheet/ Statement of Financial Position

The projected asset base for the project stands about **TZS 1,619,352,000** during the first year of operations; the capital will accumulate and grow to **TZS 24,998,618,487** during the eighth year of operations. The asset base of the project is more than enough to cover its liabilities throughout the forecast period, meaning that the project will remain solvent throughout its lifetime. The projected balance sheet is available in **annex 11**.

4.2.2.4. Sensitivity Analysis

A sensitivity analysis was carried out on the project to see the effect on the project profitability when sales revenue drops by 5% and when project operating costs increases by 5% assuming other factors influencing profit of the project remain unchanged. The analysis was carried out to find if the project is still financially viable if the sales revenue will be reduced by 5% assuming other factors influencing profit (such as operational costs) held constant. The analysis was also done by inflating the operation costs by 5% at the same levels

of sales revenue. Both situations lead to the fall in the profits of the project, however, the events still show the project to be viable since it still generates profit despite of the circumstances applied **(Seen Annex 14 and Annex 15)**

4.2.5. TADB Loan Facilities Repayment Schedules

The loan facility (Principal & Interest) is proposed to be repaid within six years, two years of grace period exclusive. The first instalment is proposed to be in October, 2027 and the last payment to be affected in April 2033. The prepayment is proposed to be semi-annually (every after six months) as proposed in loan repayment schedule presented in **annex 13**. **The company also requests the grace period of two years** from the date of disbursement of the loan in exclusive of six years of loan repayment duration.

CHAPTER FIVE

5.0 ECONOMIC AND SOCIAL VIABILITY

5.1. Overall Benefits of the project

This project once implemented as planned will offer a number of economic and social benefits to the owners, employees, people around the project area and Tanzanians at large. The project is expected to create about twenty-five (25) permanent and pensionable jobs- [See Annex 7](#), more than 50 directly but casual jobs, and at least 200 jobs along the value chains. Project will as well contribute to the increase in the income of individuals involved in the value chain and thus raise the level of their livelihoods. Apart from the listed benefits, these projects will pay corporate tax, and PAYE to the Government of URT; this will enable the government to improve different community services in the country.

5.2. Benefits of the Projects to the community in project area

A part from the financial gains that Overland Farms Limited is expecting from this investment, the project is also expected to have number of Socio-Economic benefits to the surrounding community and the country at large. The following are some of notably benefits that are expected from the project;

- (a).The company through this project is expecting to create more than 200 employment opportunities along the value chain, this includes the permanent and pensionable jobs (at least 25), causal labours (At least 50), dealers, transporters and other (at least 200);
- (b).Livestock keepers are expected to benefit through access to animal feeds and supplements for their herds and chickens that will be produced by the plant;
- (c).The project is expected to stimulate the development of other support activities in agricultural value chain, raising the level of liquidity in Iringa District, thus improving the standard of living of residents; and,
- (d). The project will contribute to the receipts of company, thus raising profit and corporate tax to be paid to the Government.

CHAPTER SIX

6.0. SWOC ANALYSIS

This part describes Internal and External Business environment that Overland Farms Limited Operates. The analysis focuses to describe Strengths of the of the company, Weaknesses, Opportunities available in the market and Challenges that are expected to be encountered by the company in relation to planned Project. The Analysis is described below;

6.1. Strengths of Overland Farms Limited

- ✓ The company already Own 6,500 acres of farm land in Ifunda Ward, in Iringa District;
- ✓ The Company has Dairy Cattle farm with 1,418 that produce approximately of 35,000 liters of raw cattle milk per day;
- ✓ The company has Competent Management Team with diversity of Knowledge and Skills needed in running the proposed projects; and,
- ✓ The Company has large Fixed Asset (Non-Current Assets) based of more than TZS 17,838,124,235. These are investments in the Isupilo, Magunga and Muwimbi Villages farms.

6.2. Weakness of Overland Farms Limited

- ✓ Insufficient working capital to invest in strategic projects; and,
- ✓ Un promising connection to regional markets (EAC and SADC Markets for its agribusiness projects.

6.3. Opportunities available in the sector

- ✓ High population growth rate that ensures the market for farm products;
- ✓ Mushrooming of Livestock Husbandry firms which increase the demand for animal feeds;
- ✓ Friendly business environment and political stability in Tanzania;
- ✓ Technological advancement that has simplified marketing and distribution of products;
- ✓ Presence of Financial Institutions and Agribusiness loan product;
- ✓ Tanzania being a member to the regional blocks EAC and SADC simplified international trade among the member states; and,
- ✓ Opportunity in the labour market to supply required skills in cost effective manner.

6.4. Challenges that exist in the market

- ✓ Existence of competitors in the sector;
- ✓ Market movements/price instabilities;
- ✓ Difficult to increase supply of the products within a short-period of time; and,
- ✓ Difference in standards requirements among nations, this affects export volumes
- ✓ Unreliable weather and climatic changes

CHAPTER SEVEN

7.0. CONCLUSIONS AND RECOMMENDATIONS

7.1. Conclusion

The analysis of the project shows that it is technically feasible, socially and economically desirable, and financially viable. There is a growing market for products that the Overland Farms Limited will produce in planned project not only within the country but also throughout Africa and the World at large. The project will therefore allow the company to gain a market share and conceive desired benefits out of the planned investments and manage to repay the TADB loan within the agreed duration.

7.2. Recommendations

In view of the preceding analysis, it is therefore recommended the following;

- (i). Financers to consider and approve the proposed loan package of **TZS 1,587,600,000 (One Billion Five Hundred Eighty-Seven Million Six Hundred Thousand Only)** to facilitate Expansion of Animal Feeds Processing Plant;
- (ii). The interest rate for the facilities is proposed to be **less or equal to 7% per annual, charged on reduce balance**. The loan to be repaid in the **duration of Six years, two years of grace period exclusive**;
- (iii). The Projects' assets including those expected to be accrued from the expansion/Establishment of new project are proposed to be part of collateral of the loan. The Company will agree with the Bank on other assets that will be pledged as collateral for the applied loan, in case needed; and,
- (iv). TIC to register the project since it has significant contribution to the economy.

PROJECT'S INVESTMENT CAPITAL INVESTMENT

The estimated capital investment cost of the project is US\$7,653,125 out of which US\$ 7,460,817 will be fixed investment costs, while working capital is put at US\$ 192,308

OVERLAND FARMS LIMITED COST STRUCTURE US\$

Land and Buildings	6,860,817
Machinery & Equipment	400,000
Motor Vehicles	200,000
Furniture & Fixtures	0
Pre exp	0
Others	0
Working Capital	192,308
TOTAL	7,653,125

Project Financing Plan

The shareholders of this company will finance the project using equity US\$ 5,663,312 and loans US\$ 1,989,812

FINANCIAL ANALYSIS

Considerations and Assumptions:

Taxation and Depreciation

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied.

Project Profit and Loss Account

For projection purposes, it is assumed that the economic life of the project is five years, and that production of the different types of products commence from the first year of operation, project profit grows from **US\$ 1,691,418** in the first year to **US\$ 17,699,001** in 8th year of operation.

Projected Cash Flows

This is shown in the financial statements. The project has a positive end of year cash flow grows from **US\$ 2,155,106** in the first year to **US\$ 11,656,122** in 8th year of operation.

Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Shareholders equity increases from **US\$ 5,663,312** in the first year of operation to **US\$ 8,384,375** in the 8th year.

Projected payback period

Total investment is **US\$7,653,125** cash accumulation in year 3rd year is **US\$ 8,302,466.76** which is more than the initial investment

The project has a relatively short payback period.

ECONOMIC ASPECTS

Implementation of this project will have the following social and economic values

- The project will involve transfer of technology in poultry farm is involved.
- The project will create employment for **25** people on permanent contract basis as well as on temporary basis.
- It will create more business opportunities to local suppliers, which will also have a trickledown effect in the sub sector.

- It will generate substantial revenue to the government in the form of corporate tax, value added tax and royalties.
- The project will earn substantial amounts of foreign exchange.

IMPLEMENTATION

Project implementation is expected to be relatively very short once project has been approved it is estimated that construction will take approximately 12 months: -

	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	May 2025
2	Funds Mobilization	October-December 2025
3	Rehabilitation of industrial building	June-October 2025
4	Ordering of plant and machineries and Vehicles	June-September 2025
5	Arrival of Plant, Machinery and Vehicles	September 2025
6	Commercial Operations	June 2026

CONCLUSION AND RECOMMENDATIONS

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 2022.

APPENDIX (I)**OVERLAND FARMS LIMITED COST STRUCTURE**

Land and Buildings	6,860,817
Machinery & Equipment	400,000
Motor Vehicles	200,000
Furniture & Fixtures	0
Pre exp	0
Others	0
Working Capital	192,308
TOTAL	7,653,125

APPENDIX (II)**OVERLAND FARMS LIMITED SUMMARY OF REVENUE "US\$"**

	1	2	3	4	5	6	7	8
Revenue	14,400,000.00	15,120,000.00	15,876,000.00	16,669,800.00	17,503,290.00	18,378,454.50	19,297,377.23	20,262,246.09

APPENDIX (IV)

OVERLAND FARMS LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT

	1	2	3	4	5	6	7	8
Revenue	14,400,000.00	15,120,000.00	15,876,000.00	16,669,800.00	17,503,290.00	18,378,454.50	19,297,377.23	20,262,246.09
Operating Expenses:	11,520,000.00	12,096,000.00	12,700,800.00	13,335,840.00	14,002,632.00	14,702,763.60	15,437,901.78	16,209,796.87
Profit before Depreciation & Interest	2,880,000.00	3,024,000.00	3,175,200.00	3,333,960.00	3,500,658	3,675,691	3,859,475	4,052,449
Interest	298,471.86	238,777.49	179,083.12	119,388.75	59,694			
Depreciation	165,216	165,216	165,216	165,216	165,216	165,216	165,216	165,216
Gross Profit	2,416,311.80	2,620,006.17	2,830,900.54	3,049,354.91	3,275,747	3,510,475	3,694,259	3,887,233
Tax (30%)	724,893.54	786,001.85	849,270.16	914,806.47	982,724	1,053,142	1,108,278	1,166,170
Profit After Tax	1,691,418.26	1,834,004.32	1,981,630.38	2,134,548.44	2,293,023	2,457,332	2,585,981	2,721,063
Accumulated Profit	1,691,418.26	3,525,422.58	5,507,052.96	7,641,601.40	9,934,624	12,391,957	14,977,938	17,699,001

APPENDIX (V)

OVERLAND FARMS LIMITED PROJECTED CASH FLOW US\$

SOURCES:	0	1	2	3	4	5	6	7	8
Profit before interest and depreciation	0	2,880,000	3,024,000	3,175,200	3,333,960	3,500,658	3,675,691	3,859,475	4,052,449
Equity	5,663,312								
Loan	1,989,812								
Total Sources	7,653,125	2,880,000	3,024,000	3,175,200	3,333,960	3,500,658	3,675,691	3,859,475	4,052,449
Applications:									
Capital expenditure	7,460,817.00	-	-	-	-	-			
working Capital &Others	192,308								
Cash	-	2,155,106	2,237,998	2,325,930	2,419,154	2,517,934			
Tax	-	724,894	786,002	849,270	914,806	982,724	1,053,142	1,108,278	1,166,170
Sub total	7,653,125	2,880,000	3,024,000	3,175,200	3,333,960	3,500,658	1,053,142	1,108,278	1,166,170
Total applications	7,653,125	2,880,000	3,024,000	3,175,200	3,333,960	3,500,658	1,053,142	1,108,278	1,166,170
Accumulated cash		2,155,106	4,393,105	6,719,034	9,138,188	11,656,122	11,656,122	11,656,122	11,656,122

APPENDIX (VI)

OVERLAND FARMS LIMITED PROJECTED BALANCE SHEET US \$

Fixed Assets	-	1	2	3	4	5	6	7	8
Opening balance	-	7,460,817	7,440,817	7,420,817	7,400,817	7,380,817	7,360,817	7,340,817	7,320,817
Total Long-term Assets	-	7,460,817	7,440,817	7,420,817	7,400,817	7,380,817	7,360,817	7,340,817	7,320,817
Less depreciation	-	165,216	165,216	165,216	165,216	165,216	165,216	165,216	165,216
Closing balance	-	7,295,601	7,275,601	7,255,601	7,235,601	7,215,601	7,195,601	7,175,601	7,155,601
Working capital	192,308	192,308	192,308	192,308	192,308	192,308	192,308	192,308	192,308
Accumulated cash	-	2,155,106	4,393,105	6,719,034	9,138,188	11,656,122	11,656,122	11,656,122	11,656,122
Total assets	192,308	9,643,015	11,861,013	14,166,943	16,566,096	19,064,030	19,044,030	19,024,030	19,004,030
Financed by									
Equity	5,663,312	5,663,312	5,663,312	5,663,312	5,663,312	5,663,312	5,663,312	5,663,312	5,663,312
Net profit	-	1,691,418	1,834,004	1,981,630	2,134,548	2,293,023	2,457,332	2,585,981	2,721,063
Total equity	5,663,312	7,354,731	7,497,317	7,644,943	7,797,861	7,956,335	8,120,644	8,249,294	8,384,375
Long term loan	-	1,989,812	1,591,850	1,193,887	795,925	397,962	-	-	-
Total debts	-	1,989,812	1,591,850	1,193,887	795,925	397,962	-	-	-
Total equity and debts	5,663,312	9,344,543	9,089,167	8,838,830	8,593,786	8,354,298	8,120,644	8,249,294	8,384,375

APPENDIX (VIII)**OVERLAND FARMS LIMITED PAYBACK PERIOD US \$**

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	1,691,418.26	165,216	1,856,634.60	1,856,634.60
2	1,834,004.32	165,216	1,999,220.66	3,855,855.26
3	1,981,630.38	165,216	2,146,846.72	6,002,701.98
4	2,134,548.44	165,216	2,299,764.78	8,302,466.76
5	2,293,023.10	165,216	2,458,239.44	10,760,706.20

APPENDIX (IX)**OVERLAND FARMS LIMITED PROJECTED LONG TERM LOAN REPAYMENT US \$**

Year	Principle	Loan Interest (6%)	Total Amount Paid	Loan Balance
0				
1	397,962	298,472	696,434	1,989,812
2	397,962	238,777	636,740	1,591,850
3	397,962	179,083	577,046	1,193,887
4	397,962	119,389	517,351	795,925
5	397,962	59,694	457,657	397,962