



**ISRAEL
AARON &
COMPANY**

**BUSINESS
PLAN FOR
CASHEW NUT
PLANTATION**

**FOR THE PERIOD
STARTING 2021**

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EXECUTIVE SUMMARY

Introduction

ISRAEL AARON & COMPANY is an established player in the Cashew nut industry, with operations dating back to January 2021. Our business is registered and incorporated under the Tanzania Business Act of 2002. Based in Mvomero, Morogoro, our primary focus is on Cashew nut farming, Cashew nut purchases, Cashew nut processing, and the sale of Cashew nut products. The business's main product activities include Cashew nut farming, Cashew nut purchasing, Cashew nut processing, cashew nut sales, and other services, which encompass processing and selling Cashew nut waste products, as well as equipment rental, among other offerings. The business expect to start harvestings its first Cashew nut soon November and October 2024.

Targeted Markets

The business targets the sale of its Cashew nut to North America, Latin America, Europe, CIS & Russia, Japan, Asia Pacific and the Middle East Africa. The main objective is to venture into the promising European market, with the current average selling price of cashew standing at TZS 14,000,000 per tone for the financial years 2024. We anticipate a steady price increase of 5% annually thereafter. This projected growth, combined with our ambitious production targets, is expected to result in substantial sales production revenues. We aim to achieve TZS 523 million in production sales for 2024, increasing to TZS 905 million in 2025. Looking further ahead, we foresee production sales of TZS 1,867 million in 2026.

Management of the business

The business will be managed by both managers, a management team, supervisors, and the roles of managers will involve strategically supervising the business and ensuring its growth. The management team will be responsible for the day-to-day operations of the business, while supervisors will oversee specific assignments. All managers, management, and other employees will be entitled to all allowances as required by statutory laws.

Operational Assets Requirements

To operate the business smoothly, the business requires the following: land for Cashew nut cultivation, availability of a modern production facility and supporting structures, cutting-edge machinery for efficient cashew extraction and processing, and working capital to cover operational costs during the initial stages of production. The total cost required are expected to be TZS 3.750 billion, with TZS 550 million allocated for land and building, TZS 712.756 million for tractors, TZS 287.5 million for motor vehicles and cycles, and TZS 842.6 million for machines and equipment.

Financial projections

The Business project to have a total sale of TZS 580 million, TZS 1.004 billion and TZS 2.072 billion, for the projected financial year 2024,2025 and 2026 respectively. With projected Profit before Interest and Tax of TZS -284 million, -650 million and 347 million for the financial year 2024,2025 and 2026 respectively.

	All Amount are in TZS		
	2024	2025	2026
Sales Revenue	580,885,200	1,004,800,860	2,072,389,536
Total Costs	864,912,639	1,655,141,613	1,724,445,799
EBIT	(284,027,439)	(650,340,753)	347,943,737
interest Expenses	-	-	-
Earning After Interst	(284,027,439)	(650,340,753)	347,943,737
Corporate Tax	(85,208,232)	(195,102,226)	104,383,121
EAIT	(198,819,208)	(455,238,527)	243,560,616

BUSINESS DESCRIPTION

1.1 Business Name

ISRAEL AARON & COMPANY

1.2 Mission Statement:

ISRAEL AARON & COMPANY is committed to excellence in the Cashew nut industry. Our mission is to sustainably cultivate, process, and deliver premium Cashew nut cashew products to local and international markets, while contributing to the growth of the agricultural sector in Tanzania.

1.3 Business Overview

ISRAEL AARON & COMPANY is an established player in the Cashew nut industry, with operations dating back to January 2021. Our business is registered and incorporated under the Tanzania Business Act of 2002. Based in Mvomero, Morogoro, our primary focus is on Cashew nut farming, Cashew nut processing, and the sale of Cashew nut.

1.4 Legal Structure

ISRAEL AARON & COMPANY operates as a registered and incorporated business in accordance with the Tanzania Business Act of 2002. We adhere to all legal requirements and standards, reflecting our commitment to transparency and accountability.

1.5 Location

Situated in Mvomero, Morogoro, our strategic location provides us with the ideal conditions for Cashew nut cultivation. The region's climate and soil quality are conducive to producing high-quality Cashew nut cashew.

1.6 Ownership

ISRAEL AARON & COMPANY is proudly owned and managed by Owner Augustine Israel Nyato. Our leadership team brings a wealth of experience and expertise to the Cashew nut industry.

1.7 Unique Selling Proposition (USP)

At ISRAEL AARON & COMPANY, our unique advantage lies in our comprehensive approach to Cashew nut, from cultivation to processing and distribution. We prioritize sustainable practices, ensuring that our Cashew nut products meet the highest standards of quality and environmental responsibility.

1.8 Key Services and products.

- **Cashew nut Farming:** We engage in Cashew nut cultivation, nurturing healthy Cashew nut plants to yield premium cashew.

- **Cashew nut Purchases:** We procure Cashew nut from local farmers, supporting the growth of the agricultural community.
- **Cashew nut Processing:** Our state-of-the-art processing facilities ensure the efficient transformation of Cashew nut into market-ready cashew.
- **Cashew nut Cashew Sales:** We supply Cashew nut cashew products to a wide range of customers, catering to both domestic and international markets.

1.9 Client Base:

ISRAEL AARON & COMPANY serves a diverse client base that includes Cashew nut product manufacturers, exporters, and businesses in various industries. Our commitment to quality and sustainability has garnered trust and loyalty among our clients.

1.10 Vision for the Future: ISRAEL AARON & COMPANY envisions continued growth and leadership in the Cashew nut industry. We aim to expand our Cashew nut cultivation, processing, and distribution operations, while further contributing to the agricultural development of Tanzania. Our goal is to be a recognized name in the global Cashew nut market, synonymous with quality and sustainability.

Cashew nut Plantation



Cashew nut Purchases



Cashew nut processing



Cashew nut products



2.0 MARKETING ANALYSIS

2.1 Targeted Market:

The ISRAEL AARON & COMPANY has target the European Markets for Cashew nut cashew products in European countries represents a significant opportunity for ISRAEL AARON & COMPANY. According to recent industry data, the global Cashew nut market was valued at approximately \$1.27 billion in 2023 with a notable growth rate of 4.5%. Projections indicate that the Cashew nut market is expected to continue its upward trajectory, reaching an estimated value of \$1.97 billion by 2032, reflecting a steady and promising growth rate over the next decade.

The business have targeted the European Market to Cashew nut the Cashew nut products, because the demand of natural cashew in UK is high and the is a lot of policies and reason which makes the natural cashew to have high demand in European countries and the reasons are: -

- **Environmentally friendly cashew:** European Countries have awareness on environmental issues and hence they always require natural cashews which are environmental friends that why the Cashew nut has good demand and market in European countries.
- **Eco-Friendly Trends:** Cashew nut products, such as Cashew nut rugs, bags, and twine, fit well with the eco-friendly and green living trends in Europe. Many consumers are looking for alternatives to synthetic materials, and Cashew nut provides a natural and sustainable option.
- **Growing Interest in Natural Cashews:** Cashew nut is a natural and durable cashew with a variety of applications. European consumers are increasingly interested in products made from natural cashews due to their longevity, texture, and aesthetic appeal.
- **Agriculture and Job Creation:** Cashew nut production provides employment opportunities in regions where it is cultivated, often in developing countries. European

- consumers who prioritize fair trade and supporting sustainable agriculture may be inclined to purchase Cashew nut products.
- **Versatility:** Cashew nut products can be used in a wide range of applications, from home decor to agriculture and packaging. This versatility allows Cashew nut manufacturers to cater to various consumer preferences and market segments.
 - **Health and Safety:** Cashew nut cashews are non-toxic and pose no health hazards. European consumers are increasingly conscious of product safety, and Cashew nut products offer a safe alternative to some synthetic materials.
 - **Trade Agreements:** Trade agreements between European countries and Cashew nut-producing regions can facilitate the import and export of Cashew nut products, reducing trade barriers and making it easier for Cashew nut manufacturers to access European markets.

The European market is the good market for Cashew nut products, the natural Cashew nut products are highly being used into various European industries specifically in Manufacturing of Carpets and Rugs, Textile and Fabric Producers, Agriculture and Horticultural Industries, Craft and Artisanal markets, Packaging and shipping Companies, Eco-Friendly and Sustainable Brands, Interior Design and home décor companies, Gardening and land scaping companies, Automotive and industrial applications.

2.2 Competition in the Cashew nut Market

The competitive landscape in the Cashew nut market is expected to intensify as the industry expands. While ISRAEL AARON & COMPANY aims to establish itself as a prominent player in the market, it is important to analyze potential competition both domestically and internationally.

2.3 Domestic Competition: In Tanzania, where ISRAEL AARON & COMPANY is headquartered, there may be competition from other Cashew nut farming and processing companies. Key factors differentiating ISRAEL AARON & COMPANY from domestic competitors include our commitment to sustainable farming practices, vertically integrated operations, and adherence to international quality standards.

2.4 International Competition: On the international front, ISRAEL AARON & COMPANY may encounter competition from established Cashew nut producers and exporters in countries such as Dominican Republic, Malawi, Ivory coast, and China. These competitors may have larger production capacities and a well-established market presence. However, ISRAEL AARON & COMPANY's dedication to sustainable practices and the high quality of its Cashew nut cashew products can serve as competitive advantages.

2.5 Unique Competitive Advantages from Business Description:

ISRAEL AARON & COMPANY's competitive edge lies in its comprehensive approach to Cashew nut farming, processing, and distribution. This approach, as outlined in the business description, offers several distinct advantages:

- **Sustainable Farming Practices:** ISRAEL AARON & COMPANY's commitment to sustainable agriculture aligns with the growing global demand for eco-friendly and responsibly sourced products. This can be a strong selling point in the European market, where sustainability is highly valued.
- **Quality Assurance:** The business's dedication to quality throughout the cultivation, processing, and distribution stages ensures that its Cashew nut cashew products meet international quality standards, providing a competitive advantage in the European market.
- **Vertical Integration:** ISRAEL AARON & COMPANY's vertically integrated operations, from farming to processing, enable better control over product quality and consistency, reducing dependence on external suppliers and ensuring reliability in the European market.
- **Ethical Sourcing:** ISRAEL AARON & COMPANY's involvement in purchasing Cashew nut from local farmers supports community development and ethical sourcing practices, a compelling narrative for European consumers who prioritize ethical and fair-trade products.
- **Proven Leadership:** The experienced leadership of business guru Augustine Israel Nyato adds credibility to the business, instilling trust in European buyers and partners.

2.6 Market Analysis

The global Cashew nut market has experienced rapid growth in recent years and is segmented based on regions, including North America, Latin America, Europe, CIS & Russia, Japan, Asia Pacific excluding Japan, and Middle East Africa. Cashew nut cultivation for cashew is widespread across several countries, including Angola, Brazil, Kenya, Madagascar, Mozambique, China, Cuba, Haiti, Indonesia, Mexico, South Africa, Tanzania, and Thailand.

Regional Market Share: Latin America, Asia Pacific, and Europe have notably high value and volume shares in the Cashew nut market compared to other regions. The production configurations vary among countries. Kenya and Tanzania primarily engage in large-scale Cashew nut plantation farming, whereas Brazil focuses on small-scale production.

Key Producers: Key players in Cashew nut production include Brazil, Tanzania, and Kenya. Brazil stands as the leading exporter of both raw Cashew nut cashew and manufactured goods, particularly rope, to the USA, followed closely by Kenya and Tanzania. China is also a significant producer and consumer of Cashew nut cashew products.

Industry Developments: Companies involved in Cashew nut production are increasingly prioritizing product quality to meet the expectations of end users while delivering value to stakeholders. The Cashew nut industry demands substantial capital investment, particularly in cultivating high-quality Cashew nut plants.

In Tanzania we have experienced the high increase of business volume specifically in major companies which are producing the Cashew nut, the recent data show that e

SFI Tanzania: In 2021, SFI Tanzania embarked on Cashew nut plantation efforts, dedicating 237.5 hectares of land to Cashew nut cultivation. A Cashew nut nursery plantation covering 23.75 hectares was established. The business achieved a Cashew nut production volume of 1,755 tons in the same year.

MeLT Business, Tanzania: MeLT, based in Tanzania, is a significant contributor to the Cashew nut industry, producing approximately 10,000 tons of Cashew nut cashews annually. This accounts for approximately 35% of the total Cashew nut production in Tanzania.

These industry dynamics and developments underscore the potential for growth and competition in the Cashew nut market. ISRAEL AARON & COMPANY will navigate this landscape by leveraging its commitment to sustainability, quality, vertical integration, and ethical sourcing, as outlined in the business description, to establish a strong presence in the European market while exploring opportunities in other regions.

Also considering the facts below, we expect the growth of demand of Cashew nut cashews will also increase of business sales, the following factors are considered that will increase the demand of the Cashew nut cashews in the market such factors include: -

- Increasing demand from the automotive and construction industries for Cashew nut Cashew products as a substitute for traditional materials such as steel, aluminum, and concrete.
- Growing popularity of natural cashews over synthetic cashews in textile applications due to their environmental friendliness and biodegradability.
- Raising awareness about the health benefits of using Cashew nut Cashew products, such as improved air quality and reduced exposure to harmful chemicals.
- Technological advancements that have led to the development of new Cashew nut Cashew products with enhanced performance characteristics.

2.7 Marketing forecasting and projections

ISRAEL AARON & COMPANY projects the following marketing trends for the period of the first four years of operations.

In the financial year 2024, our business is poised to demonstrate remarkable growth as we project to produce and sell an impressive 37 tons of high-quality cashew from our farm plantation. Looking ahead to 2025, our farms are forecasted to increase their production to an impressive 62 tons of cashew, maintaining this level of production for the years 2026 totaling an astounding 121 tons.

In addition to our in-house production, we have a strategic plan in place. ISRAEL AARON & COMPANY will actively engage with external farmers, procuring an equivalent quantity of cashew to complement our internal production capacity. This commitment to sourcing from external farmers mirrors our dedication to maintaining consistent quality and quantity in our product offerings.

Our venture into the European Market is promising, with the current average selling price of cashew standing at TZS 14,000,000 per tone for the financial 2024. We anticipate a steady price increase of 5% annually thereafter. This projected growth, combined with our ambitious production targets, is expected to result in substantial sales revenues. We anticipate achieving TZS 523.32 million in production sales for 2024, increasing to TZS 905.226 million in 2025. Looking further ahead, we foresee production sales of TZS 1,867 million in 2026.

This strategic approach aligns perfectly with our commitment to delivering sustainable, high-quality products to the market while capitalizing on favorable market conditions. Our comprehensive plan positions us for a prosperous future, ensuring both growth and stability for our stakeholders.

2.8 Selling price of cashew.

In our meticulously crafted business plan, we have thoroughly analyzed the market dynamics and considered various factors influencing the selling price of Cashew nut cashew. Based on our in-depth market research, we have determined that the average selling price of cashew ranges from TZS 14 million to 16.5 million per tone, depending on the quality of the cashew product.

To maintain a conservative approach and ensure a realistic projection of our venture's profitability, we will prudently utilize the base selling price of TZS 14 million for our calculations. This approach allows us to account for potential market fluctuations and unforeseen challenges, ensuring a robust and sustainable financial model.

By adopting this prudent pricing strategy, we aim to protect the venture's profitability and secure a strong market position. As we focus on delivering high-quality Cashew nut cashew products, we remain confident in the success of our venture and look forward to capitalizing on market opportunities to achieve long-term growth and prosperity.

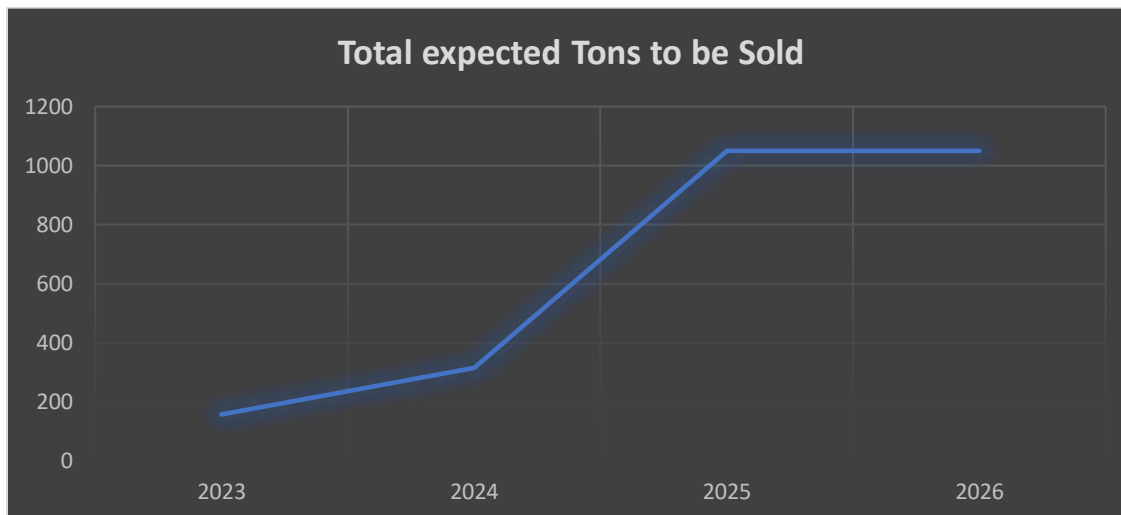
Table 2.8 Sales projections

Details	Unit in Tons			
	2023	2024	2025	2026
From production	0	40	60	120
From farmers	0	2	4	8
Total available Tons	0	42	64	128
Total Tons sold	0	37	62	121

Selling Price	-	14,000,000	14,700,000	15,435,000
Projected Sales	-	523,320,000	905,226,000	1,867,017,600

Total units sold working and assumptions are available in key financial projection assumptions.

Chart 2.8 sales growth presentation



2.9 Sales collections

The farm expects to have a steady flow of production monthly (every month the business will have equal production and sales), and the business will sell the cashew by providing a 30-day credit period. In the case of new customers, the business will emphasize cash sales, and for any other sales, the business will accept a letter of credit from the new customer.

2.10 Sales strategies

The Cashew nut market is open ad wide especially the Cashew nut which comes from Tanzania, our business will employ various marketing strategies which will ensure the business success as follows: -

2.10.1 Market Research & Analysis- The business have already conducted the comprehensive market research to assess demand of cashew products in Europe, the business will continue with constant marketing research, through the research the business have already identifies various potential buyers of the Cashew nut cashew. The Business also have already analyzed specific requirements and standards for Cashew nut cashew required in the European markets.

2.10.2 Quality Assurance and Compliance- to have proper sales we have started our planation and set our factory and factory equipment's to meet the European Quality standard of Cashew nut Cashew and our business will consistently provide high quality, Clean and well processed cashew this will build good reputation in the European Market.

2.10.3 Competitive pricing Strategy- To win the customers we will offer the competitive pricing strategies while we will maintain our quality and standard of the products, we will use various means on pricing such as Volume discount and offering long term contracts with the customers which will help to secure large and longtime orders.

2.10.4 Product diversifications- To ensure we are catering the needs of different buyers in the market our products will be diversified to cater various industries and applications, our products will cover various range of products such as Cashew nut twine, Rope, Yarn and handcraft.

2.10.5 Industrial Associations and Certifications - The business will become a member of trade associations related to natural cashews, providing access to valuable resources and industry insights. The business will also Obtaining relevant certifications, such as organic or Fair-Trade certifications, if applicable, can enhance the business's market presence. This strategy will help the business to obtain big deals with long-term partnership.

2.10.6 Customer- Centric Approach- We will provide excellent customer support by responding promptly to inquiries, addressing concerns, and offering technical assistance. The business will also emphasize on Flexibility and openness to customization based on the specific needs of European customers are key.

2.10.7 Relationship Building- We will be Establishing and nurturing strong relationships with potential buyers, distributors, and importers in the European market is a priority. We will also be Participation in trade shows, industry events, and networking opportunities is recommended to connect with key players in the industry.

By Implementing these strategies will empower the business to effectively sell Cashew nut cashew in European markets, tapping into the potential of this market while maintaining product quality and sustainability.

3.0 MANAGEMENT AND ORGANIZATION STRUCTURE

Our business, ISRAEL AARON & COMPANY, is structured to efficiently manage the business's operations, and deliver on our strategic objectives. Our team consists of experienced professionals who bring a diverse set of skills and expertise to drive the success of the organization.

3.1 Managers:

The business is structured with various managers responsible for overseeing different strategic positions within the business. The leadership of the business will be headed by the Managing Manager, who will be supported by the strategic managers of Administration, Marketing, and Finance.

Owner- Mr. Augustine Israel nyato will provide strategic leadership and oversee the overall operations of the business. His extensive experience in the industry will guide decision-making and ensure the business's long-term success.

Manager of Administration- Mwanamtoo Hajj will take on the role of overseeing the administrative activities of the business. As the Manager of Administration, she will be responsible for managing the day-to-day operations of the business, overseeing personnel matters, managing government relationships, and handling other managerial duties. Like other managers, the Manager of Administration will receive a monthly salary of TZS 6 million.

Manager of marketing- Oliva shirima will assume the role of Manager of Marketing within the business. As the Manager of Marketing, she will be responsible for overseeing the business's strategic marketing direction, acquiring and retaining customers, managing customer service and handling complaints, and her expected monthly salary is TZS 6 million.

Manager of Finance – George ndekwa will serve as the Manager of Finance for the business. In this capacity, he will be responsible for the financial management and oversight of the business's fiscal activities. His duties will encompass financial planning, budgeting, financial reporting, and ensuring the business's financial health. Ismail A. Ntimizi will also play a pivotal role in optimizing the allocation of financial resources, monitoring expenditures, and collaborating with other departments to support the business's strategic objectives.

In alignment with other managers, Ismail A. Ntimizi will receive a monthly salary of TZS 6 million for his role as Manager of Finance.

3.2 Management Team:

- **Farm Manager:** The Farm Manager will play a pivotal role in overseeing all aspects of farm operations, including planting, cultivation, and maintenance. They will work closely with the Managing Manager to ensure production targets are met and farm resources are efficiently utilized. The Farm Manager will also have responsibilities related to workforce management. Their monthly salary is projected to be TZS 2.5 million.
- **Production Industry Manager:** The Production Industry Manager will focus on the processing and production side of the business. They will be responsible for optimizing the production processes, quality control, and ensuring that products meet market standards. Working in tandem with the Farm Manager, they will ensure a seamless transition from farm to production. Their monthly salary will also be TZS 2.5 million.
- **Sales and Executive Personnel:** Sales and Executive personnel will be responsible for marketing Cashew nut products, maintaining customer relationships, and overseeing administrative tasks. They will play a crucial role in expanding the business's market presence. Each member of this team will receive a monthly salary of TZS 2.5 million.
- **Accountant:** The accountant will manage the business's financial records, prepare budgets, and ensure compliance with financial regulations. They will play a vital role in maintaining the financial health of the organization. The accountant's monthly salary will be TZS 2.5 million.

- **Supervisory Staff:** Ten supervisory staff members will be responsible for overseeing various aspects of farm and production operations. They will ensure that work is carried out efficiently and to the highest quality standards. Each supervisor will receive a monthly salary of TZS 600,000.

3.3 Employee Benefits

The business is committed to the well-being of its staff. All employees will be registered with the National Social Security Fund (NSSF), and the business will contribute to the Workers' Compensation Fund (WCF) and the Skills Development Levy (SDL) as required by labor regulations. Additionally, employees will receive coverage under the National Health Insurance Fund (NHIF) to ensure their health and well-being.

This organizational structure and management team will work collaboratively to achieve the business's production targets, maintain product quality, expand market reach, and ensure financial stability. By compensating employees competitively and providing essential benefits, the business aims to attract and retain top talent in the industry, fostering long-term growth and success.

Table 3.3 Summary of personnel costs

Position	No	Monthly Salary	Expected yearly salary
Managing Manager	1	15,000,000	180,000,000
Manager of Administration	1	6,000,000	72,000,000
Manager of Marketing	1	6,000,000	72,000,000
Manager of Finance	1	6,000,000	72,000,000
Farm Manager	1	2,500,000	30,000,000
Production Manager	1	2,500,000	30,000,000
Sales & Executive Personnel	1	2,500,000	30,000,000
Accountant	1	2,500,000	30,000,000
Supervisors	10	6,000,000	72,000,000
TOTAL	15	49,000,000	588,000,000

ISRAEL AARON & COMPANY expect to pay a monthly Salary of TZS 58,800,000, this full payment of salaries will start on December 2024, also we expect the salaries costs due to various restructuring will increase by 20% in year 2025 and 2026.

For administrative purposes and due fact that year 2024 also the business needs to invest and continue with the expanding of the business and hence year 2024 the management team expect to receive half of the budgeted salary and other salary related costs.

The farm will also be registered with national social Security fund (NSSF) and the farm will contribute 10% of the gross salaries to the funds and other 10% will be deducted from

employees. The farm will also be registered by Workers Compensation Fund (WCF) and the Farm will contribute 0.5% of the gross amount to the Fund. The Farm will also comply with the requirements of Tanzania Revenue Authority the farm will contribute the Skills and development levy at the rate of 3.5% and will deduct and pay the PAYE as you earn tax as required by various laws. And, the farm will contribute full 6% to the National Health Insurance Fund (NHIF).

Table 3.4 Summary of Projected personnel Costs

Details	Summary of Personnel Costs			
	2023	2024	2025	2026
Basic Salaries	-	294,000,000	705,600,000	705,600,000
NSSF Contribution	-	29,400,000	70,560,000	70,560,000
SDL Contributions	-	10,290,000	24,696,000	24,696,000
WCF Contributions	-	1,470,000	3,528,000	3,528,000
NHIF Contributions	-	17,640,000	42,336,000	42,336,000
Total Personnel Costs	-	352,800,000	846,720,000	846,720,000

Labor Cost will amount to TZS 3.5 million per month and all the labor cost have been detailed analyzed on production and operational plan of this business plan.

4.0 PRODUCTION AND SERVICE LINE PLAN

4.1 General operation facilities

The successful establishment and operation of our Cashew nut plantation and production facility require various items to available:

The common and general required facilities for the Cashew nut plantation, production and distribution business involve the following general facilities such as

1. Land: Land for Cashew nut cultivation.
2. Infrastructure Development: availability of the modern production facility and supporting structures.
3. Technology and Equipment: Availability of cutting-edge machinery for efficient cashew extraction and processing.
4. Working Capital: Availability of working Capital fund to cover operational costs during the initial stages of production.

4.2 Cashew nut Planation and Cashew Production Cycle and process.

The Cashew nut plantation and production process involve several essential steps to ensure the cultivation of healthy plants and the extraction of high-quality cashews. Below are the main steps involved in the plantation and production processing of Cashew nut includes –

- 1. Land Preparation:** Preparing the land for Cashew nut cultivation involves several essential steps. Initially, the land needs to be cleared of debris, weeds, and rocks to create a suitable environment for planting. This process, known as "land preparation," includes "bush cleaning," for which we will hire a Bulldozer from Morogoro Town to the designated plantation area.
- 2. Cashew nut Planting:** Planting Cashew nut saplings or offsets in rows or patterns, ensuring proper spacing to facilitate growth and maintenance.
- 3. Irrigation and Maintenance:** Providing adequate water supply and implementing proper irrigation techniques to support optimal plant growth. Regular maintenance practices such as weeding, pest control, and fertilizer application are also crucial during this phase. Normal Cashew nut requires 36 months Growth before start harvesting. But maintenance of Cashew nut is through of its time.
- 4. Harvesting:** Harvesting the mature Cashew nut leaves once they reach an appropriate age and size. Cashew nut leaves are the primary source of cashew in the plant. After a Lapse of 48 months Cashew nut can harvested.
- 5. Decortication:** After harvesting, the Cashew nut leaves are crushed or mechanically scrapped to remove the fleshy outer part, known as the pulp, from the cashews.
- 6. Cashew Extraction:** The decorticated leaves are then beaten or scrapped further to extract the long cashews from the leaf. This process separates the valuable cashews from the non-fibrous material.
- 7. Drying:** The extracted cashews are dried to reduce their moisture content, making them suitable for further processing and storage.
- 8. Baling:** The dried cashews are compressed and bundled into bales, making them easier to handle, transport, and store.
- 9. Quality Control:** Performing quality checks to ensure the cashews meet the desired standards for strength, length, and color.
- 10. Value-Added Processing (Optional):** In some cases, the Cashew nut cashews may undergo additional processing to create value-added products such as ropes, twines, geotextiles, carpets, and crafts.
- 11. Packaging and Distribution:** Properly packaging the final Cashew nut products and organizing their distribution to wholesalers, manufacturers, or end consumers.
- 12. Waste Management:** Managing and recycling and waste generated during the production process to minimize environmental impact and enhance sustainability.
- 13. Continuous Cultivation and Renewal:** To maintain a sustainable Cashew nut production process, it is crucial to continuously replant Cashew nut after harvesting and ensure proper land management practices.

Each step in the Cashew nut plantation and production process requires careful attention and expertise to produce high-quality cashews that meet market demands and contribute to the success of the Cashew nut industry.

4.3 Fixed Asset Requirements

In order to successfully establish and operate our Cashew nut plantation and production industry, a comprehensive list of fixed assets is indispensable.

LAND AND BUILDINGS				
Item	Descriptions	Quantity	Unit Price	Total Amount
Plantation Farm Land	Mainly For Plantation and Other Activities	600 Acres	300,000	180,000,000
Land For Processing Industry	For Warehouse, Processing Industry, etc	5 Acres	1,000,000	5,000,000
Farm Residential Houses	For Farm Managers and Supervisors	3 Houses	15,000,000	45,000,000
Residential House CEO	House For CEO	1 House	100,000,000	100,000,000
Construction of Warehouse	Storage	1	100,000,000	100,000,000
Building For Processing	production and Processing	1	120,000,000	120,000,000
TOTAL LAND AND BUILDINGS				550,000,000

MACHINES AND EQUIPMENTS				
TRACTORS				
Item	Descriptions	Quantity	Unit Price	Total Amount
Mitsubish mid size tractors	For Cultivating and Transportation	3	59,585,502	178,756,506
Local Made Trailers		15	10,000,000	150,000,000
Purchases of Tractors	John Deer 6095E 95HP	1	128,000,000	128,000,000
Other small tractors	John Deer 5065E 65 HP	4	64,000,000	256,000,000
TOTAL				712,756,506

MOTOR VEHICLES AND CYCLES				
Item	Descriptions	Quantity	Unit Price	Total Amount
TOYOTA PICKUP TOWN ACE	For Supervision	1	18,000,000	18,000,000
TOYOTA RAV 4	For Supervision	1	12,000,000	12,000,000
LUXURY CAR	For Owner	1	250,000,000	250,000,000
MOTOR CYCLE	For Supervision	3	2,500,000	7,500,000
TOTAL				287,500,000

MACHINES AND EQUIPMENTS				
Item	Descriptions	Quantity	Unit Price	Total Amount
RAW CASHEW SORTING MACHINE	For cashew sorting	1	31,200,000	31,200,000
RAW CASHEW STEAMING MACHINE	For cashew steaming	1	26,000,000	26,000,000

AUTOMATIC SHELLING MACHINE	For shelling nut	3	91,000,000	273,000,000
CASHEW DRYING OVEN	For Drying nut	2	31,200,000	62,400,000
2 - HEAD CASHEW PEELING MACHINE	For peeling	2	46,800,000	93,600,000
KERNEL GRADING MACHINE	For grading	2	13,000,000	26,000,000
KERNEL SCREENING MACHINE	Fgor screening	1	33,800,000	33,800,000
KERNEL VACUUM PACKING MACHINE	For packing bags	1	28,600,000	28,600,000
BOILER MODEL		1	78,000,000	78,000,000
CUTTING TABLE		20	780,000	15,600,000
CASHEW OIL PRESS MACHINE		1	39,000,000	39,000,000
AIR COMPRESSOR		1	41,600,000	41,600,000
Transformer		1	33,800,000	33,800,000
Standby Generator		1	60,000,000	60,000,000
TOTAL				842,600,000

Table 4.3 Summary of the required fixed assets

Descriptions	Total Amount
Land & Buildings	550,000,000
Tractors	712,756,506
Motor vehicle and Cycles	287,500,000
Machines and Equipments	842,600,000
Total	2,392,856,506

The Total amount of TZS **2,392,856,506** is required to be invested in to fixed assets, these fixed assets are not just capital investments; they represent the foundation upon which our Cashew nut plantation and production business will thrive. They are instrumental in ensuring the success of our operations, from cultivating and processing Cashew nut to distributing our products effectively in the market.

These investments are integral to our long-term growth and profitability. With careful planning and strategic utilization of these assets, we are confident that we can establish a thriving Cashew nut production business that contributes positively to the local economy while meeting the demands of our customers.

4.4 WORKING CAPITAL REQUIREMENTS ON EACH PROCESS.

The Cashew nut plantation and production process involve several essential steps to ensure the cultivation of healthy plants and the extraction of high-quality cashews. Below are the main steps involved in the plantation and production processing of Cashew nut:

- 1. Land Preparation:** Preparing the land for Cashew nut cultivation involves several essential steps. Initially, the land needs to be cleared of debris, weeds, and rocks to create a suitable environment for planting. This process, known as "land preparation," includes "bush

cleaning," for which we will hire a Bulldozer from Morogoro Town to the designated plantation area.

The costs associated with Bulldozer hire amount to TZS 800,000 per day, and an additional cost of TZS 1,800,000 is incurred for transporting the Bulldozer from Morogoro to the plantation site. The services of the Bulldozer driver come at a daily rate of TZS 50,000, and the machine consumes an average of 100 liters of fuel per day. Moreover, we expect to spend approximately TZS 50,000 per day on casual labor for assistance during the land preparation process.

Furthermore, part of the land preparation includes "land leveling," which will incur labor costs of TZS 100,000 per acre.

Based on our experience and analysis, the overall cost of land preparation per acre is estimated to be TZS 302,000, with land leveling adding a total of TZS 100,000 per acre.

This information allows us to make informed financial decisions and allocate the necessary resources to efficiently and effectively prepare the land for successful Cashew nut cultivation.

- 2. Cashew nut Planting:** Planting Cashew nut saplings or offsets in rows or patterns, ensuring proper spacing to facilitate growth and maintenance.

The seeding of Cashew nut involves the plantation of Cashew nut seeds into appropriate rows and columns. One Acres requires 25 seeds and price per seed is TZS 1,500 per hectares. This makes the cost of seeds per Acre to be TZS 14,140. The Cashew nut Plantation seed needs to be Transported from Morogoro to Plantation area and the transportation cost is TZS 300,000 per 100 seeds thus makes the Transportation Costs of Seeds per Acre to be TZS 56,100.

The seed plantation requires casual labor, the Casual labour per row per square meter cost TZS 2,000 and One Acre has 70 square meters of rows. This makes the Labor costs on plantation per Acre to be TZS 140,000.

- 3. Irrigation and Maintenance:** Providing adequate water supply and implementing proper irrigation techniques to support optimal plant growth. Regular maintenance practices such as weeding, pest control, and fertilizer application are also crucial during this phase. Normal Cashew nut require 36 months Growth before start harvesting. But maintenance of Cashew nut is through of its time.

Maintaining the Cashew nut, it involves frequently cleaning of the plantation farm by using either or both of Casual labour Tractors etc. depending with nature of the plantation based on experience per year the Cashew nut requires maintenance after every period of 4 months and per One Square meter it costs TZS 2,000 for maintenance and one acre has 70 square

meters. It costs TZS 140,000 per acre per period of maintenance for three times a year it cost TZS 420,000 per acre as maintenance costs.

- 4. Harvesting:** Harvesting the mature Cashew nut leaves once they reach an appropriate age and size. Cashew nut leaves are the primary source of cashew in the plant. After a Lapse of 48 months Cashew nut can harvested.

On harvesting, we have calculated the Cashew nut plantation's productivity and estimated the number of Cashew nut leaves harvested annually. On one seed of Cashew nut, we will cultivate approximately 5-50 kgs of Cashew nut.

As a result, one acre will produce around 70 seeds that make around 350 kgs – 35,000 kgs Cashew nut per year, which are available for harvesting. To facilitate easier measurement and trade, one seed of Cashew nut is equivalent to 5-50 kgs of cashew nut. Consequently, each year, we anticipate cultivating 70 seeds on every acre.

To ensure seamless and efficient harvesting operations, we have factored in the cost of harvesting per seed, which is estimated to be TZS 8,000. Therefore, the total harvesting costs for one acre will amount to TZS 448,000.

By meticulously analyzing these numbers, we can make informed decisions and optimize the productivity of our Cashew nut plantation, leading to improved profitability and success in the Cashew nut industry.

- 5. Transport after harvesting:** Upon successful harvesting, the valuable Cashew nut leaves are promptly transported to our industry processing center, where we utilize our business-owned tractors for this crucial task. To facilitate the transportation of Cashew nut and Cashew nut cashews, we have purpose-built locally made trailers, specially designed to ensure safe and efficient handling of delicate produce.

The cost of transportation encompasses various factors, including tractor operating expenses, fuel, repair and maintenance, and the use of essential lubricants. Drawing from our extensive experience, we have carefully analyzed and estimated the cost of transporting one seed to be an average of TZS 5,000 to the factory production area. Transportation per acre TZS 280,000.

By deploying our well-maintained tractors and trailers, we aim to optimize the transportation process, minimizing downtime and reducing associated expenses. Our commitment to efficiency and cost-effectiveness strengthens our competitive advantage, enabling us to deliver premium Cashew nut products to the market consistently.

Through meticulous planning and execution, we ensure a seamless supply chain from the farm to our processing center, allowing us to uphold the highest standards of quality and meet the demands of our valued customers. As a result, we are confident in our ability to

make a significant impact in the Cashew nut industry and establish ourselves as a leader in sustainable and profitable Cashew nut production.

- 6. Decortication:** After harvesting, the Cashew nut leaves are crushed or mechanically scraped to remove the fleshy outer part, known as the pulp, from the cashews.
- 7. Cashew Extraction:** The decorticated leaves are then beaten or scrapped further to extract the long cashews from the leaf. This process separates the valuable cashews from the non-fibrous material.
- 8. Drying:** The extracted cashews are dried to reduce their moisture content, making them suitable for further processing and storage.
- 9. Baling:** The dried cashews are compressed and bundled into bales, making them easier to handle, transport, and store.
- 10. Quality Control:** Performing quality checks to ensure the cashews meet the desired standards for strength, length, and color.
- 11. Value-Added Processing (Optional):** In some cases, the Cashew nut cashews may undergo additional processing to create value-added products such as ropes, twines, geotextiles, carpets, and crafts.
- 12. Packaging and Distribution:** Properly packaging the final Cashew nut products and organizing their distribution to wholesalers, manufacturers, or end consumers.
- 13. Waste Management:** Managing and recycling and waste generated during the production process to minimize environmental impact and enhance sustainability.
- 14. Continuous Cultivation and Renewal:** To maintain a sustainable Cashew nut production process, it is crucial to continuously replant Cashew nut after harvesting and ensure proper land management practices.

Each step in the Cashew nut plantation and production process requires careful attention and expertise to produce high-quality cashews that meet market demands and contribute to the success of the Cashew nut industry.

4.4.1 Production overhead costs

In our well-structured business plan, we have carefully analyzed and accounted for the production overhead costs incurred within our manufacturing factory. These essential factory overhead costs encompass a range of critical elements, such as machine running expenses, lubricants, electricity, and regular maintenance to ensure smooth and efficient production processes. Additionally, we have considered labor power as an integral part of our overhead costs, ensuring skilled personnel operate and supervise the manufacturing operations.

As a contingency measure for any electricity supply disruptions, we have factored in generator fuel costs, ensuring uninterrupted production even during potential power outages. Moreover, the expenses for packing and packaging materials, as well as labeling, have been thoughtfully included to meet stringent quality standards and ensure the final product's presentation and safety.

While each individual production cost may seem relatively small in isolation, we understand that they are measurable and collectively contribute to the overall cost structure. Drawing from

invaluable experience gained from our prior industry engagements, we have fine-tuned our processes, ensuring efficient production up to the point where the Cashew nut cashew is readily available for use.

Based on our insightful analysis, we have determined that the production processing costs, specifically up to the stage of making cashew available for use, will amount to TZS 15,000 per seed. This comprehensive understanding of our production costs enables us to optimize efficiency, maintain competitive pricing, and deliver exceptional value to our esteemed customers.

Our commitment to meticulous financial planning and operational excellence positions us for success and profitability in the Cashew nut industry. By managing these production overhead costs judiciously, we are confident in our ability to establish a strong presence in the market and achieve sustained growth over time.

4.4.2 Seed to tonnage conversion

Furthermore, it is crucial to acknowledge that the conversion rate of 70 seeds results in the average production of 1.75 tonnage of cashew after processing. Given that one acre of Cashew nut produces 1,750 kgs of nuts.

This calculation is a pivotal aspect of our business plan, as it allows us to accurately estimate the potential cashew output from our Cashew nut plantation. With this valuable information, we can strategically plan our production targets, optimize resource allocation, and ensure efficient processing operations.

By leveraging this insightful data, we position ourselves to make informed decisions that maximize productivity and profitability. As we embark on this promising venture, we remain committed to unlocking the full potential of our Cashew nut plantation, driving growth, and delivering exceptional value to our customers and stakeholders.

4.4.4 Purchasing from other farmers.

In the business planning, we recognize that each critical step in our venture requires substantial investment. It is important to note that our Cashew nut plantation will cover almost 95% of the total production industry. For the remaining 5% of production inputs, we will collaborate with other farmers, fostering valuable partnerships to ensure a steady and diverse supply of raw materials.

As we project the purchasing costs of 1 tonnage of processed cashew, we have diligently estimated that it will range from TZS 14 million to 18 million. This calculation includes all the essential costs incurred during the processing stage, ensuring the production of premium-quality cashew that meets industry standards.

Additionally, we must emphasize that unprocessed Cashew nut, which will be sourced externally, is expected to cost the business an average amount ranging from TZS 1.3 million to 1.5 million. The cost varies depending on the quality of the Cashew nut acquired, reflecting our commitment to obtaining the best raw materials for our production processes.

Through strategic financial planning and prudent investment decisions, we aim to optimize the efficiency of our operations while maintaining the highest standards of quality. By collaborating with other farmers and carefully managing our sourcing and processing costs, we are poised for sustainable growth and long-term success in the dynamic Cashew nut industry.

In this regard we assume that 60% of farmers will prefer to sell the unprocessed Cashew nut to our business.

Table 4.4.4 Purchases from Farmers

Details	Purchases From Farmers in tones			
	2023	2024	2025	2026
From Other produces	0	2	4	8
Farm full proccessed	0	1	2	3
Farmers Unprocessed	0	1	2	5
Total Tons	0	2	4	8

5.0 FINANCING FUNDING ARRANGEMENT

The purpose of this business plan is not seeking the financing from bank, but solely to submit it to the Tanzania Investment Centre and acquire certificate of incentive.

Table 5.1 financing arrangement

FINANCING TYPE	AMOUNT	%
Business Contribution	3,750,000,000	100%
Bank Contribution	-	0%
TOTAL	3,750,000,000	100%

5.2 Financing of working Capital

The business is seeking to obtain certificate of incentives to Tanzania Investment Centre, the working capital shall be injected to the expenditure such as plantation and production expenses. As analyzed in the working capital requirements for each stage of Cashew nut plantation and production.

From the cost involved on each plantation and production step, below is the summary of the costs including its projection for the period from the year 2023 to year 2026.

Table 5.3 Summary of working cost both incurred and expected Costs.

Item	Quantity	Unit measure	Unit price	completed	Required	Completed Costs	Additional Expected
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Land Preparation							
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Land Preparation	500	Acre	302,000	150	350	45,300,000	105,700,000
Land Levelling	500	Acre	100,000	150	350	15,000,000	35,000,000

cashew Planting							
Seeds	500	Acre	105,000	150	350	15,750,000	36,750,000
Seed Transportation	500	Acre	56,100	150	350	8,415,000	19,635,000
Labor on seeding	500	Acre	140,000	150	350	21,000,000	49,000,000

Irrigation and Mantanance							
Mantanance 2021	45	Acre	420,000	45		18,900,000	-
Mantanance 2022	150	Acre	420,000	150	-	63,000,000	-
Mantanance 2023	150	Acre	420,000	150	-	63,000,000	-
Mantanance 2024	500	Acre	420,000		500		210,000,000
Mantanance 2025	500	Acre	420,000		500		210,000,000
Mantanance 2026	500	Acre	420,000		500		210,000,000

Harvesting							
Harvesting 2023	-	Acre	-	-	-	-	-
Harvesting 2024	50	Acre	448,000	-	50	-	22,400,000
harvesting 2025	150	Acre	448,000	-	150	-	67,200,000
harvesting 2026	150	Acre	448,000	-	150	-	67,200,000

Harvesting Transportation							
Harvesting 2023	0	Acre	-	-	-	-	-
Harvesting 2024	50	Acre	280,000	-	50	-	14,000,000

harvesting 2025	150	Acre	280,000	-	150	-	42,000,000
harvesting 2026	150	Acre	280,000	-	150	-	42,000,000

Production Overhead							
Harvesting 2023	8000	seed	10,000	-	8,000	-	80,000,000
Harvesting 2024	8000	seed	10,000	-	8,000	-	80,000,000
harvesting 2025	14140	seed	10,000	-	14,140	-	141,400,000
harvesting 2026	14140	seed	10,000	-	14,140	-	141,400,000

Sales projection (From Production)							
Harvesting 2023	-	Tonne	-	-	-	-	-
Harvesting 2024	40	Tonne	14,000,000	-	40	-	560,000,000
harvesting 2025	60	Tonne	14,000,000	-	60	-	840,000,000
harvesting 2026	120	Tonne	14,000,000	-	120	-	1,680,000,000

Sales projection (From farmers)							
Harvesting 2023	0	Tonne	-	-	-	-	-
Harvesting 2024	2	Tonne	14,000,000	-	2	-	28,000,000
harvesting 2025	4	Tonne	14,000,000	-	4	-	56,000,000
harvesting 2026	8	Tonne	14,000,000	-	8	-	112,000,000



Tractor for farming & Transportation



Good, maintained Cashew nut

6.0 FINANCIAL PLANNING

6.1 Key assumptions on financial planning.

For improving clarity and understandability of the financial projections, the following are further assumptions and detailed breakdown which makes the various and appropriate figures in the financial projections.

6.2 Value of Cashew nut

Allocation and recognition of working capital cost based on acceptable accounting standards.

Since the preparation of this business plan and the financial forecasting are based on acceptable accounting standards, the working capital costs mentioned above have been recognized in accordance with these accounting standards in the following manner.

- **Land Preparation costs:** - Have been Capitalized as costs of land and Add value to the land Costs.
- **Seed Purchases Cost-** This cost has been Included as the value of Cashew nut and it's capitalized over the time of Cashew nut.
- **Seed Transportation costs-** also this has been included and capitalized as the value of Cashew nut Value.
- **Labour Costs on seeding-** also thus cots have been capitalized as the value of Cashew nut value.
- **Irrigation and maintenance Costs-** The costs of Irrigation and maintenance have also capitalized as the value of Cashew nut.
- **Cashew nut Transferred to Costs of sales-** From The Cashew nut gross cost for the year, the amount of Cashew nut transferred to costs of sales during the year is equal to Cashew nut gross value for the year divided by 13 years (expected lifetime of Cashew nut divided by number of years lapse since starting harvesting).

Table 6.2 Table: the summary of the costs from the above assumptions and analysis.

Details	Value of cashew nut as stock		
	2024	2025	2026
Opening Balance Value	-	266,864,231	366,818,639
Add: Additional Costs			
Seeds	36,750,000		
Seed Transportation	19,635,000		
Labor on seeding	49,000,000		
Irrigation & Maintanance	210,000,000	210,000,000	210,000,000
Gross value	315,385,000	476,864,231	576,818,639
Less Transferred to Cost of Sales	48,520,769	110,045,592	177,482,658
Closing Balance Value	266,864,231	366,818,639	399,335,981

6.3 Unit sold and Closing stocks.

To recognizing time of production and sales, we expect that 5% of units produced and purchased from farmers will always be our stock level available at our warehouse at given time.as per below analysis.

Table 6.3 Unit sold and Closing stocks.

Details	Unit in Tons Purchased, stocks and Units Sold		
	2024	2025	2026
Tons available at start	0	5	7
Tons Produced and Purchased	42	64	128
Tons Available For Sales	42	69	135
Closing stock	5	7	14
Unit Sold	37	62	121

Table 6.4 Loan Interest and Loan Balance workings

The business is interest free and has no any plan to obtain facilitation from any commercial banks.

6.5 Administrative expenses

The costs of administrating the business expect to be 25% of Total Personnel costs, the administrative costs is additional costs of the business operation and it involves various costs such as Licensing costs, office food and drinks, cleaning and other costs with administration in nature.

6.6 Other income

The business expect to receive the other source of income from other services which doesn't directly relate with Cashew nut planation and production, the business expect to receive other income from sales of waste material of Cashew nut and cashew production, the business also expect to receive other incomes from hiring of machines, Trucks etc. another source of other income will be processing other farmers Cashew nut in the business factory. The other income expects to account for 11% of the total sales amount.

6.7 Receivable from the customers

We recognize the value of allowing credit time for the customers to pay us, this value will enable us to easily penetrate in the market, hence we expect that out of sales during the year 12% will be receivables at the end of the year as per below analysis.

Details	Customers Receivable and Collections			
	2023	2024	2025	2026
Opening Balance	-	67,284,000	142,884,000	488,451,600
Sales During the Year	560,700,000	1,190,700,000	4,070,430,000	4,630,500,000
Balance at the end	67,284,000	142,884,000	488,451,600	555,660,000
Collection During the Year	493,416,000	1,115,100,000	3,724,862,400	4,563,291,600

6.8 Trade payables

We understand that the Cashew nut business is seasonal, and the volume of transactions can be significantly higher during specific seasons. This is why we are requesting the overdraft facility as a means of obtaining working capital. As a result, we project that 15% of the value of purchases from farmers will be recorded as trade payables at the end of the year. It's important to note that this projected value encompasses all creditors, not just those related to farmer purchases.

Details	Payables			
	2023	2024	2025	2026
Opening Balance	0	24,097,500	48,195,000	185,850,000
Purchases From Farmers	160,650,000	321,300,000	1,239,000,000	1,281,000,000
Balance at the end	24,097,500	48,195,000	185,850,000	192,150,000
Payment to farmers	136,552,500	297,202,500	1,101,345,000	1,274,700,000

6.9 Corporate Taxes

We expect the corporate tax will be the same rate of 30% of Profit after Interest and all the taxes will be paid within the year without Outstanding.

6.10 Corporate Taxes

We expect in year 2025 and 2026 the business shareholders will take the dividends from the business.

6.11 Owners and Shareholders contributions

We expect the owners and shareholders will contribute to the business.

6.13 Fixed assets workings

The outcomes described in paragraph 4.3 have resulted in the creation of the following fixed asset summary and movements. We have applied a 5% depreciation rate using the reducing balance method for land and buildings, a 10% rate for tractors, a 12.5% rate for motor vehicles and cycles, and a 12% rate for machinery and equipment. All of these rates are applied using the reducing balance method.

Table 6.9 Fixed asset schedule and Depreciation workings

Details	Land & Buildings	Tractors	Motor vehicle and Cycles	Machines and Equipments	TOTAL
Depreciation Rate	5%	10%	12.50%	12.00%	
Opening					
Additional	550,000,000	712,756,506	287,500,000	842,600,000	2,392,856,506
Land Levelling	60,300,000				60,300,000
Gross value 2023	610,300,000	712,756,506	287,500,000	842,600,000	2,453,156,506
Depreciation	30,515,000	71,275,651	35,937,500	101,112,000	238,840,151
Balance at 31.12.2023	579,785,000	641,480,855	251,562,500	741,488,000	2,214,316,355
Additional 2024	-	-	-	-	-
Land Levelling	140,700,000				140,700,000
Gross value 2024	720,485,000	641,480,855	251,562,500	741,488,000	2,355,016,355
Depreciation	36,024,250	64,148,086	31,445,313	88,978,560	220,596,208
Balance as at 31.12.2024	684,460,750	577,332,770	220,117,188	652,509,440	2,134,420,147
Additional 2025	-	-	-	-	-
Gross value 2025	684,460,750	577,332,770	220,117,188	652,509,440	2,134,420,147
Depreciation	34,223,038	57,733,277	27,514,648	78,301,133	197,772,096
Balance as at 31.12.2025	650,237,713	519,599,493	192,602,539	574,208,307	1,936,648,052
Additional 2026	-	-	-	-	-
Gross value 2026	650,237,713	519,599,493	192,602,539	574,208,307	1,936,648,052
Depreciation	32,511,886	51,959,949	24,075,317	68,904,997	177,452,149
Balance as at 31.12.2026	617,725,827	467,639,544	168,527,222	505,303,310	1,759,195,902

6.14 FINANCIAL PROJECTIONS

Based on the data provided in this business plan, along with the other key financial assumptions outlined in the financial assumption plan, the information and assumptions have led to the creation of a complete set of projected financial statements. These statements include the projected Statement of Profit and Loss, projected Statement of Financial Position, projected Statement of Changes in Equity, and projected Statement of Cash Flows. These statements cover the period from 2023 to 2026.

6.15 PROJECTED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD STARTING 2023 TO 2026

Details	All Amount are in TZS			
	2023	2024	2025	2026
Non -Current Assets	2,214,316,355	2,134,420,147	1,936,648,052	1,759,195,902
Current Assets				
Value of cashew	175,444,615	415,317,367	481,013,359	478,393,864
Stock cashew	9,462,038	19,599,225	40,434,401	48,273,950
Receivables	67,284,000	142,884,000	488,451,600	555,660,000
Cash and bank Balance	(1,804,755,957)	223,546,064	170,087,228	(314,698,158)
Total Current Assets	(1,552,565,303)	801,346,656	1,179,986,587	767,629,656
TOTAL ASSETS	661,751,052	2,935,766,803	3,116,634,639	2,746,812,964
Equity & Liabilities				
Equity Capital	940,000,000	3,400,000,000	4,400,000,000	4,400,000,000
Retained Earning	(278,248,948)	(464,845,197)	(1,409,261,244)	(1,656,115,036)
Total Equity	661,751,052	2,935,154,803	2,990,738,756	2,743,884,964
Loan Balance	-	-	-	-
Trade Payables	-	612,000	1,416,000	2,928,000
Other payables	-	-	124,479,883	-
Total Payables	-	612,000	125,895,883	2,928,000
TOTAL EQUITY & LIABILITIES	661,751,052	2,935,766,803	3,116,634,639	2,746,812,964

6.16 PROJECTED STATEMENT OF PROFIT & LOSS FOR THE PERIOD STARTING 2023 TO 2026

Details	Reference	All Amount are in TZS			
		2023	2024	2025	2026
Sales Revenue	2.7 & 2.8	-	523,320,000	905,226,000	1,867,017,600
Other income	6.6	-	57,565,200	99,574,860	205,371,936
Total Revenue		-	580,885,200	1,004,800,860	2,072,389,536
Cost Of sales					
Opening Stock	6.3	-	9,462,038	19,599,225	40,434,401
Add: Sisal Value	6.2	14,620,385	75,512,249	144,304,008	212,619,495
Harvesting Costs	4.4 Table 5.4 &	-	22,400,000	67,200,000	67,200,000
Harvesting Transportation	4.4 Table 5.4 &	-	14,000,000	42,000,000	42,000,000
Production Overhead	4.4.1	80,000,000	80,000,000	141,400,000	141,400,000
Purchases from farmers					
Costs	4.4.4	-	4,080,000	9,440,000	19,520,000
Less Closing Stock	6.3	9,462,038	19,599,225	40,434,401	48,273,950
Costs of Sales		85,158,346	185,855,062	383,508,832	474,899,946
Gross Profit		(85,158,346)	395,030,138	621,292,028	1,597,489,590
Less Expenses					
Administrative Expenses	6.5	14,700,000	88,200,000	211,680,000	211,680,000
Personnel Expenses	Table 3.4	58,800,000	352,800,000	846,720,000	846,720,000
Depreciation	6.13	238,840,151	220,596,208	197,772,096	177,452,149
Total Expenses		312,340,151	661,596,208	1,256,172,096	1,235,852,149
Earning Before Interest and Tax		(397,498,497)	(266,566,070)	(634,880,068)	361,637,440
Financing Expenses		-	-	-	-
OD interest		-	-	-	-
Earning After Interest		(397,498,497)	(266,566,070)	(634,880,068)	361,637,440
Less Corporate tax	6.9	(119,249,549)	(79,969,821)	(190,464,020)	108,491,232
Earning After Interest and Tax		(278,248,948)	(186,596,249)	(444,416,047)	253,146,208

6.17 PROJECTED CASHFLOW STATEMENT FOR THE PERIOD FROM 2023 TO 2026

Details	All Amount are in TZS			
	2023	2024	2025	2026
Profit /(Loss) for the Year	(397,498,497)	(266,566,070)	(634,880,068)	361,637,440
Add: Depreciation	238,840,151	220,596,208	197,772,096	177,452,149
Adjusted Profit	(158,658,346)	(45,969,862)	(437,107,972)	539,089,590
Adjustment of Change in Wc				
Change in Sisal	(175,444,615)	(239,872,751)	(65,695,992)	2,619,495
Change in Fiber	(9,462,038)	(10,137,186)	(20,835,176)	(7,839,549)
Change in Debtors	(67,284,000)	(75,600,000)	(345,567,600)	(67,208,400)
Change in Creditors	-	612,000	804,000	1,512,000
Tax Payment	119,249,549	79,969,821	190,464,020	(108,491,232)
Net Cashflow from operating	(291,599,451)	(290,997,979)	(677,938,720)	359,681,904
Cashflow From Financing				
Purchases of assets	(2,453,156,506)	(140,700,000)	-	-
Net Cashflow From Financing	(2,453,156,506)	(140,700,000)	-	-
Cashflows from Investing				
Share Capital	940,000,000	2,460,000,000	1,000,000,000	-
Dividends	-	-	(500,000,000)	(500,000,000)
Loan Issued	-	828,100,000	-	-
Loan Repayment	-	(349,362,469)	(349,362,469)	(349,362,469)
OD Interest Payment	-	-	-	-
Net cashflow from Investing	940,000,000	2,938,737,531	150,637,531	(849,362,469)
Net Cashflows	(1,804,755,957)	2,507,039,552	(527,301,188)	(489,680,565)
Cash at start	-	(1,804,755,957)	702,283,595	174,982,407
Cash at end	(1,804,755,957)	702,283,595	174,982,407	(314,698,158)

6.18 PROJECTED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 2023 TO 2026

Details	Reference	SHARE CAPITAL All Amount are in TZS			
		2023	2024	2025	2026
Balance at Start		-	940,000,000	3,400,000,000	4,400,000,000
Additional During The year'	6.11	940,000,000	2,460,000,000	1,000,000,000	
Drawings and Dividends		-			
Balance at end		940,000,000	3,400,000,000	4,400,000,000	4,400,000,000

