

FOOD STAR TRADING TANZANIA LIMITED

BUSINESS PLAN

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1. Executive Summary

Food Star Trading Tanzania Limited, a subsidiary of Royal Ventures LLC-FZ based in Dubai, UAE, trading as D42 Group, is positioned to make a transformative contribution to Tanzania's agricultural sector with two major greenfield investments. These projects, with a total investment of USD 370 million, focus on palm oil and banana cultivation. Given the substantial economic and social impact of these initiatives, Food Star Trading Tanzania Limited is seeking Special Strategic Investor status to enable smooth execution and to fully leverage the benefits for both the investors and the Tanzanian economy.

The first investment focuses on banana farming, with a total investment of USD 180 million. This project will cultivate 7,000 hectares of land and is projected to yield 400,000 tons of bananas annually, primarily for export to high-demand markets in the Middle East and Commonwealth of Independent States (CIS) countries. The banana project will create 5,500 jobs in areas such as planting, irrigation setup, logistics, and processing. Key investments include USD 41 million for fertilizers and chemicals, USD 49 million for irrigation systems, and USD 40 million for earthmoving activities, ensuring the project's efficiency and sustainability. The marketing plan emphasizes the premium quality, health benefits, and exceptional taste of Tanzanian bananas, focusing on establishing long-term contracts with major international retailers. The project implementation, which covers land design, irrigation installation, planting, and harvesting, will run from 2024 to 2026, with the first sales expected 16 months after project commencement.

The second investment valued at USD 190 million, is dedicated to the development of a palm oil plantation spanning 19,000 hectares. This project, scheduled for full maturity by 2033, is expected to produce 150,000 tons of crude palm oil annually at full scale. The project will generate over 10,000 jobs, predominantly in rural areas, across various roles including plantation management, harvesting, and mill operations. The introduction of advanced agricultural technologies and world-class expertise in palm oil production will not only enhance productivity but will also contribute to capacity building within Tanzania's agricultural workforce. The project's marketing strategy targets both domestic and regional markets, capitalizing on Tanzania's geographic advantage and lower logistics costs. The structured development of this palm oil project will commence in 2024 and proceed through phased stages involving land preparation, nursery development, planting, and infrastructure setup.

Together, these two investments will significantly boost Tanzania's agricultural sector, creating 15,500 direct jobs, improving infrastructure, and generating substantial foreign exchange revenue from exports. These projects align with Tanzania's broader economic goals of increasing foreign direct investment (FDI), modernizing the agricultural sector, and providing sustainable employment opportunities in rural areas. The introduction of cutting-edge agricultural technologies and the development of local expertise will contribute to long-term sectoral growth and capacity building.

Given the substantial economic benefits, job creation, and export potential, Food Star Trading Tanzania Limited is ideally positioned to be granted Special Strategic Investor status. This designation will facilitate access to incentives and ensure the efficient implementation of both projects, further maximizing their contribution to Tanzania's development. By granting this status, Tanzania will secure a committed partner in advancing its agricultural transformation agenda, creating lasting socio-economic benefits for its people and economy.

Food Star Trading Limited is part of the global FMCG player called D42. The Tanzania investment will be funded as follows

- A. Shareholder Capital (Equity)
- B. Bank Loan (Debt Financing)
- C. Third Party Loans (Debt Financing)

2. Company Background

2.1 Registered Name & Corporate Structure

Food Star Trading Tanzania Limited with an incorporation number 172354610 registered on 19 February 2024 is a company registered under the laws of Tanzania with the intention of becoming the largest agricultural company in Tanzania. Food Star Trading Tanzania Limited is part of a global FMCG business, D42 Group based in Dubai.

2.2 Business Structure

Food Star Trading Tanzania Limited, a subsidiary of Royal Venture LLC-FZ is strategically positioned to become a leader in Tanzania's agriculture sector, with a focus on the cultivation of palm oil, bananas, and field crops. With a USD 190 million investment, the palm oil project will develop 19,000 hectares of plantations, targeting a full-scale production of 150,000 tons of crude palm oil annually by 2030. The project will establish a world-class training center dedicated to multiplying the best seedling varieties and introducing improved technologies across the palm oil value chain. This center will also focus on developing world-class human capital, ensuring a highly skilled workforce capable of sustaining Tanzania's palm oil industry for the long term. By integrating advanced technology and expertise, the palm oil venture will supply both domestic and regional markets with high-quality, competitively priced products while creating 10,000 jobs.

Similarly, the banana farming project will involve a USD 180 million investment to cultivate 7,000 hectares and produce 400,000 tons of bananas annually for export to Middle Eastern and CIS markets. To support this, Food Star Trading Tanzania Limited will establish a world-class tissue culture laboratory for the production of its own seedlings, ensuring a consistent and high-quality supply. The banana operations will also feature a state-of-the-art packhouse designed to maintain the freshness of bananas for global markets. The project will introduce

new seed varieties, including the globally traded Cavendish banana, ensuring competitiveness on the world stage. With the creation of 5,500 jobs, the banana venture will drive technological advancement in agriculture, foster export growth, and enhance Tanzania's position as a key player in the global banana market. Through these investments, Food Star Trading Tanzania Limited aims to accelerate rural development, boost employment, and elevate Tanzania's agricultural capacity to international standards.

2.3 Corporate Social Responsibility

Food Star Trading Tanzania Limited will implement the following tasks that will contribute to the overall corporate social responsibility

- A. The palm oil project is expected to create a significant number of jobs, contributing to local employment and economic development. The palm oil project is expected to create more than 10,000 jobs with more than 90% in the rural areas of Tanzania.
- B. The banana project is expected to create 5,500 new jobs over the duration of the project.
- C. For both projects, the priority will be given to local suppliers especially in areas such as staff catering, freight, fleet purchases, etc.
- D. Local communities will benefit from services such as water supply, employees' medical benefits, and access to good roads.
- E. New world class Tissue Culture and Training Center for Banana and Palm respectively will improve Tanzania horticulture and palm value chain to world standards from seeds varieties, technology and knowledge

3. Project Location

Food Star Trading Tanzania Limited farms will be in two regions at the start of the project, the palm oil farm will be in Ulanga district in Morogoro whereas the banana farm will be in Nyamwage, Rufiji, Coastal Region. We are in the process of adding hundreds of thousands of hectares for Field Crops in Ruvuma region.

Food Star Trading Tanzania Limited head office are headquartered in Dar Es Salaam.

4. Products and Services

Food Star Trading Tanzania Limited is a standard commercial farm, hence will be involved in commercial crop cultivation of bananas and palm oil. Soon we will invest in field crops such as soybeans, wheat, sunflower and maize. Below are the products

- A. **Palm Oil** - The project aims to cultivate 19,000 hectares of palm plantations between 2024 and 2032, with an anticipated production volume of 150,000 tons of crude palm oil by 2033 onwards.
- B. **Banana** - The project involves cultivating 7,000 hectares of land, with a target annual production of 400,000 tons of bananas
- C. **Field Crops** - The project aims at utilizing the cultivation of field crops such as soybeans, sunflower and maize.

5. Market Analysis

5.1 Industry Analysis

A. Palm Oil

Palm oil is the cheapest vegetable oil to produce partly because it generates yields that are 6 to 10 times higher than those of other oil crops such as soy, sunflower, coconut and olive. As of 2023, global production of palm oil totaled 77.96 million metric tons.¹

The ASIAN region is the principal palm oil producing area, and because they are the most important suppliers to world markets, Indonesia and Malaysia play a significant role in setting prices on global exchanges; in 2023, Indonesia produced some 47 million tons of Crude Palm Oil (CPO), while Malaysia contributed another 19.25 million tons to world markets and so combined, these accounted for 82.4% of global output. Naturally, these two countries are also the world's major exporters, producing 86.2% of the CPO bound for international markets. In terms of imports, India is the single biggest market, taking 19.2% of world imports in 2022. India is followed in size by the European Union (12.0%), China (10.5%), and Pakistan (6.8%). Over the five years between 2018 and 2022, global demand for CPO for both direct consumption and for production of energy grew by an average of 1.7% per year, while output has risen at an annual rate of 0.9%. By the end of 2022, accumulated stocks of CPO stood at a total of 16.3 million tons.²

Asia is evidently the largest and fastest-growing consumer of palm oil, responsible for two thirds of global consumption. The three largest consuming nations are Indonesia, India and China which between them account for 45% of global demand. In these three countries palm oil is mainly used in food preparation, principally as cooking oil. The rising palm oil consumption in India and China has been correlated with growing affluence and shifting consumer preferences in favor of processed foods.³

¹ <https://fas.usda.gov/data/production/commodity/4243000>

² <https://www.krungsri.com/en/research/industry/industry-outlook/agriculture/palm-oil/io/plam-oil-industry-2024-2026>

³ Palm_oil_production_consumption_and_trade_pattern (Fern Org, June 2022)

In a further focus on Asia, Indonesia is the world's largest consumer (as well as producer) of palm oil. Domestic consumption within Indonesia is mainly for food uses, especially as cooking oil, but a significant (and rising) proportion goes into biofuels. The Indonesian government has set out ambitious plans to promote the use of biodiesel made from domestically produced palm oil. Under current regulations, diesel sold in the country must have 30% bio content. The eventual aim is to raise the bio content (in practice this means derived from palm oil) to 100%. Several other significant palm oil producing countries, including Thailand and Malaysia, also have (generally less ambitious) biofuel mandates.⁴

The 27 EU Member States collectively accounted for approximately 9% of world palm oil consumption, according to 2021 estimates, while the United States, where domestically grown corn and soybean oil have a greater market uptake, made up approximately 2% of global consumption.⁵

B. Banana

Production of fresh banana fruits has increased by 3.6% based on an annual average between 2018 and 2022, reaching the highest production of 135 million tons in 2022, which is an increase of 8% from 2021 (FAOSTATS, 2023). The world cultivated the largest area of 5,940 million hectares of fresh bananas in 2022, producing nearly 135 million tons (FAOSTAT, 2023). These figures usually exclude informally traded bananas, especially by small-scale farmers (FAO, 2020). The increase in the productivity of bananas can also be noticed globally and this is attributed to the adoption of better irrigation systems, as well as the applications of synthetic fertilizers and pesticides (FAO, 2020). According to FAOSTATS (2023), an average global yield of 23 tons is obtained per hectare of cultivated fresh banana fruits.⁶

India leads banana production in the world, reaching nearly 35 million tons of fresh bananas per year, followed by China with approximately 12 million tons. Nigeria, Angola and Tanzania are the only African countries that are found in the top ten banana-producing countries in the world, with Nigeria being 4th, Angola being 9th, and Tanzania being 10th as of 2022.⁷

5.2 Market Trends

A. Palm Oil

Food Star Trading Tanzania Limited's target market for Palm Oil is both local (Tanzanian) and export markets. There is an increase in the consumption of palm oil for cooking and industrial uses. The global palm oil market is projected to grow at a compound annual growth rate (CAGR) of 5.1% from 2023 to 2032.⁸ In East Africa, palm oil is a critical component in

⁴ Palm_oil_production_consumption_and_trade_pattern (Fern Org, June 2022)

⁵ Palm_oil_production_consumption_and_trade_pattern (Fern Org, June 2022)

⁶ FAO. 2024. Banana Market Review 2023. Rome.

⁷ <https://worldpopulationreview.com/country-rankings/banana-production-by-country>

⁸ <https://www.imarcgroup.com/palm-oil-processing-plant>

both household cooking and various industrial applications, making it a staple product with growing demand.

Moreover, Tanzania aims to reduce its dependence on imported palm oil, which accounts for about 70% of its consumption, potentially saving USD 280 million annually in import bills (Ministry of Agriculture, Tanzania, 2023). Food Star Trading Tanzania Limited will be the single largest player contributing to that goal. Likewise, neighboring countries Kenya and Uganda consume a combined 700,000 tons of palm oil as of 2023 with a significant import bill. Food Star Trading Tanzania Limited plans to produce 150,000 tons annually by 2033, which is expected to supply to the Tanzanian and East African market.

B. Banana

Food Star Trading Tanzania Limited's target market for bananas is Middle East and Commonwealth of Independent states (CIS) countries. Total global production of bananas and tropical fruits is projected to grow at 1.8 % annually between 2019 and 2028, after registering 2.3% annual growth in the previous decade. Under the baseline scenario, production is expected to marginally exceed 255 million tons by 2028.⁹

The Middle East imported over 1.5 million tons of bananas in 2023, with the UAE, Saudi Arabia, and Qatar being the largest importers.¹⁰ Likewise, Russia alone imported approximately 1.4 million tons of bananas in 2023.¹¹

With these market trends for bananas, Food Star Trading Limited will gain a market share in the industry and with the targeted markets, the project is set to be a success.

5.3 Competitive Analysis

Food Star Trading Tanzania Limited is committed to positioning Tanzania as a key player in the global agricultural market. While Tanzania may not currently rank among the top producers of palm oil globally, it stands as one of the top 10 banana-producing countries. Our goal is to elevate Tanzania's presence in the competitive palm oil industry while continuing to strengthen its success in the banana sector by introducing cavendish banana which accounts for more than 90% of global banana trade.

Below are the factors that will give Food Star Trading Tanzania competitive advantage in the respective industries

- **Unique Selling Point**

- **Banana** - We leverage our strategic proximity to the Middle East and CIS countries to offer unmatched freshness and cost competitiveness, outpacing

⁹ FAO. 2020. Medium-term outlook. Prospects for global production and trade in bananas and tropical fruits 2019-2028. Rome.

¹⁰ FAO. 2024. Banana Market Review 2023. Rome.

¹¹ <https://www.trademap.org/Index.aspx>

Latin American competitors and positioning Tanzanian bananas as the premium choice in these markets.

- **Palm Oil** - By focusing on locally produced palm oil, we aim to reduce Tanzania's reliance on imports. Our value chain extends beyond crude palm oil to include products like palm kernel oil, palm kernel cake, and biofuels, which not only meet local demand but also generate significant economic benefits for rural communities.

- **Branding**

- **Banana** - We will emphasize the Tanzanian origin, showcasing the superior quality, taste, and health benefits of our bananas. This approach will position our produce as a premium offering in target markets, reinforcing the value of Tanzanian agriculture.
- **Palm Oil** - Our branding strategy for palm oil will focus on the high quality of locally produced products, affordability stemming from reduced transportation costs, and the broader economic contributions to the local economy. We will underscore the project's role in job creation, infrastructure development, and sustainable community support, ensuring our palm oil is recognized for both its quality and its positive impact.

6. Marketing Plan

6.1 Marketing Strategies

Food Star Trading Tanzania Limited has recognized that one of the primary challenges many commercial farms face is the inability to sell their produce, particularly perishable crops, in a timely manner. This issue often leads to significant financial losses, preventing these farms from breaking even. To address this, Food Star Trading Tanzania Limited has developed a comprehensive marketing strategy, divided into two distinct categories, to ensure that our produce reaches the market efficiently and profitably

A. Market Entry Strategies

- **Distribution Channels**

- **Banana** - Food Star Trading Tanzania Limited, as part of the D42 group, benefits from an integrated supply chain where all banana production in Tanzania can be directly off taken by D42 group. This strategic alignment ensures a secure and reliable market for our banana output.
- **Palm Oil** - We will forge partnerships with local wholesalers, retailers, and engage in direct sales to industrial users. Our aim is to build a robust

distribution network capable of efficiently serving both urban and rural markets across Tanzania.

- **Logistics**

- **Banana** - To enhance our inland logistics capabilities, we plan to purchase and operate a dedicated fleet of trucks. This will ensure timely and cost-effective transportation of our bananas from farms to various market points.
- **Palm Oil** - We are focused on developing an efficient distribution network within Tanzania and extending it to neighboring countries via road and rail. By leveraging existing infrastructure and making targeted investments, we will strengthen our supply chain to meet market demands.

- **Regulatory Compliance**

- **Banana** We are committed to ensuring full compliance with import regulations, including sanitary and phytosanitary (SPS) measures, in all target markets. This will help us maintain the highest standards and smooth entry into international markets.
- **Palm Oil** - Adherence to stringent food safety standards and labeling regulations in our target markets is a priority. This commitment will facilitate seamless market entry and sustain the integrity of our products.

B. Product Promotion

- **Banana**

- **Trade Fairs** - Participate in major food trade fairs like Gulfood in Dubai and WorldFood Moscow.
- **Digital Marketing** - Targeted online campaigns in Middle Eastern and CIS countries highlighting the quality and freshness of Tanzanian bananas.
- **Partnerships** - Collaborate with health and wellness influencers to promote the benefits of consuming fresh bananas.

- **Palm Oil**

- **Local Advertising** - Utilize local media channels (TV, radio, newspapers) to promote the benefits and availability of locally produced palm oil.
- **Community Engagement** - Engage with local communities to raise awareness about the health and economic benefits of consuming locally produced palm oil.

- **Partnerships** - Collaborate with local chefs and food influencers to showcase the versatility and quality of Tanzanian palm oil in cooking.

6.2 Pricing

Pricing plays a critical role in ensuring that Food Star Trading Limited successfully sells its agricultural produce at a profitable margin. While the company can implement effective strategies to optimize pricing, it must also account for factors beyond its control, such as unfavorable climatic conditions and natural disasters like flooding, which can significantly impact production levels and influence market prices for bananas and palm oil.

To effectively penetrate the market and build a substantial customer base, Food Star Trading Limited has committed to adopting a competitive pricing approach. The company will consistently align its prices with prevailing market rates, ensuring that its bananas and palm oil remain attractively priced while still generating profits. This approach not only helps in capturing market share but also ensures resilience in fluctuating market conditions, thereby safeguarding the company's profitability.

7. Management and Organizational Plan

7.1 Shareholding Structure and Directors

The shareholders structure of Food Star Trading Tanzania Limited is highlighted in the Table below.

Name of the Shareholder	Shareholding	Nationality
Royal Ventures LLC - FZ	99%	UAE
Brick Enterprises - FZCO	1%	UAE

The Directors of the company have a diverse professional and business background in the agricultural industry spanning over several decades. Below are the company directors' profiles.

1. Sergei Solomov

Mr. Solomov is operating as the company's Chief Executive Officer. With years of experience from top consulting firms in the World like E&Y and Bain & Company, and number of green-field Agro-processing projects, Mr. Sergei is key to the success of the project through building and driving the company's strategy.

2. Haythan Taha Abdelkarim Korany (Non-Executive)

Mr. Korany is the non-executive director and is key to the overall strategy development of the company. Sitting on multiple boards, his experience shapes the overall strategy of the company to drive success.

7.2 Key Personnel and their roles

1. Fernando Senhora - Operations Director of Palm Oil Business

Mr. Fernando has over 23 years of experience in planning, operations, finance, market, procurement and controlling areas in the Palm Oil Business. Mr. Fernando is a key figure to the overall Palm Oil business from farming to getting the product in the market. He has extensive experience in identifying opportunities and implementing innovative projects that add considerable value for companies.

2. Maurice Kane - Operations Director of Banana Business

Mr. Maurice is the director of the banana business responsible for overseeing and managing the day-to-day operation of the banana farm. This includes planning and organizing planting and harvesting schedules, managing staff and monitoring crops. Mr. Maurice has extensive experience in implementing strategies to improve production and profitability and ensuring compliance with relevant regulations.

3. Eliya Jonas - Finance Director

Mr. Eliya is a distinguished business leader with a robust background in Finance and Supply Chain, boasting over a decade and a half of experience. His professional journey is defined by a steadfast commitment to propelling organizations towards growth and operational efficiency, with deep expertise in finance, business performance, supply chain optimization, business development, partnerships, and risk management. He has been pivotal in implementing strategic initiatives that boost growth, profitability, and operational fluidity. Mr. Eliya oversees a company's financial operations. As a CFO, his responsibilities include internal and external financial reporting, stewardship of a company's assets, and ownership of cash management.

4. Eric Ongara - Human Resources Director

Mr. Eric is an experienced business leader with a demonstrated history of working in the consumer goods industry. Mr. Eric will be responsible for formulating talent strategy, implementing initiatives for employee retention, in charge of building stakeholder engagement and management, implementing labor productivity and promoting employee engagement.

5. Arseniy Astapenko - Trading Director East Africa

Mr. Arseniy has extensive experience in agriculture commodities, specifically in export and sourcing. As a Chief Commercial Officer, Mr. Arseniy will oversee the company's strategic supply partners and develop sourcing policies. He will also create cost estimates and

forecasts for the procurement and negotiate reasonable and cost-effective contracts. Moreover, he will evaluate sourcing procedures, present improvement strategies for senior management approval, and analyze and calculate procurement costs and research and develop cost reduction strategies.

8. Implementation Schedule

8.1 Banana

The implementation schedule of the banana farm is grouped into five key areas: land development, irrigation installation, planting, harvesting, and infrastructure setup. Below is the Gantt chart for the overall project and the design phase.

	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	2024	2024	2025	2025	2025	2025	2026	2026
Land Design								
Irrigation Design								
Infrastructure Design								
Tissue Culture								
Fleet Purchases								
Land Development								
Irrigation Installation								
Planting								
Harvest								

Land and irrigation designs, tissue culture and fleet purchases are scheduled to begin in quarter 3 of 2024 and are projected to be completed in quarter 4 of 2024. Infrastructure design is scheduled to be completed in quarter 3 of 2024.

Land development and irrigation installation will begin quarter 1 of 2025 and is projected to be completed by quarter 4 of 2025. Concurrently, planting is scheduled to begin in quarter 2 of 2025 and the first harvest is scheduled to happen in quarter 2 of 2026.

8.2 Palm Oil

The implementation schedule outlines the key phases and activities of the project. The Gantt chart provides a visual representation of the key stages in the palm oil project.

S/N	Description	2024	2025	2026	2027	2028	2029
0	Pre-project & Land Selection and Acquisition						
1	Agronomic/Infrastructure Design						
1.1	Training Centre						
1.2	Nursery						
2	Agronomic/Infrastructure project Execution						
3	Sowing Phase						
4	Unproductive						
5	Young Productive						
6	Mature						
7	Mill Design						
8	Mill Project Execution						

For palm Oil, is important to understand the following key stages:

1. Sowing Phase - Seeds, Nursery and Pre-nursery which is scheduled to begin in 2025 and projected to be completed in 2027
2. Pre-nursery - Time from seed to germination (up to 3 months)
3. Nursery - Palm from 3 to 13 months. The palms should be planted from 9 to 13 months after germination.
4. Unproductive - Palms from 1 - 2 years after planted
5. Immature - from 3 - 4 years after planted
6. Mature - from 4 - 35 years. Production peak achieved on year 7 and remain almost constant from the next 28 years.

9. Financial Plan

9.1 Capital Costs

A. Banana

The total investment for the banana farming project is projected to be USD \$180 million in the first two years. Below is the expenditure breakdown for the banana farm project.

CAPEX Breakdown	Price (USD)
Weather and Water Sensors	150,000
Fleet Purchases	1,400,000
Road Freight	8,000,000
Farm Design	200,000
Agricultural Equipment	1,500,000
Applications	6,500,000
Infrastructure	2,400,000
Seedlings Supply	11,850,000
Packhouse Design	9,000,000
Earthmoving	40,000,000
Fertilizers and Chemicals	41,000,000
Irrigation Suppliers	49,000,000
Miscellaneous	9,000,000
Total	180,000,000

B. Palm Oil

The total investment for the palm oil project in Tanzania is substantial, considering the large scale and comprehensive nature of the operations. The following table provides a high-level summary of the investment required, categorized by major areas of expenditure.

CAPEX Breakdown	Price (USD)
Industrial Equipment	61,000,000
Services	29,000,000
Fertilizers	34,000,000
Seeds	14,000,000
Other Implements	12,000,000
Agronomic Equipments	14,000,000
Irrigation System	10,000,000
Labor Costs	13,000,000
Others	3,000,000
Total	190,000,000

9.2 Source of Funds

The total funds required for the banana and palm oil projects is USD 370 million. These funds will come from two sources outlined below.

- A. Shareholder Capital (Equity) by 40%
- B. Debt Financing by 60%

9.3 Financial Projections

A. Banana

The financial performance of the banana project from 2025 to 2035 shows promising growth and profitability. The sale price per kilogram increases from \$0.92 in 2025 to \$1.13 in 2035. The harvested area remains steady at 7,000 hectares from 2025 onwards, with average yields increasing from 45 T/Ha (Tons per Hectare) to 57 T/Ha. Total output reaches 400,000 tons annually from 2025 onwards. Total revenue grows from \$195 million in 2025 to \$449 million by 2035. Despite rising COGS and SG&A expenses, EBITDA turns positive in 2025 and stabilizes in the region of USD 45 – USD 50 million annually by 2030, indicating robust financial health and sustainability for the project.

Category	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Sale Price(\$/kg)	0.92	0.94	0.96	0.98	1.00	1.02	1.04	1.06	1.08	1.10	1.13
Harvested Area (Ha)	0	4600	7000	7000	7000	7000	7000	7000	7000	7000	7000
Average Yields (MT/Ha)	42	45	48	54	54	54	54	54	55	56	57
Total Output (K MT)	0.0	207	336	378	378	378	378	378	386	392	400
Total Revenue (\$M)	0	195	323	370	378	385	393	401	417	432	449
COGS (\$M)	(42)	(50)	(56)	(59)	(61)	(63)	(65)	(67)	(69)	(71)	(74)
SG&A (\$M)	(1)	(132)	(220)	(254)	(262)	(270)	(278)	(286)	(301)	(315)	(330)
EBITDA (\$M)	(43)	13	46	57	55	52	50	48	47	46	45

B. Palm Oil

The financial projection for the palm oil production project in Tanzania from 2025 to 2035 outlines a strategic growth plan of a 19,000-hectare plantation. The project anticipates no Fresh Fruit Bunch (FFB) yield until 2028 due to tree maturation (Estimated at 4 years). However, from 2029, FFB production is set to commence at 63,000 tons, escalating to 800,000 tons by 2035. Crude Palm Oil (CPO) production, maintaining a consistent extraction rate of 19.8%, is projected to start at 19,000 tons in 2028 and reach 158,000 tons by 2035. This growth trajectory supports a revenue increase from \$17 million to \$161 million within the same period.

Category	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
CPO Price (\$/t)	825	849	849	875	901	928	956	985	1014	1,014	1,014
Plantation (K HA)	19	19	19	19	19	19	19	19	19	19	19
FFB (Yield/Year)	0	0	0	5	17	22	32	36	38	42	42
FFB Production (K t)	0	0	0	96	320	416	608	675	723	800	800
CPO Extraction (%)	19.8	19.8	19.8	19.8	19.8	19.8	19.8	19.8	19.8	19.8	19.8
CPO Production (K t)	0	0	0	19	63	82	120	134	143	158	158
Revenue (\$M)	0	0	0	17	57	76	115	132	145	161	161
COGS (\$M)	(1)	(1)	(2)	(4)	(38)	(45)	(48)	(51)	(52)	(52)	(52)
SG&A (\$M)	(14)	(15)	(32)	(18)	(19)	(21)	(23)	(24)	(25)	(25)	(25)
EBITDA (\$M)	(16)	(16)	(34)	(5)	(0)	11	44	57	68	84	84

C. Combined Projected Profit and Loss

1. Pro Forma Profit & Loss

Food Star Trading Tanzania Limited Projected Income Statement for both Banana and Palm farms.

Category	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Sales (\$M)	0	195	323	387	435	462	508	532	562	593	610
COGS (\$M)	(43)	(51)	(59)	(64)	(99)	(108)	(113)	(118)	(121)	(123)	(126)
Gross Profit (\$M)	(43)	143	264	323	335	354	395	414	441	470	484
SGA (\$M)	(15.8)	(147)	(252)	(272)	(281)	(291)	(301)	(310)	(326)	(340)	(355)
EBITDA (\$M)	(58)	(3)	12	51	54	63	94	104	116	130	129

9.4 Sensitivity Analysis

To assess further the implementation of the overall projects (banana and palm oil), a sensitivity analysis has been worked out based on several unfavorable conditions that might negatively affect the operations of Food Star Trading Tanzania Limited.

- A. **Banana:** With an initial investment of USD \$180 million, the expected Internal Rate of Return (IRR) is around 16% and the payback period is approximately 7 years.
- B. **Palm Oil:** With an initial investment of USD \$190 million, the IRR is expected to be 13% and the payback period is projected at 10.4 years.

It is imperative to understand and note that these scenarios are subject to changes given the internal and external factors.

A. Market Risks

1. Banana

- Risk - Fluctuations in demand, political instability in target regions (Middle East and CIS countries)
- Mitigation - Diversify export destinations, establish long-term contracts with buyers.

2. Palm Oil

- Risk 1 - Palm oil prices can be volatile due to fluctuating global market conditions

- Risk 2 - Imported palm oil can pose a competitive threat
- Mitigation 1 - Establish fixed-price contracts with major buyers to ensure price stability. Promote the benefits of local production to secure a stable customer base
- Mitigation 2 - Highlight the freshness, quality, and local economic benefits of Tanzanian palm oil. Emphasize shorter supply chains and quicker delivery times.

B. Operational Risks

1. Banana

- Risk - Dependence on weather conditions, disease outbreaks
- Mitigation - Invest in resilient farming practices, disease-resistant banana varieties

2. Palm Oil

- Risk 1 - Deforestation and habitat destruction can result from palm oil production
- Risk 2 - Ensuring fair labor practices and avoiding exploitation are crucial.
- Mitigation 1 - Adopt sustainable farming practices such as intercropping, agroforestry, and maintaining biodiversity. Implement measures to minimize environmental impact and comply with environmental regulations.
- Mitigation 2 - Ensure compliance with fair labor practices and provide fair wages and safe working conditions. Engage in community support initiatives to improve the well-being of the local population.

10. Conclusion & Recommendation

The Food Star Trading Tanzania Limited project presents significant economic benefits for Tanzania, particularly in terms of job creation, foreign exchange earnings, and sector modernization. By employing over 15,500 people across palm oil and banana farming operations, the project will provide much-needed employment opportunities in rural areas, directly improving local livelihoods and developing skilled labor through world-class training centers. This will contribute to sustainable community development while supporting Tanzania's broader socio-economic goals.

The project's export-oriented focus, targeting international markets such as the Middle East and CIS countries, will generate substantial foreign exchange inflows, strengthening Tanzania's balance of trade. This increase in export revenues will help reduce the nation's reliance on imports and stabilize the Tanzanian shilling, enhancing overall economic resilience. Additionally, the project's inflow of USD 370 million in foreign direct investment will stimulate broader economic activity, attracting further investment into Tanzania's agriculture sector and boosting investor confidence in the country.

Moreover, the introduction of modern agricultural techniques and technologies, such as tissue culture laboratories for banana production and advanced palm oil farming practices, will significantly improve productivity and competitiveness within Tanzania's agriculture sector.

Food Star Trading Tanzania Limited project will deliver transformative benefits to Tanzania's economy through job creation, increased foreign exchange, substantial FDI, and tax revenues. By modernizing the agricultural sector and strengthening the country's export capacity, the project aligns with Tanzania's long-term development goals. Granting Special Strategic Investor status will ensure the successful implementation of this high-impact initiative, driving sustainable economic growth and enhancing Tanzania's global agricultural presence.