

**BYTER CROP PROTECTION COMPANY TANZANIA LIMITED**

BUSINESS PLAN  
FOR  
ESTABLISHMENT  
OF A PROJECT FOR MANUFACTURING OF AGROCHEMICALS

## **1.0 Executive Summary**

BYTER CROP PROTECTION COMPANY TANZANIA LIMITED is a company incorporated in Tanzania with Certificate of Incorporation No.144560817 dated 30<sup>th</sup> October 2022. The proposed project is to be located at Plot No. 194Block No. A Kisarawe II Kigamboni, Dar es Salaam, Tanzania.

The Plant is situated at an ideal location with all the necessary infrastructure facilities to start a manufacturing plant.

The company has booked a sprawling land of suitable for the planned project for a production plant and other facilities.

This plant would make the Agrochemicals such a plant-protection chemicals or pesticides, and plant-growth hormones used in agriculture manufactured locally to bridge the supply & demand gap in different regions of Tanzania. In the future, this plant will go global with a distribution network expanded to SADC (Southern African Development Community).

## **1.2 The Plant's features:**

- The plant's capacity is planned at 200,000 Bottles per Year, installed with technologically advanced and state-of-the-art machinery. This will be expanded along with market expansion.
- The factory will house a modern; state-of-the-art laboratory to test the raw materials and finished products; with modern equipment.
- The plant also proposes to obtain ISO & allied Quality Assurance Certifications after the commencement of its operations.
- The company plans to house a team of highly skilled process engineers and management specialists, who are the best in the industry and from highly reputable institutions.
- The company would have a mobile distribution van to cater to the needs of interior villages to improve the reach of our products & facilitate the local farmers.
- Our Agro chemist would reach out to the local farmers for a better understanding of the pesticide's application. This would improve the yields & productivity at the farmer levels.

## 2.0 Project location

The project is located at **Plot No. 194, Block No. A Kisarawe II Kigamboni, Dar es Salaam, Tanzania.**

## 2.1 Project production annual capacity

The company is planning to produce 300,000 Bottles per Year,

## 2.2 Projected price

The average cotton lint price stood at \$ 2.5 per bottle

## 2.4 Shareholders

| Shareholder names                | % of shares | Nationality            |
|----------------------------------|-------------|------------------------|
| WANG SHUI SHENG                  | 0.1         | China                  |
| BYTER TECH GROUP COMPANY LIMITED | 99.9        | British Virgin Islands |

## 2.5 Project Investment Cost

### BYTER CROP PROTECTION COMPANY TANZANIA LIMITED COST STRUCTURE US\$

| <b>PARTICULAR</b>        | <b>US\$</b>       |
|--------------------------|-------------------|
| Land and Buildings       | 200,000.00        |
| Machinery &<br>Equipment | 350,000.00        |
| Motor Vehicles           | 100,000.00        |
| Furniture & Fixtures     | 5,000.00          |
| Pre exp                  | 4,000.00          |
| Others                   | 3,500.00          |
| Working Capital          | 200,000.00        |
| <b>TOTAL</b>             | <b>862,500.00</b> |

## 2.6 Our Products and Services

At BYTER CROP PROTECTION COMPANY TANZANIA LIMITED intend to offer our clients the service of ensuring that they are able to get various types of pesticides from our permanent facility.

## 2.7 Our Mission and Vision Statement

Our vision is to be the preferred brand for all our existing and even potential customers. We intend to become a national name within 5 years of starting our pesticides manufacturing business.

To be able to achieve this vision, we intend to put plans and structures in place that will allow us to build a solid business structure. BYTER CROP PROTECTION COMPANY TANZANIA LIMITED also intends to use targeted awareness campaigns to generate more awareness about our products.

## **2.8 Project Execution Schedule**

The company will start the procuring process of plant & machinery from the month of January 2025

Based on that working, the company will draw the working capital from the bank.

Simultaneously, the company will also try to complete the other areas required for the project completion like, Liaison, Supply Chain, Engineering & marketing of the products.

## **3.0 Sales and Marketing**

The company plans to have both domestic and export market for its products for SADC.

## **Domestic**

The company would market their products under different strategies:

- **Direct Sales & marketing**

The company would be setting up teams to promote the products for direct marketing. This team would be comprising an Agro Chemist, which would address the locals & farmers for the demonstrations by visuals & applications.

- **Media marketing**

Social media, Print Media & advertising would be used for the marketing tools to promote these products.

- **Tie ups & Government Contracts**

The company would also try to get the local tie up with government bodies & other institutional bodies for long term contracts. These long-term contracts are anticipated being this company a local manufacturing. Therefore, Vocal for Local should be worked out with respect to response, pricing & better reach for the end users.

## **International**

- With SADC, Tanzania has become a gate way to this East Africa region. There by, promoting these products in the nearby countries, it would give the company an edge.

#### **4.0 the Agro Chemical Industries & Opportunity**

- For Tanzania, 26% is the contribution of Agriculture in the GDP, which give agro products an edge to venture into business. There is abundant arable land available in different parts of the country, where agriculture can be promoted to increase this contribution of GDP to boost the country's growth.
- There is limited local manufacturing of these Agro Chemicals in Tanzania. Therefore, there is a good opportunity for this company to grow in this African contingent.
- There are many importers & distributors currently, which are operating in this area to bridge the supply & demand. Therefore, local manufacturing would definitely help the company to grow its business quickly & steadily.
- Some information on the import figures is: 200 million USD for this industry.

- There is good development in the arable land
- The company would perform CSR for the nearby region for the welfare of the population.
- The company would introduce the newer & latest technologies for better & effective products in future which would in turn increase the farming productivity & yields at local level.
- Along with these Agro products, the company will also deal in the allied & accessories to be used in the farming services.

## **5.0 Government Policies & Key Factors**

- For many years, the Government of Tanzania via TIC, has started to promote the investment at local level to boost the economy and generate employment through these capital investments. Our investments are routed through TIC, which embarks on the mutual benefits for the company & the locals.

- TIC registration would certainly bring many tangible & intangible benefits to the company in the preoperative & post-operative stages of the project.
- With TIC interventions, a lot of investments are getting on the floor, where our group company would also diversify to cater to these upcoming investments to foster local growth

## **6.0 Organizational Structure**

It is proposed that the company's operations be headed by a General Manager who will assist the Production Engineer and another professional in the areas of Marketing, Finance, Human Resources, Logistics, and Supplies, The General Manager will be functionally responsible for achieving the Business plan prepared every after five years. He will also be responsible for the entire function of the company subject to policy guidance set. The Marketing officers will be responsible for both the domestic and export sales and marketing. The job responsibilities will include market planning and development, sales promotion, and sales coordination.

## 6.1 Manpower Requirement and Emoluments

The estimated manpower requirement for the project is 38 people as shown below;

| Employment   | Foreign Skilled | Local Skilled | Local Unskilled | Total     |
|--------------|-----------------|---------------|-----------------|-----------|
| Women        | 1               | 4             | 4               | 9         |
| Men          | 4               | 8             | 12              | 24        |
| <b>TOTAL</b> | <b>5</b>        | <b>12</b>     | <b>20</b>       | <b>38</b> |

## 7.0 Financing pattern

The project will be financed by equity constituting **US\$ 362,500** and a loan being **US\$500,000**

## 7.1 FINANCIAL ANALYSIS

### 7.2 Projected Sales Revenue

For projection purposes, it is assumed that the economic life of the project is five years and that the assembling line commences from the first year of operation.

**BYTER CROP PROTECTION COMPANY TANZANIA LIMITED REVENUE  
PROJECTIONUS\$**

|         | 1       | 2       | 3       | 4       | 5       |
|---------|---------|---------|---------|---------|---------|
| Revenue | 750,000 | 787,500 | 826,875 | 868,219 | 911,630 |

### **7.3 Projected Profit and Loss Statement**

The Income and Expenditure Statement shows the projected income for the 5 years. The position depicted is that the project earns profit throughout its life. Accumulated after-tax profits grow from. US\$ **195,650 in** the first year to US \$ **1,158,430 in** the 5<sup>th</sup> years.

### **7.4 Projected Cash Flows**

This is shown in the financial statements. The project has a positive end-of-year cash flow from year 1 US\$ **253,650** of operation to the 5th year US \$ **1,368,430**.

### **7.5 Projected Balance Sheet**

The projected Balance Sheet of the projected is shown in the financial statements under the same heading. The net worth of the project increases from US\$ **362,500** in the first year of operation to US\$ **1,520,930** in the 5<sup>th</sup> year.

### **7.6 Payback Period US\$ 2,650,000**

Total investment is US\$ **862,500** cash accumulation in year 4th years is US\$ **961,467** which is more than the initial

investment by **US\$98,967**, the project payback period is within 4 years.

## 8.0 ECONOMIC ASPECTS

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

- The project will boost investment in the pesticides subsector which is important for the economy, and contribution to research and other skills development.
- The project will involve the transfer of technology in the pesticide manufacturing industry.
- The project will create employment for **38** people on a permanent contract basis as well as temporarily.
- It will create more business opportunities among Tanzanians, which will also have a trickle-down.
- Provision of a market for goods and services demanded by expanded tax base to the Treasury and local Government authorities and generation of substantial income to the Government.
- Direct income for workers, combined with other social benefits that the management of the company will provide and help in overall efforts of alleviation of poverty

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

## 9.0 IMPLEMENTATION

Project implementation is expected to be relatively very short once the project has been approved: -

### IMPLEMENTATION

|   | <b>ACTIVITY</b>                              | <b>PERIOD</b>        |
|---|--|----------------------|
| 1 | Processing TIC Certificate of Incentive      | July 2024            |
| 2 | Ordering of plant and machinery and Vehicles | August-December 2024 |
| 3 | Arrival of Plant, Machinery and Vehicles     | January 2025         |
| 4 | Assembling and fixing machines               | May-October 2025     |
| 5 | Testing machines                             | December- 2025       |
| 6 | Commercial production                        | January 2026         |

## **10.0 CONCLUSION AND RECOMMENDATIONS**

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

It is recommended that the project be approved by the Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 1997.

**BYTER CROP PROTECTION COMPANY TANZANIA LIMITED PROJECTED INCOME & EXPENDITURE  
STATEMENT**

|   | <b>1</b>       | <b>2</b>       | <b>3</b>       | <b>4</b>       | <b>5</b>       |
|---|----------------|----------------|----------------|----------------|----------------|
| Revenue   | 750,000        | 787,500        | 826,875        | 868,219        | 911,630        |
| <b>Operating Expenses:</b>                          | 412,500        | 433,125        | 454,781        | 477,520        | 501,396        |
| <b>Profit before<br/>Depreciation &amp;Interest</b> | <b>337,500</b> | <b>354,375</b> | <b>372,094</b> | <b>390,698</b> | <b>410,233</b> |
| <b>Interest</b>                                     | 40,000         | 32,000         | 24,000         | 16,000         | 8,000          |
| <b>Depreciation</b>                                 | 18,000         | 18,000         | 18,000         | 18,000         | 18,000         |
| <b>Gross Profit</b>                                 | <b>279,500</b> | <b>304,375</b> | <b>330,094</b> | <b>356,698</b> | <b>384,233</b> |
| Tax (30%)   | 83,850         | 91,313         | 99,028         | 107,010        | 115,270        |
| <b>Profit After Tax</b>                             | <b>195,650</b> | <b>213,063</b> | <b>231,066</b> | <b>249,689</b> | <b>268,963</b> |
| Accumulated Profit                                  | 195,650        | 408,713        | 639,778        | 889,467        | 1,158,430      |

**BYTER CROP PROTECTION COMPANY TANZANIA LIMITED PROJECTED CASH FLOWS US \$**

| <b>SOURCES:</b>                         |                | 1              | 2              | 3              | 4              | 5              |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Profit before interest and depreciation | -              | <b>337,500</b> | <b>354,375</b> | <b>372,094</b> | <b>390,698</b> | <b>410,233</b> |
| Equity                                  | 362,500        |                |                |                |                |                |
| Loan                                    | 500,000        |                |                |                |                |                |
| <b>Total Sources</b>                    | <b>862,500</b> | <b>337,500</b> | <b>354,375</b> | <b>372,094</b> | <b>390,698</b> | <b>410,233</b> |
| <b>Applications:</b>                    |                |                |                |                |                |                |
| Capital expenditure                     | 655,000        | -              | -              | -              | -              | -              |
| working Capital &Others                 | 207,500        |                |                |                |                |                |
| Cash                                    | -              | 253,650        | 263,063        | 273,066        | 283,689        | 294,963        |
| Tax                                     | -              | 83,850         | 91,313         | 99,028         | 107,010        | 115,270        |
| <b>Sub total</b>                        | <b>862,500</b> | <b>337,500</b> | <b>354,375</b> | <b>372,094</b> | <b>390,698</b> | <b>410,233</b> |
| <b>Total applications</b>               | <b>862,500</b> | <b>337,500</b> | <b>354,375</b> | <b>372,094</b> | <b>390,698</b> | <b>410,233</b> |
| Accumulated cash                        |                | 253,650        | 516,713        | 789,778        | 1,073,467      | 1,368,430      |

**BYTER CROP PROTECTION COMPANY TANZANIA LIMITED PROJECTED BALANCE SHEET US \$**

| <b>Fixed Assets</b>           | -              | 1                | 2                | 3                | 4                | 5                |
|-------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|
| Opening balance               | -              | <b>655,000</b>   | <b>637,000</b>   | <b>619,000</b>   | <b>601,000</b>   | <b>583,000</b>   |
| <b>Total Long-term Assets</b> | -              | <b>655,000</b>   | <b>637,000</b>   | <b>619,000</b>   | <b>601,000</b>   | <b>583,000</b>   |
| <b>Less depreciation</b>      | -              | <b>18,000</b>    | <b>18,000</b>    | <b>18,000</b>    | <b>18,000</b>    | <b>18,000</b>    |
| <b>Closing balance</b>        | -              | <b>637,000</b>   | <b>619,000</b>   | <b>601,000</b>   | <b>583,000</b>   | <b>565,000</b>   |
| Working capital               | 207,500        | 207,500          | 207,500          | 207,500          | 207,500          | 207,500          |
| Accumulated cash              | -              | 253,650          | 516,713          | 789,778          | 1,073,467        | 1,368,430        |
| <b>Total assets</b>           | <b>207,500</b> | <b>1,098,150</b> | <b>1,343,213</b> | <b>1,598,278</b> | <b>1,863,967</b> | <b>2,140,930</b> |
| Financed by                   |                |                  |                  |                  |                  |                  |
| Equity                        | 362,500        | 362,500          | 362,500          | 362,500          | 362,500          | 362,500          |
| Accumulated profit            | -              | <b>195,650</b>   | <b>408,713</b>   | <b>639,778</b>   | <b>889,467</b>   | <b>1,158,430</b> |
| Total equity                  | 362,500        | 558,150          | 771,213          | 1,002,278        | 1,251,967        | 1,520,930        |
| Long term loan                | 500,000        | 400,000          | 300,000          | 200,000          | 100,000          | -                |
| <b>Total debts</b>            | <b>500,000</b> | <b>400,000</b>   | <b>300,000</b>   | <b>200,000</b>   | <b>100,000</b>   | <b>-</b>         |
| <b>Total equity and debts</b> | <b>862,500</b> | <b>958,150</b>   | <b>1,071,213</b> | <b>1,202,278</b> | <b>1,351,967</b> | <b>1,520,930</b> |

**BYTER CROP PROTECTION COMPANY TANZANIA LIMITED'S PROJECTED PAYBACK PERIOD US \$**

| <b>Profit After Tax</b> | <b>Depreciation</b> | <b>Total Cash Flow</b> | <b>Accumulated Cash Flow</b> |
|-------------------------|---------------------|------------------------|------------------------------|
| <b>195,650</b>          | <b>18,000</b>       | <b>213,650</b>         | 213,650                      |
| <b>213,063</b>          | <b>18,000</b>       | <b>231,063</b>         | 444,713                      |
| <b>231,066</b>          | <b>18,000</b>       | <b>249,066</b>         | 693,778                      |
| <b>249,689</b>          | <b>18,000</b>       | <b>267,689</b>         | 961,467                      |
| <b>268,963</b>          | <b>18,000</b>       | <b>286,963</b>         | 1,248,430                    |