WYMDY (TAZ) COMPANY LIMITED

BEST WAY NEW CHEMICAL AGENT

BUSINESS PLAN

AGROCHEMICAL PROCESSING INDUSTRY

12th December 2023

TABLE OF CONTENTS

LIST OF TABLE

EXECUTIVE SUMMARY

This Business plan has been prepared in order to open manufacturing industry of Pesticide manufacturing "**WYMDY (TAZ)COMPANY LIMITED**". The document will serve as guide for all the stakeholders in formulation of strategies, setting up policies and procedures, designing the loan products and resource mobilization and Management. This will help the Company in managing its operations as well as funding requirements in a planned manner. This document will also help prospective investors, stakeholders and lenders in making decisions.

The **WWYMDY (TAZ)(TAZ)COMPANY LIMITED** is a community development responsive company whose primary objective is to manufacture of pesticides and fertilizer and enhance accessibility, in both urban and rural areas, to the retail and wholesale shop. This industry also has planned to extendentrepreneurial cum business training and other enterprise development services to its actual andpotential clients and give them product on credit two years after starting operations suchinterventions to different individuals and business groups in main city in Tanzania. This businessplan *(BP*) proposes among other things the strategies to address the challenges and continue capturing floating business opportunities.

This business plan proposal put forward the general manufacturing industries landscape in the existence of economic activities and growing client base which therefore call for matching supply of electricity equipment's. The experience drawn in our working research with entrepreneurs in the past three years has shown a great demand for pesticides and fertilizer in stimulating economic potentials in the areas currently served. This plan is therefore drawn with the mandate of expanding the current quality level of pesticides to achieve client needs as well as ensuring sustainability of **WYMDY (TAZ)COMPANY LIMITED**.

SECTION ONE

INTRODUCTION

1.1 Company Background

WYMDY (TAZ)COMPANY LIMITED is a private company registered as a limited by share under the Companies Act 2002 (Cap 212) with a certificate of incorporation number 151574750 dated 15th Apri 2021. The company headquarters is in Kinondoni Municipality of Great Dar es Salaam City. The company main objectiveis processing f agrochemical which include pesticides and supply tofarmers I different parts of the country. The company is dedicated to provide orsupply high quality product at reasonable price that any farmer can afford to buy them. It is set up primarily to supply high quality agro inputs **– plus** services toTanzania farmers, with priority to women who undertakes small and medium scaleand larger scale farming.

1.2 Company Goals

The company goal is expansion supplies of agrochemical and develops a strong base with all customers. Expand its stock on one hand and support developmentof our customers on the other hand. To build a good reputation in the field of Agrochemical production, supplies, service management and become the leader in the industry.

1.3 Objectives:

The general objective is to be a leader in the supply of excellent service and quality production of agrochemicals in Tanzania. Also include improving the lives of active farmers and agrodealers, and employee's through income generation activities as well as sustaining direct and indirect employment in the urban and rural areas. Other specific objectives will be achieved through attainment of the following;

- Produce and distribution agrochemical through the market channel of our products in every region in the next five years

- Link to all farmers organisation (AMCOS, Cooperative societies, ect) in the country to be able to supply agrochemical at lower prices by cutting down number of middlemen
- Export produced products to all countries in the great lakes and southern Africa regions
- Reduce imports of agrochemical though import substitution mechanism

1.4 Mission and Vision Statement

To build long term business partnerships with our customers and provide exceptional customer services by pursuing business through innovation and advanced technology.

1.4.1 Vision Statement

To provide quality services that exceeds the expectations of our esteemed customers.

1.4.2 Our Values

We believe in treating our customers with respect and stay loyal. The company grow through experience, invention and innovation. We integrate honesty, integrity and business ethics into all aspects of our business

1.5 Share Holders and Shareholding Structure

WYMDY (TAZ)Company Limited has five shareholders as shown here under:

- MS YAN YANLI who owns 50% of the shares and is also Chief Executive Director who is a Chinese
- Mr ZHIMIN WANG owns the 40% of the shares and is a director who is a Chinese
- Mr FEILONG CHEN owns the 10%of the shares and is a director who is a Chinese

a) Authorized share capital

The company authorized share capital of the company is TZS. 2,000,000,000,000 divided into 200,000 ordinary shares of TZS 10,000 each

b) Issued Shared Capital

1.5 Legality of the Company

WYMDY (TAZ) is a legal entity and has acquired some legal certificates and documentsneeded to operate its business. The company is still processing various licenses and permits as listed hereunder;

Table 1: Summary of Legal Status of the Company

Company name	**WYMDY (TAZ)Company Limited**
Company's Registration Number	151574750
Incorporation Date	**15th APRIL 2021**
Place of registration	**Business Registration & Licensing Authority (BRELA)**
Company Type	**Private Company Limited By Shares**
Business Type	**Agro chemical Processing and Supply**
VAT & TIN Number	151574750
Trading License Number	**In Process**
Manufacturing License	**In process**
TPRI – Pestcides Processing	**In process**
NEMC – Environmental Impact Assessment	**In process**
BRELA Industrial License	**In Process**
TIC – Investment Incentives	**In process**

1.7 Project Concept

Food Security is amongst the serious issues facing many African countries Tanzania being one of them. The situation is largely a result of exceptionally low farm yields. Generally, low farm yields are primary a function of low soil fertility and crop management. WYDMY therefore envisages to manufacture optimal fertilizer that will revitalize the soil to optimize production and pesticides that will eliminate the most common pests produced using the localized mixed agro-chemical solutions.

1.9 The Pesticides and Fertilizer Project

The production of pesticides will be based on the manifestations of different stains of pests and diseases and come up with the right solution of ingredients that will eliminate the vectors without affecting the environment. The fertilizer and pesticides to be produced will be less costly compared to generic one being imported. Furthermore, the fertilizer and pesticides in some cases will bespecific

for different zones and types of crops to be produced. It is expected farmers to use less quantities per unit areas but get optimal results in terms ofnutrients for the crops to be produced in the area and elimination of unwantedvectors.

SECTION TWO

FERTILIZER DEMAND AND SUPPLY IN TANZANIA

2.1 Agriculture sector Overview

Agriculture sector has been playing an important role as a key driver for economic growth of Tanzania since independence. The sector contributes about 28 % of the country's GDP and about 24% of the total exports, and ensures food security in the country (FYDP3, 2021) and has a 57 percent share of value added in total production. In addition, it employs more than 65 percent of the population and more than 80 percent of the rural community engages in the sector.

However, utilization of land for agricultural activities is low with current statistics showing that only 6 million hectares of the available land is utilized out of the 29.4 million hectares of arable land available and only 0.4 million hectares are under irrigation. Plans were to increase area under irrigation to 1 million hectares by 2025. The Agricultural sector is characterized by two modes of production, the smallholder and large-scale private enterprises. Smallholder dominates the sector with 83 percent of total holdings; they account for 80 percent of food crops production and 75 percent of export crops. The smallholder farmers cultivating an average farm size of between 0.9 hectares (ha) and 3.0 ha each. About 70% of Tanzania's crop area is cultivated by hand hoe, 20% by ox plough and 10% by tractor. Tanzania's agriculture is mostly rain fed. The crops produced are mainly food crop which account for 85% of the 5.1 million ha cultivated annually and cash crop account for only 15%.

2.2 Tanzania Fertilizer Utilization

The latest Tanzania National Sample Census of Agriculture published in August 2021 indicates that during the 2019/20 agricultural year, 2.8million hectares, which is equivalent to 20.1% of the total cultivated area was applied with fertilizers. The 2.7 million hectares were in mainland Tanzania and 40,020 hectares were in Zanzibar. Out of the total area applied with fertilizers, 60.6%

was applied with organic fertilizers and 39.4% was applied with inorganic fertilizers. Despite the efforts towards promoting the use of fertilizers in crop production, there has been low adoption in Tanzania, partly due to the high costs of inorganic fertilizers which are imported. The low uses of fertilizers contribute to low agricultural productivity in the country. According to the document, policies should be geared towards attracting investment into the production of fertilizers in the country to lower the prices and attracts more farmers to use them. Also, the intense use of organic fertilizers can be taken as an opportunity to explore niche markets that are willing to pay premium prices for organic foods. The primary fertilizers used in Tanzania include urea, and the blends Di Ammonium Phosphate (DAP), calcium ammonium nitrate (CAN), and nitrogen-Phosphorous-Potassium fertilizer (NPK). More than 90% of all fertilizers used in the country are imported and their price is high.

Description	Area (ha)
Total Area Cultivated	13,750,597
Total area applied Fertilizer	2,762,729
Area appl Organic Fertilizer	1,673,211
Area appl Chemical fertilizer	1,089,517

2.3 Tanzania Pesticides Regimes

In Tanzania, Pesticide output value about $ 10.5 million every year ,including emulsifiable concentrate is $1.5 million, Emulsion in Water is $2.0 million, Microemulsion is $2.0 million, suspension concentrate is $1.0 billion, soluble concentrate is $ 2.5 million, other is about $1.5 million, there are only 2 pesticide production enterprises now, The annual export value is estimated about $5.0 million, but they are in a state of shutdown, Therefore, the pesticides needed are mainly imported. After our factory is built ,it will $6.0 million,it will make great contributions for the country.

2.3 SWOC ANALYSIS

Experiences drawn from the market and continuing influx of new retail of agrochemicals show that the market for Agrochemicals in Tanzania and East Africa at large is quite substantial and only a small part of it is currently being served.;

2.3.1 Strengths:

a) **Know your customer (K.Y.C.)**

This will be created through personal relationship following company's landing policies.

b) **Wholesale clients;**
Compared to retail client, wholesale clients are less risk well organized and managed through their unions.

c) **Experience:**
Among members of management have manufacturing experience, we have good experience in Agrochemical manufacturing and hence comparison between wholesale supplies and retail supplies.

d) **Professional:**
We have top management with good qualifications fit for manufacturing industries operations, also a good performance and committed management has won them a confidence from the clients and the rest of the public.

e) **Financial performance;**
Marginal income for growth (recapitalization) and fees for operational costs has been one of the financial and efficiency core values for WYMDY (TAZ)COMPANY LIMITED.

2.3.2 Weaknesses;

a) Challenges to meet Demand and Supply

We have challenges to meet demand because during a feasibility study we find demand is huge sometimes we may fall short of supply (by means of agrochemical supplies) but this situation will be resolved soon as business grows.

a) Logistics and Physical Infrastructure

Focus on accessing raw material this area complicates manufacturing process and poor infrastructure making difficult to delivery and collections because of the logistical problems including monitoring; for the time being, however we are planning to have computers and software to resolve these problems.

2.3.3 Opportunities;

a) Lack of best quality equipment

farmers must buy agrochemical inputs which are needed for agricultural use and they import these chemicals at a high cost. For being local manufacturer, we can win this market by producing high quality agrochemicals at lower price.

b) **Wholesale Clients**

There has been an increase in the number of wholesale intermediation that offers competition that may push the pricing down. The health competition will also improve other enterprise development services that are being provided as incentive to intermediate buyers. WYMDY (TAZ)COMPANY LIMITED act as large-scale production industry.

c) **Legal and Regulatory Environment**

Tanzania is promoting industrialization for development and growth of its economy. They create conducive environment for investors to invest on industrial sector. The policy establishes the framework through which industrialization work efficiently in a sound, legal and operational framework. WYMDY (TAZ)COMPANY LIMITED fit and harmonizes its policies andoperating procedures with new legal requirements in managing its operations.

2.3.4 Challenge

a) **Seasonal streams**

Focus on small and medium enterprises performance because of seasonal and cyclical businesses. WYMDY (TAZ)industries opt to widen its market by penetrating to the whole of East Africa market to widen market and leverage on the seasonality.

b) **Market Imperfections:**

This sector is highly regulated by central and local government schemes, thus threaten the market performance, but we will make effort to comply with the regulators and the government directives.

c) **Multiple Industries**

There are many industries producing the same types of Agrochemicals, these are those people who are well established in the market competitions. In order to compete with them we need to use our resources well to remain in market.

2.5 Type of Fertilizer and Agrochimicals

Primary fertilizers used in Tanzania include urea, and the blends Di Ammonium Phosphate (DAP), calcium ammonium nitrate (CAN), and nitrogen-Phosphorous-Potassium fertilizer (NPK) which account over 80%. Other agrochemical in major use are different types of pesticides, herbicides, fungicides and over 70% of these

chemicals are imported from different parts of the world. Main countries include India, Kenya and EU countries.

2.6 Opportunities for import substitution

Investment in agrochemicals and fertilizer processing will enable Tanzania to substitute its imports thus saving foreign earnings. The promoter is expecting reduce about 120,000 tons annually of liquid (foliar) fertilizer and approximately 144 tons of agrochemical. This will enable farmer get cheaper source of inputs thus increase their income (increased crops production) and decrease significantly the production costs as farmers will only apply the require quantities of fertilizers.

SECTION THREE

TECHNICAL ASPECTS

3.1 Location of the Investment

The fertilizer and pesticides processing facility will be located Misugusugu street Block c, Misugusugu Ward, Kibaha district, Pwani region, details of location see attached sale agreement. Several factors were put into consideration during the selection of the sites which includes: -

- **Access to raw materials** – easily accessible to the targeted sources includes local production and imported.
- **Access to the market** – It is easy to transport finished products to all over the country from Dar es Salaam region by road and by railways.
- **Availability of adequate piped water** from DAWASA pipe line to enable the company operate its activities throughout the year and drilled borehole.
- **Availability of electricity and labor supply** at the processing facility location is well connected to electricity and workers can easily access the site.

3.2 Raw Materials Sourcing

The main materials for fertilizers and pesticides will be imported as single ingredients (macro and micro nutrients) from abroad and some which will be locally available will be sourced as well. The fertilizer raw material needed include; Nitrogen - N, Phosphorous - P205, Potassium - K20, Micronutrients - Fe, Cu, Mg, Zn, etc, and Filler. These raw materials will be sourced from various countries which include China and Asia while the micronutrients will be sourced from Europe, USA and Asia. The quantity to be sourced is as follows

Table 2: Raw Material Procurement Plan (tons)

Description	Year 1	Year 2	Year 3	Year 4	Year 5
Nitrogen N	14,367	17,959	22,448	28,061	35,076
Phosphorus P205	9,585	11,981	14,977	18,721	23,401
Potassium - K20	4,792	5,990	7,488	9,359	11,699
Filler	19,169	23,961	29,952	37,439	46,799
Micronutrients - Fe, CU, Mg, Zn,	10	13	16	20	24

Source: consultant projections

Similarly, pesticides raw materials will be sourced abroad and locally from countries that produces best quality at affordable prices to enable production of high quality but affordable pesticides.

Table 3: Raw Material Procurement Plan (tons)

Description	Year 1	Year 2	Year 3	Year 4	Year 5

Source: consultant projections

3.3 Civil Works and Buildings

WYMDY (TAZ)will set up the infrastructure that includes the buildings that will house the processing plant, administration, laboratory and warehouse. The site is expected tobe fenced with a provision for two main gates that is entry point and the other willbe outlet**.** The promoters intend to buy prefabricated industrial steel structures to erect the building in shortest period of time possible and start production. Theestimated total Costs of civil works is as shown in the table below:

Table 4: Costs of Civil Works

Factory Building	Units	Costs	Total Costs (USD)
Factory Structure	1	753,750	753,750
Fence Wall & Paving	1	46250	46250
Security House	1	35000	35000
Total			835,000

Source: BoQ

3.4 Machinery and Tools

The promoter is intending to source fertilizer and pesticides machinery from a reputable company which have renown quality. The machineries will include the complete liquid fertilizer and pesticides processing machineries and packaging lines.

The promoter will also procure office furniture and equipment, computer and its accessories which are locally available. The sister company which has the relevant technical experiences will support during procurement to ensure that the company

purchases quality equipment's for effectiveness and efficiency in the business. The list of machineries is as shown below;

Table 5: Plant & Machinery Costs

Plant & Machinery	Total Costs
Injection molding machines	700,000
Blow molding machines	300,000
Matching equipment of bottle making machines	120,000
Stainless steel reactors (10KL)	500,000
Stainless steel reactors (5KL)	150,000
Stainless steel reactors (3KL)	150,000
Sand grinding units	100,000
Pumps	10,000
The shear kettles(2KL)	80,000
Gas powder equipments	180,000
Pelleting machine	150,000
Liquid filling production line	400,000
Solid filling production line	380,000
Storage tanks(25m2)	120,000
Laboratory Equipments	95,200
Sprayer production line	300,000
Cost of environmental protection facilities	209,000
Liquid fertilizer production line	200,000
Subtotal	**4,144,200**

3.4 *Other Investment*

The promoters plan to procure different machineries to ensure smooth operation of the processing plant. The other machineries include;

Furniture/Fittings	Costs	Total
Furniture	85,000	85,000
Fittings	23,000	23,000
Subtotal	**108,000**	**108,000**
Computer & Accessories		
Computer (desktops and Laptops)	74,000	74,000
Printers	15,000	15,000
Heavy duty Photocopy machines	6,600	6,600
Server & accessories	45,000	45,000
UPS	25,000	25,000
Subtotal	**165,600**	**165,600**

3.5 *Expected Installed Capacities*

a) Liquid Fertilizer Processing Machine

The liquid fertilizer processing facilities is expected to have capacity to work for twenty-four hours a day. This therefore requires three shifts with working capacity of 20hrs a day, in 6 days per week, 25 days per month and 300 days per year. The

processing capacity is 16 tons per hour, which will produce a minimum of 108,000 tons annually.

b) Pesticides Machines

The pesticides machines can operate in twenty-four hours a day and require three shifts as well. The machine capacity per hour is twenty tons (20tons) hence annual output is estimated to be 144,000 tons of different types of pesticides. To optimize the production capacity one product will be produced per day. e.g fungicides, herbicides etc

Table 6: Installed capacity

Production Capacity	Year 1	Year 2	Year 3	Year 4	Year 5
Liquid Fertilizer	108,000	108,000	108,000	108,000	108,000
Pesticides/herbicides	144,000	144,000	144,000	144,000	144,000
Total Capacity (tons)	252,000	252,000	252,000	252,000	252,000
Capacity Utilization	40%	60%	80%	90%	90%
Annual Production of Liquid Fertilizer	43,200	64,800	86,400	97,200	97,200
Annual production of Pesticides/herbicides	57,600	86,400	115,200	129,600	129,600
Total Capacity (tons)	100,800	151,200	201,600	226,800	226,800

3.5 Trucks and Motor Vehicles

The promoters plan to buy different trucks and trailers, to cater for the transportation of raw materials to the processing facilities and distribution of finished products. The promoter is considering to purchasing also pick-ups for management and marketing of products in different markets. The total number of trucks and costs is as shown in the table below;

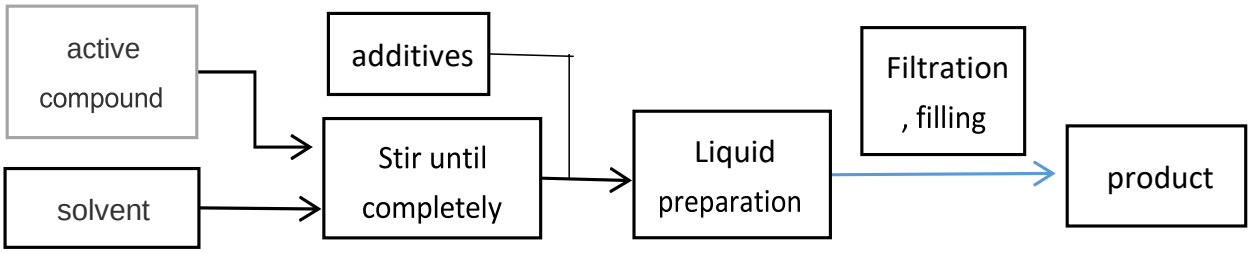
Table 7: Trucks and Motor Vehicles

Motor Vehicles and motor Cycles	**Units**	Cost	Total cost
Forklift trucks	1	30,000	30,000
Truck & Trailers	3	50,000	150,000
Nissan Xtrail	5	99,000	99,000
Subtotal	**-**	**279,000**	**279,000**

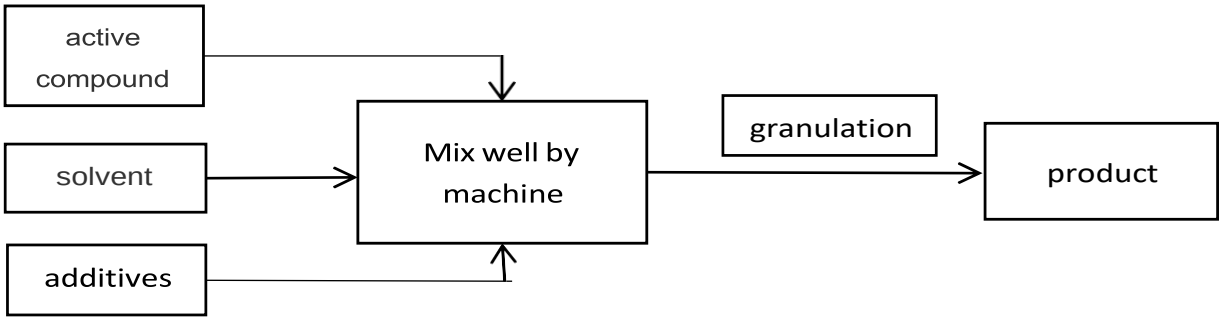
3.6 Fertilizer Processing Flow

The proposed plant is designed to process of liquid fertilizer and agrochemicals which include herbicides, fungicides and pesticides. The finished product will be sold to different markets in Tanzania and the products will meet all required local and international standards. The fertilizer processing flows is expected to follow the number of steps as presented in the figure below. The fertilizer processing will go hand in hand with soil testing which will determine the right combination of fertilizer needed without compromising the national fertilizer standards.

Liquid preparation PFD



Solid preparation PFD



3.7 Types of Fertilizer

YDMY will produce foliar types of fertilizers which include NPK and Ammonium varieties. Out of the total fertilizer production, the NPK blends will account for about 80% while Ammonium will account for about 20%. The composition of the fertilizer will depend on the macro and micro nutrients deficiency in the soil thus will use different combinations in order to reach the required blend that meet the need of the soil and crops to be produced.

3.8 Quality Control and Standards

The processing plant consists of the following key features which ensure high quality of the produced product: -

1. **Raw material Choice and storage**; The choice of raw material to be bought will ensure that meet the international standards and will be subjected to laboratory test before shipment and upon arrival. Furthermore, during storage of raw material will ensure all procedures of storing fertilizer macro and micro ingredients and pesticides are properly followed and inspected regularly by the quality control team.
2. **Processing Inputs**; to ensure inputs are not stored for long time the stock management system will be deployed and first in first out approach will be used. And every time inputs are taken from the store to the factory a quality test will be undertaken to ensure quality is maintained.
3. **Final outputs, transport and Storage**; the final output will also be checked to ensure consistency of the system process and regulatory requirement. Similarly, the transport and storage of fertilizer and pesticides will ensure all required procedures are followed.

The company will ensure all the time that the processes of pesticides and fertilizer manufacturing meet not only local but also internationally accepted standards. Cleanliness of the processing plant, storage and packaging materials are the most critical factors to consider in maintaining quality of the products. Each batch produced will be subjected to laboratory test to confirm its quality. Management will also ensure that the produced products are certified by the Tanzania Bureau of Standard and later with ISO standards. Furthermore, the machines to be procured will have to pass ISO standards. The products for sale are expected to be packaged in an extremely neat and organized manner and clearly labeled: -

a) Correct weight specification
b) Clearly legible literature and pictorial content
c) The dates of production and expiry

3.8 Packaging and Packing

The production of fertilizer is intended to meet the need of different types of farmers (users). Therefore, the packing sizes will meet the demand for each. The type of user includes small, medium and large-scale farmers, the home gardeners, fruits and flower producers. Thus, the demand for each is different hence the promoters intend to pack products in 5000ml, 1000ml, 500ml, 250ml, 100ml and 50ml. The packing material required are airtight material which do not allow evaporation of macro and micronutrients. The promoters will source the packaging material locally.

SECTION FOUR

MARKETING ASPECTS

4.1 Products

WYMDY (TAZ)COMPANY LIMITED will be selling mainly four different types of products which include two types of fertilizer after the succesfu establishment of pesticides business (Liquid NPK and Ammonium), pesticides, herbicides and fungicides. The products will be packed in different sizes and sold to different types of customers as describe in this section

4.2 Target Clients /Clients type

The promoters target different set of customers which include the following ;

- Individual (Large scale farmers)
- Small and Medium enterprises/farmers
- Wholesale client/Agro dealers
- Cooperative societies / AMCOS, SACCOS and such form of organizations
- Neighboring countries

4.2.1 Individual buyers

Individual buyers who will always prefer to buy our products straight from us without going through our agents (retail shops or wholesale shops). These individual buyers will always like to have direct contact with us so that they can provide us with their requirement. This will help us to know what our end users really want in order to meet their needs and requirement.

4.2.2 Cooperative society

This form of market is specifically targeted to reduce costs to farmers. The AMCOS/ SACCOS that is able to buy in bulk will be given priority. The aim is to reduce the long chain of intermediaries each adding margin in the chain

and farmers pay all the intermediaries.

4.2.3 *Wholesale clients*

We will focus to wholesalers, who are only placing large order for the industry and already knows the market and type of client they have. It will be easy to us to gather information from them before opening our own distribution centers or shops. We can play a crucial role in bringing about changes within their families and their communities.

4.3 *Market Distribution*

Promoter will use different marketing distribution channels which include directly delivery to farmers especial the customer made fertilizer and the optimal pesticides will be distributed through multiple channels.

- **First channel is Cooperative Society**: WYDMY will sell its products on contract basis to the farmers through cooperatives societies. The cooperatives will sell the products to farmers directly or through the primary societies. The primary societies will sell directly to farmers on cash or credit basis.

- **The second Channel is Wholesalers:** WYDMY will sell its products to the wholesalers on a contract basis. The wholesalers will sell the products to farmers or stockiest. The stockiest will sell the product to small scale farmers.

- **The third Channel is Agents:** WYDMY will sell its products to the agencies in the regions on contract basis. The agencies will sell the products to the farmers.

- **The Last channel is individual Farmers:** WYDMY will only sell fertilizer or pesticides that is customer made directly to farmers. These are the farmers with special need of specific types of fertilizer or pesticides.

All marketing channels will have different prices which will enable them sell to the end users at the recommended competitive prices. The wholesalers, cooperatives and agents will have targets which once achieved will get price discounts

4.4 Business Competition

In according to TPRI report, in 2018, there were about 30 Agrochemicals Industries in Tanzania. All are producing different agrochemicals including liquid fertilizers for different uses. Despite the large number of these agrichemical industries demand is always large that the supply. Furthermore, prices of most of the agrochemicals are extremely high limiting the ability of most farmers to access them.

Promoters are foreseeing such competition in the subsector are expect to enter in the market and have a fair market share. The distribution mechanism, pricing strategies and penetration mechanism will be deployed to explore the market. The most important strategy will be quality of products that meet the need of the farmers and address their problem at relatively lower costs.

4.5 Marketing Strategies

WYMDY (TAZ)COMPANY LIMITED plans to expand its operations both **vertically and horizontally**. Vertical strategy involves increased ability in offering better products with a greater flexibility while the **horizontal expansion requires** expanding number of products and entering into neighboring markets by mobilizing more clients. Both strategies demand additional capacity in monitoring, finance and skilled personnel.

4.5.1 Product Diversification Strategy

The Company will start by producing Pesticides before expanding its production to other agrochemicals and fertilizer for cross boarder clients. We will meet our domestic demand first before shifting to other countries and meet their demand. We will focus on Pesticides and collecting information to our client on what other products they need to be in market from local industries like ours..

4.5.2 Rural – Urban Chain Operators

The market review reveals the growing potential for rural –urban businesses. Unlike urban markets that constitute mainly traders, the rural markets require financing for all levels from inputs, production, processing, delivery and trading. WYMDY (TAZ)COMPANY LIMITED will strike appropriate balance between the

two and

gradually enter ward and division business centers to stimulate supply arrangements of our products.

4.5.3 Penetrative Pricing

WYMDY (TAZ)COMPANY LIMITED will continue charging financially reasonable prices that will ensure both long-term financial sustainability and social mandate of supporting MSEs. There is an opportunity of achieving higher economies of scale and therefore minimizes the cost per product delivered by offering reasonable price. The low cost for delivering a unit of product will in the future afford the company to charge relatively less than the current rate yet covers all necessary costs and achieve profitability and liquidity.

4.5.4 Choice of Market Segment

WYMDY (TAZ)COMPANY LIMITED plans to carry out a baseline study of all existing andplanned Manufacturing Industry interventions in Tanzania, from which it will assessthe viability of supplying them with active ingredients. The baseline study will provide a clear picture of the industries sector landscape in order for it to strategically re-focus its future position and strategies in that market.

4.6 Promotional products

The Company will aggressively be promoting itself in the current market as well as in new areas. It further plans to continuously engage with and communicate its products and benefits to organizations that have some influence on the targeted clients.

4.6.1 Leaflets

Leaflets with key product features and marketing information will be mailed to potential clients and individuals in the target areas.

4.6.2 Brochures

The product brochures will be mailed to potential clients in the target areas. They will also be made available in the distributors, agents and cooperative societies offices in the respective regions.

.

SECTION FIVE

HUMAN RESOURCE PLAN AND MANAGEMENT

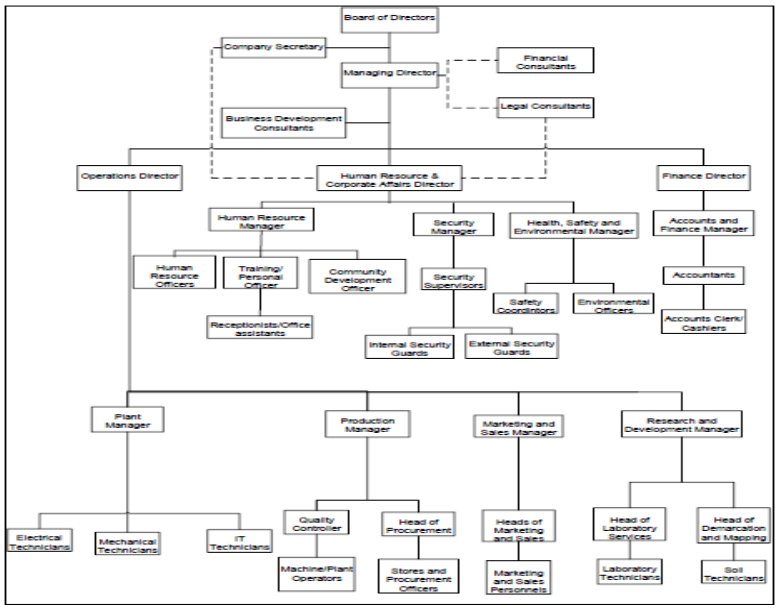
5.1 Company Management

The overall management of the company will be under a Board of Directors which will oversee all the strategic goals and objectives of the company. The day today activities will be headed by the Management Team which will be led by a Chief Executive officer. The Board is responsible for approving of all company affairs including annual budgets of the company and overseer of all company projects. The YDMYL board will comprise of eight (9) members to be proposed.

The Board will also receive technical advice from a sister company HANGZHOU YIMIN CHEMICAL CO., LTD from China. He will offer technical support to M/s WYDMY for (5) years and will be attending the factory at least 2 times a year as "Observer" and adviser to the board.

. 5.2 Organization Structure

The overall management of WYDMY is vested in the hand of board of directors. The daily operations are headed by the Managing Director who is the Chief Executive Officer of the company and will being assisted by Directors, managers and head of Units.



The Organization structure has three directorates, eight managers and three units as presented in the organization structure as shown below

5.3 Key Personnel:

The management team will also include partners from China. Correspondingly, the machine supplier will also provide technical and operations support for the first 3 years of the project (**Annex 2.5 - 2**).

The key management team for the project, will include amongst others:

a) YUAN WEIPENG(CHINESE):- Executive Director who is a seasoned businessman with over 20 years' experience in business management.

b) ZHANG NAN (Chinese):- Managing Director who has over 12 years' experience as factory manager and plant engineer in fertilizer and pesticides processing;

c) CHEN RONG (Chinese):- Factory Director –has over 10 years' experience as factory manager/director in fertilizer and pesticides processing;

d) Operations Director Mr – A Tanzanian To be hired who has at least over 15 years of experience in operations of fertilizer industries gained in Tanzania;

e) Finance and Accounts Manager -A Tanzanian To be hired who has at least over 10 years' experience in finance and accounting of large corporate with complex operations.
f) Head of Legal & Human resource(Tanzanian) A Tanzanian To be hired who an advocate who has more than 10 years of experience in labor and human resource management.

5.4 Human Resource Development Strategy

Constant on job training and refresher programmes will be the key success factors amongst others to ensure that the manpower always has the best required skills to undertake fertilizer and pesticides processing. the promoter will seek advisory services from specialized consulting firms to provide training for the staff whenever a need arises.

5.5 Gender considerations

The Promoter provides equal opportunities for both men and women when employing the required labor for the investment. The processing business particularly soft skilled jobs will be dominated by mostly women whereas the manual work like loading and distributions will be dominated by men.

5.6 COVID 19 & HIV/AIDS Plan

The promoter will make arrangements with district health centers, NGOs and other HIV/AIDS and COVID 19 campaigner to create awareness and prevention for his supporting staffs. Furthermore, the company will provide all preventive gear for free to all its employees.

5.7 Minimizing Fluctuation/Staff Turnover

WYMDY (TAZ)COMPANY LIMITED is gradually building long term personnel plan that cater for short and long term developmental and growth strategies. The strategy is guided by the desire to build future management team fromwithin and ensure predictable succession plan. WYMDY (TAZ)COMPANY LIMITED will continue reviewing promotion policies, financial compensation,incentive scheme including both monetary and non-monetary motivations in order to ensure minimum staff and management turnover. Annual performance review in each year will be conducted as the basis of renewing contract, remedying weaknesses and discontinue the services of staff that failed to meet performance targets.

5.8 Quality and Quantity of Work Force

WYMDY (TAZ)COMPANY LIMITED have plans to have competent staff personnel with optimum performance from its general manager, accountant, operation managers, production managers, marketing manager and finance and administrative manager. The optimal personnel caseload isestimated at 300 clients and thus the number of clients in the respectivebranch will dictate increase in the number of this staff category. All Managers are proposed to be the holder of a master's degree; first degree or equivalent qualification while the assistance should be the holder of firstdegree, diploma or equivalent with experience in agriculture, pesticide management, grassroots and community development. The assistant accountant is required to be a senior accounting technician for small branches and intermediate professional for the relatively bigger branches. For starting WYMDY (TAZ)COMPANY LIMITED headquarters' staff are also involvedon branch-level operations.

SECTION SIX

FINANCIAL PROJECTIONS

6.1 KEY ASSUMPTIONS

The following table details the important financial assumptions

- All the figures which are presented are on the base of the research conducted by the company.
- The financial figures are only the expected and conservative approach was used in projecting prices and costs.
- The market growth rate is only the assumed to grow at least 5% annual;
- Interest rates is assumed to be 8% annually on reducing balance.
- Term loan facility will be repaid over a seven years period.

6.2 Operational and Financial Costs

After completion of construction of the factory, operation of the processing plant will start. The company will meet different costs which include utility and consumables, salaries and wages, cost of capital goods, fixed maintenance costs, fixed administration costs, etc. This section therefore, discuss in details such cost items.

6.2.1 Salaries and Wages

Initially the factory is expected to employ 150 staff of different categories. The annual wage bill including all statutory contribution such social benefits, workers compensations and health Insurance and is estimated at USD 765,450 in the first year and is expected to increase to USD 886,104 in fifth years. Details in the annex 3

6.2.2 Overhead Expenses

Administrative expenses include insurance on fixed assets, audit fees, fax and telephones, stationery, uniforms and protective gears, legal fees, etc. For the first of operation the administrative expenses are expected to increase from USD 911,300 to USD 1.233 million in year five. See the table in annex 4.

6.2.3 Cost of Good

In order to produce the states agrochemical and foliar fertilizer numerous ingredient (raw material) will be procured. The first year the promoters are expecting to producer 37,923tons of liquid fertilizer, and 46,452 of agrochemicals and keep on increasing every year. Thus, the total costs of raw material is estimated USD12.375 million in the first year and increase to USD 49.113 million in the fifth year. The annual cost increase is estimated to increase at 7%. For details see annex 5

6.2.4 Depreciation Costs

Depreciation costs for the project's assets are worked out on the following basis:

- Civil works are depreciated at 2.0% of original cost;
- Machinery and equipment at 12.5%;
- Furniture and office equipment at 12.5%;
- Computer and accessories at 25%.
- Motor vehicles 20%
- Pre -operating Expenses 10%

Annual depreciation cost in year one is USD 649,675 decreasing to USD 365,717 in sixth years. The depreciation method used is reducing balance. Details are shown in ***Annex 2.***

6.2.5Corporate Tax

The company is liable to pay corporate tax which is charged on net Income. The corporate tax is charged at 30% per annum. Corporation tax in year one of operation is estimated to be USD 0.648 million in the first year and increases to USD 1.353 million in year five. See details in Annex 7.

6.3 Investment and Financing Plan

The projected total investment cost is USD 10.00 million including the initial working capital of USD 4.4257 million. The investment cost mainly will involve construction of the factory structure, purchase of machineries, equipment and working capital to meet operating expenses. A summary of the investment cost is as shown below:

Table 8: Capital Investment

Financing Plan	USD			TZS		
	Existing	Additional	Total	Existing	Additional	Total

Land and Buildings	-	835,000	835,000	-	1,945,550,000	1,945,550,000
Plant & Machinery	-	4,144,200	4,144,200	-	9,655,986,000	9,655,986,000
Motor Vehicles and motor Cycles	-	279,000	279,000	-	650,070,000	650,070,000
Furniture/Fittings	-	108,000	108,000	-	251,640,000	251,640,000
Computer & Accessories	-	165,600	165,600	-	385,848,000	385,848,000
Pre-Operating Expenses	42,500		42,500	99,025,000	0	99,025,000
Total Fixed Investment	**42,500**	**5,531,800**	**5,574,300**	**99,025,000**	**12,889,094,000**	**12,988,119,000**
Working Capital		**4,425,700**	**4,425,700**	**0**	**10311881000**	**10,311,881,000**
Total	**42,500**	**9,957,500**	**10,000,000**	**99,025,000**	**23,200,975,000**	**23,300,000,000**

Source: Promoters Projection

The investment will be financed by cash equity contribution of the promoters which is USD 10.0 million.

6.4 Profit and Loss Statement:

The income statement shows that in the first year of operation the net profit after Tax is USD 853,939, in the second year the net profit is USD 1.123 million and keep on increasing rise to over USD 3.722 million the fifth year, for more details see annex 8.

Projected Income statement (USD)	**1**	**2**	**3**	**4**	**5**
Revenue from :-					
Herbicides/pesticides & Fungicides	9,859,980	12,324,975	15,406,219	19,257,773	24,072,217
Foliar Fertilizer	6,061,935	16,838,710	21,048,387	26,310,484	32,888,105
Total Revenue	**15,921,915**	**29,163,685**	**36,454,606**	**45,568,257**	**56,960,322**
Operational Cost					
Labor cost	765,450	803,723	843,909	886,104	930,409
Direct costs	12,375,577	25,145,887	31,432,358	39,290,448	49,113,060
Indirect cost	911,300	1,047,995	1,121,355	1,199,849	1,233,122
Profit Before Depr & Int.	**1,869,588**	**2,166,081**	**3,056,984**	**4,191,856**	**5,683,731**
Less: Capital Charges:-					
Depreciation	649,675	560,965	485,430	420,932	365,717
Interest Expense	0	-	0	0	0
Profit Before Tax	**1,219,913**	**1,605,115**	**2,571,555**	**3,770,925**	**5,318,014**
Corporate Tax 30%	365,974	481,535	771,466	1,131,277	1,595,404
Net Profit	**853,939**	**1,123,581**	**1,800,088**	**2,639,647**	**3,722,610**
Retained Earnings	853,939	1,977,520	3,777,608	6,417,255	10,139,865
Net Profit Margin	5%	4%	5%	6%	7%

6.5 Cash Flow Statement:

The Net Cash flow depicts a balance of USD 1.503 million in the first year. The accumulated cash amount to USD 12.622 million in the fifth year. The project is able to meet its financial obligations in the next five years and remains with such reserve. After initial financing through equity no additional equity or loan is required, for details see below.

Yearly Cash Flow (USD)					
	YEAR				

	1	2	3	4	5
Cash inflows					
Equity	9,957,500	0			
Loan	0	0			
Profit before Capital Charges	1,869,588	2,166,081	3,056,984	4,191,856	5,683,731
Total Cash Inflows	**11,827,088**	**2,166,081**	**3,056,984**	**4,191,856**	**5,683,731**
Cash Outflows					
Fixed Assets	5,531,800				
Initial working capital	4,425,700	0			
Corporate tax	365,973	481,535	771,466	1,131,277	1,595,404
Loan repayment	0	0	0	0	0
Total cash outflow	**10,323,473**	**481,535**	**771,466**	**1,131,277**	**1,595,404**
Net cash flow	**1,503,615**	**1,684,546**	**2,285,518**	**3,060,579**	**4,088,327**
Cumulative cash flow	**1,503,615**	**3,188,161**	**5,473,679**	**8,534,258**	**12,622,585**

6.6 *Sensitivity Analysis and Viability of the project:*

The Net Present Value (NPV) of the project is USD $16,116,960.27 and Internal Rate of Return (IRR) is 20% at discounting rate of 7 %. Both measures suggest the project is financially viable and economically sound. the investment is not sensitive to different shocks which include increase in costs of raw materials, operational costs, decrease in prices and increase in financial costs.

Table: Sensitivity analysis

Scenario	%Change	NPV (USD)	IRR
Central case	0	10,296,351	34%
Operating cost	10%	7,589,260	23%
Selling price	-10%	9,154,203	27%
Price of R/material	10%	6,125,488	17%
Reduce Quantity	-10%	8,564,921	25%

6.7 *The Balance Sheet:*

The company Balance Sheet as shown in the Financial Schedules is positive. The net worth of the company rises from USD 40.055 million in year one to USD 62.783 million in year seven. Notwithstanding the 29/71 debit/equity ratio, the company will own all its fixed assets from year five through equity and retained earnings. It will still have substantial cash balances investments. For Details see Annex 11.

Table: Projected Balance Sheet (USD)

Balance Sheet Projections					
DESCRIPTION	YEARS				
CURRENT ASSETS	1	2	3	4	5
Cash	1,503,615	3,188,161	5,473,679	8,534,258	12,622,585
Working Capital	4,425,700	4,425,700	4,425,700	4,425,700	4,425,700
Total Current Assets	5,929,315	7,613,861	9,899,379	12,959,958	17,048,285
FIXED ASSETS (NET DEP.)					

Land and Buildings	818,300	801,934	785,895	770,177	754,774
Machinery and Equipment	3,626,175	3,172,903	2,776,290	2,429,254	2,125,597
Furniture and fittings	94,500	82,688	72,352	63,308	55,394
Motor Vehicles	223,200	178,560	142,848	114,278	91,423
Pre Operating Expenses	38,250	34,425	30,983	27,884	25,096
Computer and Accessories	124,200	93,150	69,863	52,397	39,298
Total Fixed Assets	4,924,625	4,363,660	3,878,230	3,457,299	3,091,581
TOTAL ASSETS	10,853,940	11,977,521	13,777,609	16,417,256	20,139,866
REPRESENTED BY:					
Equity	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Retained Earnings	853,939	1,977,520	3,777,608	6,417,255	10,139,865
Loan	0.00	0.00	0.00	0	
TOTAL	10,853,939	11,977,520	13,777,608	16,417,255	20,139,865

7.7 Payback Period

The project payback period is expected to be five years. The investment will be able to recover all the funds invested.

.

SECTION EIGHT

ECONOMIC ASPECTS

8.1 Contribution to the Promoter

The investment to be undertaken will increase the invested capital from USD 10.764 million to over USD14.256 million which is an increase of approximately 27%. The investment is expected to increase the promoter's net income to approximately USD 1.688 million in the first year and USD 3.26 million in the fifth year.

8.2 Contribution to Farming Community

The investment is expected to produce approximately 108.265 tons of different fertilizers and 135,000 tons of agrochemicals per year. This fertilizer is expected to increase farmers yields which in turn increased income. Furthermore, farmers are expected to earn at least USD 92.5 million from the sale of products (fertilizer and agrochemicals) of the increased yields. Also, some of the challenges facing farmers in the regions will be solved in the cause of implementing the project. Some of the services to be provided include:

a) Training of farmers to adopt good agronomy practices including best use of fertilizer and agrochemicals
b) Understanding of the health of the soil and plants
c) Access to better credit for farm inputs and reduced costs of inputs
d) Improved access to quality fertilizer inputs

8.2 Employment Creation

The business will provide fulltime employment opportunities to 135 people who receive approximately a total of USD 1.183 million annual salary. The expansion of the business will also increase the number of people employed. Furthermore, the business will be employing casual labour between 50 and 250 working on the yard. This number is expected to increase with the increase in the volume of business.

8.3 Government Revenue

According to 2021 World Bank report the agriculture sector generated contribute over 27% of the national GDP and one of the main contributors of the foreign currency. Therefore, the government will receive save its foreign currency revenue

in the form of import substitution to the tune of approximately USD 55.194 million in the first five years. The total incremental gross incremental return is estimated to contribute to the economy to the tune of USD 496.265 million with indirect employment of 378 individuals.

CHAPTER NINE

CONCLUSION AND RECOMMENDATIONS

9.1 Conclusion and Recommendation:

WYDMY investment is technically viable, financially profitable and economically sound for implementation. The promoter's main problem being cost of import duty of the machineries which is estimated to costs over USD 1.8million thus affecting cash flow to enable smooth start of the factory and flow of the product. The promoters therefore request for a certificate of incentives to enable them reduce of import duties.

9.2 Implementation Plan

The overall approach involves breaking the project into its constituent parts i.e. construction, equipment procurement and installation, procurement of raw materials, operations, working capital for the expanded capacity, etc.

Effective implementation will require adoption of a balanced scorecard approach to ensure that the goals that the organization seeks to achieve are cascaded down to individual departments with respective heads held accountable for their implementation.

The entire project development is expected to take about six Months from the ordering of the equipment, shipping, installation and commission of the factory as shown below and details in the attached invoice and as per manufacturers recommendations.

Summary flow of activities

Activity	Month1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7
Construction of factory foundation and fencing							
Ordering of blending machinery and equipment							
Construction of factory building							
Installation of machinery Testing and commissioning							
Purchase of distribution trucks							
Official Launching of all products							

Financing Plan	USD			
	Existing	**Additional**	**Loan**	**Total**
Land and Buildings	-	835,000		835,000
Plant & Machinery	-	4,144,200	0	4,144,200
Motor Vehicles and motor Cycles	-	279,000		279,000
Furniture/Fittings	-	108,000		108,000
Computer & Accessories	-	165,600		165,600
Pre Operating Expenses	42,500			42,500
Total Fixed Investment	**42,500**	**5,531,800**	**-**	**5,574,300**
Working Capital		**4,425,700**	**0**	**4,425,700**
Total	**42,500**	**9,957,500**	**0**	**10,000,000**

Annex 2: Depreciation

	Initial									
Item	**Value**	**Rate**	**Method**	1	2	3	4	5	6	7
Land & Building										
Opening Balance	835,000	2.0%	Reduced Method	835,000	818,300	801,934	785,895	770,177	754,774	739,678
Allowance		-		16,700	16,366	16,039	15,718	15,404	15,095	14,794
Closing Balance		-		818,300	801,934	785,895	770,177	754,774	739,678	724,885
Machinery/Equip.		-								
Opening Balance	4,144,200	12.5%	Reduced Method	4,144,200	3,626,175	3,172,903	2,776,290	2,429,254	2,125,597	1,859,898
Allowance				518,025	453,272	396,613	347,036	303,657	265,700	232,487
Closing Balance				3,626,175	3,172,903	2,776,290	2,429,254	2,125,597	1,859,898	1,627,410
Motor Vehicles										
Opening Balance	279,000	20.0%	Reduced Method	279,000	223,200	178,560	142,848	114,278	91,423	73,138
Allowance				55,800	44,640	35,712	28,570	22,856	18,285	14,628
Closing Balance				223,200	178,560	142,848	114,278	91,423	73,138	58,511
Furniture/Fittings										
Opening Balance	108,000	12.5%	Reduced Method	108,000	94,500	82,688	72,352	63,308	55,394	48,470
Allowance				13,500	11,813	10,336	9,044	7,913	6,924	6,059
Closing Balance				94,500	82,688	72,352	63,308	55,394	48,470	42,411
Computer and Equipments										
Opening Balance	165,600	25.0%	Reduced Method	165,600	124,200	93,150	69,863	52,397	39,298	29,473
Allowance		-		41,400	31,050	23,288	17,466	13,099	9,824	7,368
Closing Balance		-		124,200	93,150	69,863	52,397	39,298	29,473	22,105
Pre Operating Expenses										
Opening Balance	42,500	10.0%	Reduced Method	42,500	38,250	34,425	30,983	27,884	25,096	22,586
Allowance		-		4,250	3,825	3,443	3,098	2,788	2,510	2,259
Closing Balance		-		38,250	34,425	30,983	27,884	25,096	22,586	20,328
Total Depreciation		-		649,675	560,965	485,430	420,932	365,717	318,338	277,594
Closing Balance	**5,574,300**			4,924,625	4,363,660	3,878,230	3,457,299	3,091,581	2,773,244	2,495,649

Annex 3: Human Resource

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Managing Director	54,000	56,700	59,535	62,512	65,637	68,919
Operations Director	47,250	49,613	52,093	54,698	57,433	60,304
HR & Corporate affairs Director	47,250	49,613	52,093	54,698	57,433	60,304
Finance Director	47,250	49,613	52,093	54,698	57,433	60,304
HR Manager	23,625	24,806	26,047	27,349	28,716	30,152
Security Manager	23,625	24,806	26,047	27,349	28,716	30,152
HSE Manager	23,625	24,806	26,047	27,349	28,716	30,152
Account and Finance Manager	23,625	24,806	26,047	27,349	28,716	30,152
Plant Manager	23,625	24,806	26,047	27,349	28,716	30,152
Production Manager	23,625	24,806	26,047	27,349	28,716	30,152
Marketing and Sales manager	23,625	24,806	26,047	27,349	28,716	30,152
R & D Manager	23,625	24,806	26,047	27,349	28,716	30,152
Electrical Technicians	10,800	11,340	11,907	12,502	13,127	13,784
Mechanical Technicians	13,500	14,175	14,884	15,628	16,409	17,230
IT Technicians	6,750	7,088	7,442	7,814	8,205	8,615
Quality Controlller	12,150	12,758	13,395	14,065	14,768	15,507
Head of Procurement	12,150	12,758	13,395	14,065	14,768	15,507
Machine Operators	54,000	56,700	59,535	62,512	65,637	68,919
Store and Procurement officers	20,250	21,263	22,326	23,442	24,614	25,845
Head of Marketing and sales	24,300	25,515	26,791	28,130	29,537	31,014
Marketing and sales officers	32,400	34,020	35,721	37,507	39,382	41,352
Head of laboratory services	12,150	12,758	13,395	14,065	14,768	15,507
Laboratory technicians	13,500	14,175	14,884	15,628	16,409	17,230
Soil Technicians	20,250	21,263	22,326	23,442	24,614	25,845
Human Resource Officers	16,200	17,010	17,861	18,754	19,691	20,676
Training and personell Officers	8,100	8,505	8,930	9,377	9,846	10,338
Community development Officer	8,100	8,505	8,930	9,377	9,846	10,338
Recceptionist/ Office Assistants	16,200	17,010	17,861	18,754	19,691	20,676
Security Supervisor	8,100	8,505	8,930	9,377	9,846	10,338
Internal security Guards	13,500	14,175	14,884	15,628	16,409	17,230
Safety Coordinator	10,800	11,340	11,907	12,502	13,127	13,784
Environmental Officers	8,100	8,505	8,930	9,377	9,846	10,338
Accountants	24,300	25,515	26,791	28,130	29,537	31,014
Account clerks/Cashiers	8,100	8,505	8,930	9,377	9,846	10,338
Drivers - Trucks	13,500	14,175	14,884	15,628	16,409	17,230
Drivers Folk Lift	8,100	8,505	8,930	9,377	9,846	10,338
Driver Cars	5,400	5,670	5,954	6,251	6,564	6,892
Total	765,450	803,723	843,909	886,104	930,409	976,930

Annex 4: Administration Expenses

	1	2	3	4	5	6
EXPENSES						
Annual Land Lease	330,000	379,500	406,065	434,490	464,904	497,447
Fuel and Oil	72,000	82,800	88,596	94,798	101,434	108,534
Water & Electricity	18,000	20,700	22,149	23,699	25,358	27,133
Travel & Subsistence	48,000	55,200	59,064	63,198	67,622	72,356
Telephone,Postage & Internet	18,000	20,700	22,149	23,699	25,358	27,133
Printing & Stationery	9,600	11,040	11,813	12,640	13,524	14,471
Bank Service Charges	3,600	4,140	4,430	4,740	5,072	5,427
Motor vehicle license	13,200	15,180	16,243	17,380	18,596	19,898
Insurance & Licenses	66,000	75,900	81,213	86,898	92,981	99,489
Professional Fees	15,600	17,940	19,196	20,540	21,977	23,516
Parking Fee	7,800	8,970	9,598	10,270	10,989	11,758
License permit	3,500	4,025	4,307	4,608	4,931	5,276
Housekeeping and cleaning	9,000	10,350	11,075	11,850	12,679	13,567
Uniform + safety Gears	261,000	300,150	321,161	343,642	367,697	393,435
Transport	36,000	41,400	44,298	47,399		
TOTAL	**911,300**	**1,047,995**	**1,121,355**	**1,199,849**	**1,233,122**	**1,319,441**

Annex 5: Operating Costs

	1	**2**	**3**	**4**	**5**	**6**
Nitrogen N	3,663,585	4,579,800	5,724,750	7,155,938	8,944,922	8,944,922
Active ingredients	3,977,775	4,972,738	6,215,922	7,769,902	9,712,378	9,712,378
Potasium - K20	1,557,400	1,947,156	2,433,945	3,042,432	3,803,040	3,803,040
Phosphorus P	766,760	958,500	1,198,125	1,497,656	1,872,070	1,872,070
Micronutirents - Fe, CU,Mg, Zn,…	75,000	103,125	128,906	161,133	201,416	201,416
Electricity	460,000	575,000	718,750	898,438	1,123,047	1,403,809
packaging material	547,564	2,053,363	2,566,704	3,208,380	4,010,475	4,010,475
Solvent and additives	1,327,494	9,956,204	12,445,255	15,556,569	19,445,712	19,445,712
TOTAL	**12,375,577**	**25,145,887**	**31,432,358**	**39,290,448**	**49,113,060**	**49,393,821**

Annex 6: Projected Income Statement

Income Statement Yearly							
Month in YR1	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Revenue from :-							
NPK Blends	9,859,980	12,324,975	15,406,219	19,257,773	24,072,217	24,072,217	24,072,217
Urea AmmoniaBriquettes	6,061,935	16,838,710	21,048,387	26,310,484	32,888,105	32,888,105	32,888,105
0							
0							
Total Revenue	**15,921,915**	**29,163,685**	**36,454,606**	**45,568,257**	**56,960,322**	**56,960,322**	**56,960,322**
Operational Cost							
Labaour cost	765,450	803,723	843,909	886,104	930,409	976,930	1,025,776
Direct costs	12,375,577	25,145,887	31,432,358	39,290,448	49,113,060	49,393,821	49,744,773
Indirect cost	911,300	1,047,995	1,121,355	1,199,849	1,233,122	1,319,441	1,411,802
Profit Before Depr & Int.	**1,869,588**	**2,166,081**	**3,056,984**	**4,191,856**	**5,683,731**	**5,270,130**	**4,777,970**
Less: Capital Charges:-							
Depreciation	649,675	560,965	485,430	420,932	365,717	318,338	277,594
Interest Expense	0	-	0	0	0		
Profit Before Tax	**1,219,913**	**1,605,115**	**2,571,555**	**3,770,925**	**5,318,014**	**4,951,792**	**4,500,376**
Corporate Tax 30%	365,974	481,535	771,466	1,131,277	1,595,404	1,485,538	1,350,113
Net Profit	**853,939**	**1,123,581**	**1,800,088**	**2,639,647**	**3,722,610**	**3,466,254**	**3,150,263**
Retained Earnings	853,939	1,977,520	3,777,608	6,417,255	10,139,865	13,606,119	16,756,383
Net Profit Margin	5%	4%	5%	6%	7%	6%	6%

Annex 7: Projected Cash Flow

Yearly Cash Flow					
	YEAR				
	1	**2**	**3**	**4**	**5**
Cash inflows					
Equity	9,957,500	0			
Loan	0	0			
Profit before Capital Charges	1,869,588	2,166,081	3,056,984	4,191,856	5,683,731
Total Cash Inflows	**11,827,088**	**2,166,081**	**3,056,984**	**4,191,856**	**5,683,731**
Cash Outflows					
Fixed Assets	5,531,800				
Initial working capital	4,425,700	0			
Corporate tax	365,973	481,535	771,466	1,131,277	1,595,404
Loan repayment	0	0	0	0	0
Total cash outflow	**10,323,473**	**481,535**	**771,466**	**1,131,277**	**1,595,404**
Net cash flow	**1,503,615**	**1,684,546**	**2,285,518**	**3,060,579**	**4,088,327**
Cummulative cash flow	**1,503,615**	**3,188,161**	**5,473,679**	**8,534,258**	**12,622,585**

Annex 8: Projected Balance sheet

. Balance Sheet Projections							
DESCRIPTION							
CURRENT ASSETS	1	2	3	4	5	6	7
Cash	1,503,615	3,188,161	5,473,679	8,534,258	12,622,585	16,407,177	19,835,034
Working Capital	4,425,700	4,425,700	4,425,700	4,425,700	4,425,700	4,425,700	4,425,700
Total Current Assets	5,929,315	7,613,861	9,899,379	12,959,958	17,048,285	20,832,877	24,260,734
FIXED ASSETS (NET DEP.)							
Land and Buildings	818,300	801,934	785,895	770,177	754,774	739,678	724,885
Machinery and Equipment	3,626,175	3,172,903	2,776,290	2,429,254	2,125,597	1,859,898	1,627,410
Furniture and fittings	94,500	82,688	72,352	63,308	55,394	48,470	42,411
Motor Vehicles	223,200	178,560	142,848	114,278	91,423	73,138	58,511
Pre Operatin Expenses	38,250	34,425	30,983	27,884	25,096	22,586	20,328
Computer and Accessories	124,200	93,150	69,863	52,397	39,298	29,473	22,105
Total Fixed Assets	4,924,625	4,363,660	3,878,230	3,457,299	3,091,581	2,773,244	2,495,649
TOTAL ASSETS	10,853,940	11,977,521	13,777,609	16,417,256	20,139,866	23,606,120	26,756,384
REPRESENTED BY:							
Equity	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Retained Earnings	853,939	1,977,520	3,777,608	6,417,255	10,139,865	13,606,119	16,756,383
Loan	0.00	0.00	0.00	0		0	0
TOTAL	10,853,939	11,977,520	13,777,608	16,417,255	20,139,865	3,606,119	26,756,383