

BUSINESS PLAN

IN RESPECT OF

**BEATRICE WINERY AND AGRO
BUSINESS COMPANY LIMITED**

P. O. BOX 2774

DODOMA

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1.0 INTRODUCTION

1.1 Background of the business

The founder of this business is Ms. Beatrice Ajex Temu who in 2017 started a 4 acres vineyard at Zuzu village in Dodoma and used to sell grapes to wine producers and some grapes used to ferment and make wine for home use. In 2019 she decided to open a business and was registered under BRELA named Beatrice winery and agro-business co, a sole proprietor. In 2022 she decided to open a winery and started to process bulk wine. The process involved the purchase of grapes from contracted farmers as well as grapes from own farm then processing further through crushing, pressing, fermentation, filtration and storage. In this year 2023 the business was registered as a limited company and has been registered as Beatrice Winery and Agro-business co. ltd with registration number 164 503 461. The business has shown the growth over the period of two years by increase in production and processing from ten tons of grapes to three hundred tons of grapes per year.

Currently, the business has secured several contracts to sell bulk wine to various wine producers and can supply the total litres of 150,000 per year and the volume expected to increase at each subsequent year. For the year 2022-2023 the business managed to sell bulk wine total of 130,000 liters.

Also, on December 2022, the business was licensed to sell bottled wine branded as ZUCHI wine found in five products namely dry red wine, semi-sweet red wine, fortified sweet red wine, dry white wine and sweet white wine. The products are already on the market and is doing great.

The business growth and market demand has forced business to request for expansion of its infrastructure in terms of buildings, machines, storage tanks as well as additional of working capital.

The business has already entered into contracts with a number of local farmers in Dodoma who will sell grapes directly to the Business in order to ensure constant availability of the raw materials to meet the yearly demand of the bulk wine from the client.

The business has projected the total revenue of TZS **335,000,000** and TZS **480,000,000** during the first and second year of operations after the acquisition of the machine, tanks, and building additional warehouse for production of the bulk wine and fine bottled wine.

1.2 Ownership

The Main shareholders of this Business is Ms Beatrice Ajax Temu and another director is Mr. Edward John Kessy. The Business has invested in the production of the wine through acquisition of land in the strategic area, construction of water infrastructures and will install the heavy duty machine for production of wine. All these assets are owned by the business for production of the wine.

Shares Distribution

Total number of shares taken is 80 shares only

S/N	Name	Number of shares
1	Beatrice Ajax Temu	70
2	Edward John Kessy	10

1.3 Investment Objective

The primary investment objective is to produce best brand of wine that will meet consumers' demand.

1.4 Main business activities/products

The Business has diversified its portfolios into two major business lines namely: -

1.4.1 Cultivation of grapes for production wine – This involves cultivation of grapes in the business farm and will be used as the raw materials for the production of bulk wine.

1.4.2 Production of Bulk of Bulk wine – This will involve the production of bulk wine through heavy duty machine using the raw materials from company's farms and from the local farmers

1.4.3 Bottling of wine – The process involves putting of wine in containers for selling and categorizing according to type of wine.

Additional income

The business also has the below activities which add up income to business

i. **Dairy farming** – Total of six cows that gives 30 liters of milk per day

1.5 Investment Costs and source of finance

- The cost of investment is at USD 448,800 where by USD 269,300) is from shareholders equity and USD 179,500 is from external financing (bank facility)

Investment Breakdown

Item	Investment in USD
Land/ Building	284,085.4
Plant	34,880.88
vehicles	38,756.53
Furniture&Fittings	13,564.78
Working capital	77,513,07
TOTAL	448,800

1.6 Project Implementation Schedule

S/N	MAIN ACTIVITY	ACTIVITY	RESPONSIBLE	DURATION	COMMENT
1.	Designing and building	- Establish project team	Project management	From 1 st March 2023 to 30 th April 2023	
		- Designing warehouse layout	Project team	From 1 st March 2023 to 30 th April 2023	
		- Construction of a ware house		From November to May 2024	
2.	Purchase of Stainless-	- Get the proforma invoice from supplier	- Management	From 1 st March 2024 to 30 th March 2024	

	steel tanks	- submitting to funding bank	- TADB	- 1st April 2024	
		- purchase of Tanks	Management and TADB	- June 2024	
		- receipt of tanks	Project team	- June 2024	
		- installation of tanks	Project team	- August2024	
3.	Purchase of Presser Machine- Heavy duty.	- Get the proforma invoice from supplier	Management	From 1st March 2024 to 30th March 2024	
		- submitting to funding bank	TADB	1st April 2024	
		- purchase of machine	Management and TADB	June 2024	
		- receipt of machine - installation of machine	Project team	August 2024	

2.0 BUSINESS DESCRIPTION

2.1 Main business activity

The business conduct both farming of grapes and production of bulk wines and bottling of wine in Dodoma. The Business has established well organized facilities to ensure the smooth production of wine and sufficient yields of grapes from the farm. The business has also established a marketing, administrative, and distribution office to enhance customer accessibility. Having secured the contract to supply all the production of bulk wine to Alko Vintage Co. Limited, the business has ensured the constant market of its products.

2.2 Location and legality

The business main office is located at Zuzu ward, Majengo street- Dodoma.

2.3 Products description

2.3.1 Products:

The business deals with cultivation of grapes and production of wines in large scale. The brand name for bottled wine is called ZUCHI WINE found in five different products namely, Fortified sweet red wine, sweet red wine, dry red wine, dry white wine and sweet white wine.

MARKET

3.0 Major customers

The business has managed to win the top end customer who will purchase all the wine to be produced by the business during the year. The business has signed a contract with the company known as Alko Vintage Co. Limited which will buy 100,000 liters of the bulk wine per season.

The business also sells the bottled wine in the name of Zuchi wine to whole sale liquor shops around regions in Tanzania.

From the year 2022 to March 2023 total liters sold were 132,073 as bulk wine and 7,000 liters as bottled wine.

3.1 Major suppliers

The business major suppliers of the raw materials are the local farmers in Dodoma and own cultivation form the business owned farm. To ensure constant supply of the raw materials the business has signed the contracts with the local farmers will provide the required tons of grapes during the year.

3.2 Competition

The company still enjoys very low competition in the market as it has signed the contract to sell all the out to the Alko Vintage Co. Limited. The company has all the strategies to ensure the quality of wine which will meet the requirements of the customer. Nevertheless, the company has competitive advantages compared to his competitors such as;

- Business experience of over 2years
- Good relationships with suppliers and customer
- Building strong customer loyalty through relationship selling.
- Offering reliable and quality product
- Timely delivery
- Very happy, specialist, and committed sales, technicians and Management team

3.3 Social and economic contribution/Job Creation

Since the business started in 2022 total of 44 farmers sold their grapes to the company and total of TZS 307,301,020 was paid to customer for purchase of grapes amounting to 289.3 tones. This contributed to the growth of income of the farmers.

Total women who sold their grapes to our company were 8 and youth were 18 and we are encouraging more women and youth to involve in grape production as one of our directors' motives to empower women and youth for social and economic wellbeing.

The company has employed 12 contracted staff and more that 10 wages staff. There are 10 agencies working in regions within the country which also has employed more than 20 staff.

3.4 SWOC analysis

The company considers the following to be her strengths, weaknesses, opportunities and challenges:

Strength	Weakness
<ul style="list-style-type: none">• High quality products• Relationship selling of products and services• Committed sales team• High experience in the business• Special technical know	<ul style="list-style-type: none">• Lack of adequate working capital• Small but growing operational staff

Opportunities	Challenges
<ul style="list-style-type: none"> • Increasing population growth with relatively increasing demand • Very few competitors. • Credibility with banks for financial leverage 	<ul style="list-style-type: none"> • Climate changes which affects the grapes cultivation • Potential entrants in the market due to lucrative profits and untapped potentials

4.0 MANAGEMENT AND SUCCESS PLAN

The Business is managed by the managing director Ms. Beatrcie Temu and supported by outsourced Tax Consultant and Auditor CPA Musa Solomon who manage the financial management of the business from year 2022.

4.1 Management Resume

BEATRICE AJEX TEMU		
1.	CURRENT POSITION	Managing director of Beatrice winery and Agro-business company Limited.
2	EDUCATION	Holder of Advanced Diploma in Business Management
3.	PROFESSIONAL PROFILE	Experienced manager with over 15 years Of working in commercial institution, experienced in leading teams and a marketing professional
4	CAREER SUMMARY	<p>2006-2019 - Worked with Barclays Bank in various positions including cash management, Team leader and Marketing and customer experience senior officer.</p> <p>2019 up to now – Managing director of Beatrice winery and Agro business co. ltd leading all company business vision, plans, objectives and strategies.</p>

CARLOS WALTER MWAIKAMBO		
1.	CURRENT POSITION	Head of Human Resource - Beatrice winery and Agro-business company Limited.
2	EDUCATION	Holder of Advanced Diploma in Accountant – Tanzania Institute of Accountancy.
3.	PROFESSIONAL PROFILE	Experienced manager with over 16 years Of working in commercial institutions.
4	CAREER SUMMARY	<p>2007-2014 - Worked with Stanbic Bank as Head of service support. Supporting all branch operations, cash management, people management, service management and sales management.</p> <p>2014-2019 – Branch Manager, ABSA Bank. Experienced in Business management, Process and procedure management, people management, asset management and Marketing Management.</p>

MESHACK YOTHAM		
1.	CURRENT POSITION	Production Manager of Beatrice winery and Agro-business company Limited.
2	EDUCATION	Holder of BSc in Bioprocess and Post-Harvest Engineering (BPE), From Sokoine University of Agriculture (SUA)
3.	PROFESSIONAL PROFILE	Experienced manager in wine production, supervision experience and quality management of products.
4	CAREER SUMMARY	<p>2006-2019 - Worked with Dane holding co. ltd as a production manager for 2 years</p> <p>2019 up to now – Production Manager, managing all area of production from farm to processing of grapes to wine. Managing stock and monitoring of products trend on market. Managing direct reports and casual labour</p>

5.0 FINANCIAL PLAN

5.1 Sources of funds

The major sources of funds for the business are shareholders' capital, retained profit and bank's credit facilities.

5.2 CAPEX and Equipment Requirements

The Business wishes to request a term loan facility of TZS 700,000,000 from Financing Bank. The facility shall be used to cover for the following activities

S/N	Capex requirements	Amount
1.	Addition of sophisticated Machine for Wine processing Addition of Tank for wine storage.	700,000,000

5.3 Projections

Cash flow projections indicate that with the term loan facility made available, the business will be able to meet customers' demands and service the maturing obligations without any financial difficulties. The business will be able to accumulate cash at the end of each month and by year end with minimal repayment risks foreseen.

6.0 EXPECTED RISKS

Due to the reality that the businesses operate in the fragile economy of Tanzania, isunavoidably subjected to different risks. Some being;

6.1 Industry Risk

The businesses are subjected to various industry risks especially in the sourcing of tax laws and regulations from Government authorities. The nature of activities

the company deals with attracts new entrants, Government scrutinization, and potential import barriers for raw materials. The beverage industry has been constantly affected by increase of the excise duty taxes each year from the government

6.1.1 Growth Prospects

The beverage industry is subjected to uncertainty of the raw of materials, especially in Tanzania, where most of the farmers are affected by the climate changes that hinders. Nevertheless, the industry is projected to continue growing for many more years due to the fact that there is ever increasing demand of the beverage specifically the wine. Also, the population is ever increasing estimated to be around 57 million which automatically will keep on necessitating increase the demand of the wine.

The main concern as the setback for the industry growth would be the declining economy as well as increasing taxes on the raw materials which would slow down the pace, which currently is something of less concern.

6.1.2 Power of Suppliers and Buyers

The main challenge in production of wines and cultivation of grapes is availability of the raw materials due to the risk of drought.

6.1.3 Competitive threats

Competition is unavoidable due to attractiveness of the wine business in Tanzania. However, the business and owner have secured the contract to supply the bulk wine to Alko Vintage Compnay Limited. The contract will be renewable every year and has no limitation on bulk wine supply. The business as well invests in new technology and staff knowledge to bring out the best products that will win the market.

6.1.4 Risk of Product Substitution

The risk of product substitution is moderate especially in the wine products because of the location and capital invested by the Owner hence puts the business in the driving seat in terms of dominating the market.

6.1.5 Barrier to entry

The nature of the industries the business engages is free market economy whereby there is no barrier to entry into the market. Even though the industries are free to entry, there are very few entrants into the market because the products produced involves special technical knowhow which very few people possess them hence creates a kind of barrier to entry and allow the few players enjoy the large market share as elaborated prior.

6.2 Economic risk

The major economic risk is that of the recession happening in either Tanzania or in any country this can affect our business but it is not in the company's control. Many of the economies in the world are currently facing the shakeup of their economies as the result of COVID – 19 effects, then most of the individual and companies have reduced their expansion plan after being affected by Covid-19. In addition, the climate changes will affect the availability of timber in the future, hence affect our business line.

6.3 Management Risk

The decision making by the management is the key for the effecting running of the business. Improper financial management, unethical behaviors, ineffective or underperforming management may result into failure to meet entities/businesses' goals and thus slows down growth of the industry. The company has deployed as robust system whereby management is well following principles of good governance and has established check and balance mechanism for proper running of the

company.

7.0 SOCIO-ECONOMIC FACTORS

The business is advantageous not only to the company but also the national economy and society in general.

7.1 Economic

- **Boost Economy:** the business plays an important role in the development of Tanzania economy through supporting the local small farmers by buying their products at the good price
- **Revenue generation:** It will not only generate revenue for itself but also to the nation through direct and indirect taxation.
- **Strengthening related business:** This play an important role in supporting other related business Activities, since it is a continuing business.

7.2 Social

- **Employment:** Further the project provides useful employment both direct and indirect.

8.0 CONCLUSION AND RECOMMENDATION

Technical analysis of the business shows that is financially viable and economically justifiable.

- **Managerial analysis** also shows that the business management is well experienced in the industry with sound characters, unquestionable credibility and goodwill.
- **Socio-Economic analysis** depicts that the business is of interest of the company and National economy at large.

PROJECTED CASHFLOW FOR 24 MONTHS STARTING April 2023

Assumptions:

Term loan facility of TZS 700,000,000 with tenure of 60 months at 10% annual interest rate

The loan will be repaid every month.

The business environment will continue to be stable

The business grows on average of 10%

ALL FIGURES IN TSHS.'000'

BEATRICE WINERY AND AGROBUSINESS COMPANY
DODOMA
PROJECTED CASH FLOW STATEMENT FOR THE PERIOD OF MONTH1 TO MONTH 12:

Particulars	April	May	June	July	August	September	October	November	December	January	February	March	TOTAL
	2023	2023	2023	2023	2023	2023	2023	2023	2023	2024	2024	2024	
Inflows:	Tshs.'000	Tshs.'000	Tshs.'000	Tshs.'000	Tshs.'000	Tshs.'000	Tshs.'000	Tshs.'000	Tshs.'000	Tshs.'000	Tshs.'000	Tshs.'000	
Bulk Wine	41,000	41,000	46,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	497,000.00
Cash sale of wine	72,000	72,007	79,000	79,008	79,016	79,024	79,032	79,040	79,047	79,055	79,063	79,071	934,362.79
Bank Loan		700,000	-		-	-	-	-	-	-	-	-	700,000.00
Total Inflow	113,000	813,007	125,000	120,008	120,016	120,024	120,032	120,040	120,047	120,055	120,063	120,071	2,131,362.79
Outflows:													
Purchase of Graps	62,150	62,154	68,750	66,004	66,009	66,013	66,017	66,022	66,026	66,030	66,035	66,039	787,249.54
Farm Preparation and Maintenance Costs	9,250	9,250	9,250	9,250	9,250	9,250	9,250	9,250	9,250	9,250	9,250	9,250	111,000.00
Salaries and wages	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000.00
Transport	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000.00
Business licence	285												285.00
Bank charges	250	250	250	250	250	250	250	250	250	250	250	250	3,000.00
Water and electricity	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000.00
Telephone and communication	260	260	260	260	260	260	260	260	260	260	260	260	3,120.00
Security	175	175	175	175	175	175	175	175	175	175	175	175	2,100.00
Cleaning	155	155	155	155	155	155	155	155	155	155	155	155	1,860.00
Insurance	200	200	200	200	200	200	200	200	200	200	200	200	2,400.00
Accounting and legal expenses	250	250	250	250	250	250	250	250	250	250	250	250	3,000.00
Loan repayment	12,800	12,800	12,800	12,800	12,800	12,800	12,800	12,800	12,800	12,800	12,800	12,800	153,600.00
Packaging and Distribution Costs	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000.00
Hiring costs	1,250	1,275	1,301	1,327	1,353	1,380	1,408	1,436	1,465	1,494	1,524	1,554	16,765.11
Repair and Maitenance costs	145	145	145	145	145	145	145	145	145	145	145	145	1,740.00
Purchases of Machine		200,000											200,000.00
Extension of Whine Facility		420,000											420,000.00
Purchases of Tanks		80,000											80,000.00
Tax expenses		-	1,000			1,000			1,000			1,000	4,000.00
Miscellaneous Expenses	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000.00
Total cash outflow	104,670	804,414	112,036	108,316	108,347	109,378	108,410	108,443	109,476	108,509	108,544	109,578	2,000,119.65
Changes for the year	8,330	8,593	12,965	11,692	11,669	10,646	11,622	11,597	10,572	11,546	11,520	10,493	131,243
Opening Balance	54,000	62,330	70,923	83,888	95,580	107,249	117,894	129,516	141,113	151,685	163,231	174,750	185,243.15
Closing Balance	62,330	70,923	83,888	95,580	107,249	117,894	129,516	141,113	151,685	163,231	174,750	185,243	316,486

DIRECTOR.....

DATE.....