

BUSINESS PLAN FOR
AM JOLDAN
LIMITED

Posta Street, Makambako Road

Njombe CBD, Njombe Region

P.O BOX 79,

NJOMBE.

TANZANIA

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EXECUTIVE SUMMARY

AM JOLDAN LIMITED is a private registered company with limited liability, incorporated on 17th day of March 2017 under the Companies Act, 2002 of the Laws of United Republic of Tanzania. The Company's head office is located at Posta Street, Makambako Township within Njombe District CBD in Njombe region with P.O Box 79. The primary objectives of the company amongst others include but not limited to; establish and own an industry for the production, packaging and distribution of maize meal. To establish and own manufacturing industries for the production of animal feeds. To carry on in Tanzania or elsewhere the trade business of brokerage in cereals and grains, also to carry on business as importers, exporters, packers, suppliers, distributors, general merchants, buyers and sellers worldwide of agriculture produce The company is under the ownership of Tanzanian citizens Mr. Anton Musa Mkane and Mr. Fenick Lunanilo Mkane.

Following a successful performance in agriculture sector particularly on post-harvest crop activities, AM JOLDAN Limited envisage to establish a transportation and post-harvest handling of agriculture produce in Southern Highlands zone and Tanzania at large. The company is committed to establish a well-connected transportation and logistical arrangements in agriculture sector by facilitating transportation and handling of cereals, grains and fresh horticulture produce providing an end-to-end service from crop producers to consumers.

1. INTRODUCTION

1.1 Background of the Project

This document is prepared to serve as a Business Plan report and operating roadmap for AM JOLDAN Limited for the investment in the Agriculture sector in the United Republic of Tanzania.

1.1.1 Project Location

The project shall be located in Njombe Region, Tanzania and the outreach offices are located at Posta Street, Makambako road, Njombe CBD, Njombe Region-Tanzania. The company will bear the following postal address

AM JOLDAN LIMITED,

P.O BOX 79,

NJOMBE CBD,

NJOMBE.

TANZANIA.

1.1.2 Intended Investment Capital

The company intends to invest as estimated total amount of TZS 10,000,000,000/= (ten billion Tanzanian Shillings). The invested amount will cover for the working capital, importation of materials and other goods as well as to cover for other company expenses in day-to-day operations. More so, the invested amount may increase from to time subject to corporate demands on expenses. However, it is within the company policy that the profit realized will be re-invested.

1.1.3 Statement of Purpose

This profile is drafted for purposes of continuation of the business and application for the Certificate of Incentives from the Tanzania Investment Centre.

1.1.4 Purpose of Investment & Expected results

This document is prepared to serve as a feasibility study for AM JOLDAN Limited on the continuation of an established Agricultural operational company in the United Republic of Tanzania. In the course of implementation, the investment will positively with the community and achieve the following;-

- Ensure expansion of Agricultural activities in Tanzania, East Africa and the whole of Africa.
- Increase direct employment opportunities
- Direct Domestic Investment of more than USD 1000,000 within 2024-2025
- Increase tax contribution to the Government through Tanzania Revenue Authority and other authorities.
- Generate foreign income
- Increase the country's market economy and competition in the worldwide market.

1.2 Project Promoter

1.2.1 Background

The project promoter for this project is AM JOLDAN Limited, which is a private owned company with a limited liability. The company was incorporated on the 17th day of March 2017 with incorporation number 133597, under the Companies Act, 2002 of the Laws of United Republic of Tanzania. The company's head office are located Posta Street, Makambako Township, and Njombe CBD in Njombe region. The primary objectives of the company amongst others include but not limited to; establish and own an industry for the production, packaging and distribution of maize meal. To establish and own manufacturing industries for the production of animal feeds. To carry on in Tanzania or elsewhere the trade business of brokerage in cereals and grains, also to carry on business as importers, exporters, packers, suppliers, distributors, general merchants, buyers and sellers worldwide of agriculture produce.

Currently, the company has immersed itself in buying and selling of maize and other agriculture produce, operating warehouse facilities for agriculture produce storage in

Njombe region. Primarily the company owns a number of operative businesses including but not limited to;

- End-to-end merchandise of maize and production of maize meal.
- Importation and exportation of cereals, grains and other agriculture produce.

1.2.2 Ownership Structure

The authorized share capital of the company is Tsh.1, 000,000,000/= (One billion Tanzanian shillings) divided into 10,000 shares of Tsh.100, 000/= (one hundred thousand Shillings each) nominal value each. Total number of subscribed and paid share is 5100 shares, valuing Tsh. 510,000,000/= (five hundred and ten million shillings). The company is fully owned by Tanzanian citizens namely Mr. Anton Musa Mkane (90.2%) and Mr. Fenick Lunanilo Mkane (9.8%). (**Table 1.2.2 Capital Shareholding Structure**)

S/N	Name of Shareholder	Number of Shares
1.	ANTON MUSA MKANE	4600
2.	FENICK LUNANILO MKANE	500

1.3 Objectives and Key Statements

1.3.1 Vision Statement

To operate a sustainable transport and logistic company in agriculture sector that provides solid return on economic growth and job creation.

1.3.2 Mission Statement

To grow into one of the best agricultural, transport and logistic company in handling of cereals, grains and horticulture produce. Adopting modern technology and mechanization to swiftly handle and transport cereals, grains and fresh farm produce inclusive of horticulture products in an environmental friendly manner and maximize profit.

1.3.3 Objectives

The primary objective of the project promoters is to operate and end-to-end crop and horticulture handling, transportation and other related logistical arrangements. Specifically the objectives of the promoter include but not limited to the following;

- Become the most prominent dealers and transporter of Agricultural materials in the United Republic of Tanzania and other parts of Africa.
- To prepare and implement human resource policies which encourage and reward individual and unified effort and achievement, provide training and personal development opportunities and create a working environment in which staff can feel a real sense of job involvement.
- Build relationships with investors in the Agricultural Sector.
- Achieve levels of profit sufficient to provide for reinvestment and suitable returns to shareholders and investors
- Seek to comply with all statutory legislation and other external relevant authorities. Define and keep under review Company policy, allowing flexibility for local content requirements.
- Adopt best commercial practice and ethical standards in dealing with clientele, suppliers of goods and services and other contacts.
- To provide a one–stop solution covering the entire spectrum of Agricultural Sector

2. AGRICULTURE SECTOR IN TANZANIA

Agriculture is the mainstay of the Tanzania's economy as it is the main source of food, employment, raw materials for industries, and it is a source of foreign exchange earnings. Since Tanzania is endowed with big and fertile agricultural land, diversity of climatic and geographical zones, farmers are able to engage in crop production, livestock production and fish farming. Agriculture sector accounts for 26.9% of the country's GDP, roughly 33.3 trillion Tanzanian shillings (TZS), around 13.13 billion U.S. dollars, to Tanzania's Gross Domestic Product (GDP) in 2023. Compared to the previous year, the sector's value increased slightly by 4.2 percent. Tanzania had nearly 40 million hectares of agricultural land in 2021, which corresponded to roughly 45% of the country's total land area. The sector has created over 65.6% of employment opportunities and contributed 65% of industrial raw materials for the year 2023. Tanzania is known for exportation of minerals, crops and horticulture produce in East Africa and to the world at large. Gold and diamond was the main export from Tanzania in 2023, reaching an export value of nearly 2.3 billion U.S. dollars. Exports of manufactured

goods amounted to 908.6 million U.S. dollars, while cashew nuts exports added 360 million U.S. dollars to the Tanzanian merchandise trade balance. From cereals and grains, Tanzania's agriculture is also featured with cultivation of horticulture produce in different ecological zones including but not limited to coastal plains, northern zone, Lake zone, southern highlands in the regions of Njombe, Iringa and Mbeya. According to Tanzania's 2025 Development Vision, investments in the Agricultural sector, particularly in the development of the Agricultural sector, are among the Government's top priorities.

2.1 Project Justification

The proposed project is under the management of AM JOLDAN LIMITED and is in line with the Tanzania Government's efforts in an attempt to revamp the Agricultural sector. This also has been complemented by the fact that the government is making a critical effort in improving the Agricultural sector, by implementing Agricultural policies and other local content regulations to ensure an ultimate aim of improving the business environment for all Agricultural companies operating in the land of the United Republic of Tanzania.

The initiative undertaken by AM JOLDAN Limited, is justified by the following facts:-

- The Company have a special invested interest in the Agricultural industry therefore, the establishment of a company carrying its Agricultural business activities as its main activities.
- The involvement of the company in the Agricultural sector will boost the Country's economy, and at the same time strengthen the Agricultural sector in Tanzania. The Company's marketing strategy and intention is to have a wide customer base both locally and internationally which focuses on solving private and public companies' Agricultural issues.

2.2 Social and Economic Impact of the project

The proposed project will result in the following social and economic impacts:

- Improve and increase the Agricultural sector through its Agricultural transportation activities towards producing various Agricultural products to export and selling from within the geographical boundaries within and outside the United Republic of Tanzania.

- Increased competitiveness among local agriculturalists and export markets in Tanzania.
- The project will provide employment for people in Tanzania and training the employees to further improve and enlarge their knowledge of the agricultural industry in general.
- The Government and other agencies will benefit from various taxes, fees, and commissions that will be paid to the Treasury, etc. by this Company

3. Industrial Analysis

i. Sales Literature

The company shall use different materials and training about their services to customers including but not limited to specification sheets, brochures, catalogs, and other materials.

ii. Technology

The company aims to produce, and transport agricultural materials, and the technology that is expected to be used in the entire processing phase shall include materials such as machines both imported and locally obtained materials together with advanced machinery for processing Agricultural activities.

iii. Competitive Edge

The company will gain a greater advantage compared to its competitors in the agricultural sector due to the following reasons: -

- **Quality of Crop Processing:** The crops produced and processed by the company will be of higher quality, with greater production capacity, compared to other competitors in the sector. This will enable the company to offer better quality products in the market.
- **Affordable Service Prices:** While many agricultural and crop processing companies charge high prices for their services, this company will offer services at more affordable prices. This will help expand the market for both local and international

customers while ensuring compliance with all the required policies and regulations for operations in Tanzania.

- Opportunities for International Investment: The opening of Tanzania to international investment in the agricultural sector will create a high demand for agricultural and crop processing projects. This will provide a large market for the company, ensuring a return on investment in a short period.

For these reasons, the company will be well-positioned in the market, surpassing its competitors, and achieving success at a faster rate.

a. Opportunities

a. Increased demand for Agricultural activities

Tanzania now is witnessing an increase in the economy due to having the best agricultural prices in the agricultural sector due to increased demands both in and outside Tanzania, and better facilities. Despite that Tanzania has also executed several international agreements to ensure the development and improvements of the Agricultural business in Tanzania.

b. Uniqueness of location of the project

AM JOLDAN LIMITED's project will be one of the best agricultural companies with its activities located at Njombe – Tanzania. The location of this project provides an opportunity for **AM JOLDAN LIMITED** to capture easily the market around regions rich in good soils for the best production of crops to export outside Tanzania and other Regions such as Dar es Salaam Region and even extending its borders to the new road that connects to Morogoro and other central regions of other parts of Tanzania.

c. Government Policy

The Government of Tanzania has made various policies, laws, and regulations that intend to improve and promote the Agricultural sector locally and across borders.

d. Government Incentives package

The Government has enacted laws that offer reasonable incentives example removal of taxes on some importations and deferment.

4. SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats)

The table below presents the analysis of the company's Strengths, Weaknesses, Opportunities, and Threats (SWOTS)

Strengths <ul style="list-style-type: none">• Availability of Markets• Connection to stakeholders• Provision of incentives and accessibility to markets and stakeholders• Access to reliable high technology such as standard equipment that simplifies the entire procedure	Weaknesses <ul style="list-style-type: none">• Capital Injection
Opportunities <ul style="list-style-type: none">• Good government suitable facilitative policy.• Government development of the sectors and huge demand for the services	Threats <ul style="list-style-type: none">• Unawareness of the new entrants in the industry in the same location• Increment of inflation

The company has prepared for the action plans by doing the following: -

5. Marketing Information

The company will employ qualified people to conduct the marketing of the processed Agricultural products.

5.1.1 Overview

The success of **AM JOLDAN LIMITED** will be achieved by providing high-quality services, providing friendly service, and employing an aggressive marketing plan to build customer traffic. Today's market requires more than just agricultural services to make **AM JOLDAN LIMITED** successful.

AM JOLDAN LIMITED will constantly strive to enthusiastically win more customers by being proactive rather than reactive in our marketing efforts. Management will endeavor to create and maintain a positive, appealing image for the customers. This image will be consistently portrayed throughout all marketing channels and sales promotions. The following exemplifies some of the tactics we will use to drive more sales and distribution.

5.1.2 Customer Database

AM JOLDAN LIMITED will aggressively seek to build a database of Customers. Customers will have an opportunity to be included in the database so they can participate in sales promotions such as birthday or anniversary cards; email notification of upcoming specials; discounts; etc. The database will be gathered and maintained in the system. **AM JOLDAN LIMITED** will gather names in a variety of manners including staff requests; business card drop for free lunch; guests' signup book with promotional signage; promotion; etc.

5.1.3 Advertising

AM JOLDAN LIMITED will adopt an aggressive advertising strategy. Also, we will process outdoor and changeable copy advertisement and elaborate design signage depending upon lease space restrictions; designed within allowable limits to achieve maximum exposure. **AM JOLDAN LIMITED** will utilize both traditional non-- traditional methods of advertising. Management's viewpoint on advertising is stated in your own words, and the philosophy, also we will adopt the use of traditional advertising such as radio, newspaper,

billboards, or television to reach the best customers in and outside Tanzania to increase the entire market.

5.1.4 Costing and Pricing

The costing and pricing are done by the management of **AM JOLDAN LIMITED**. The costing takes into consideration various aspects depending on the cost that has already been incurred, inflation factor, and Operating costs. The project promoters of the company have been in business for a long time i.e., they are business-oriented personnel and thus they are competent to ensure the project is implemented with maintainable costs and attractive profits.

5.1.5 Customers

AM JOLDAN LIMITED is targeting all regions in Tanzania and the whole of East Africa specifically targeting companies, businesses, and individual customers.

5.1.6 Marketing Plan

The company has both short-term and long-term marketing plan:

The short-term marketing plan includes:

- Building sustainable long-term relationships with customers, suppliers, and investors.
- Training of sales staff sales and Marketing.

Long Term Plans includes:

- Join the network of Agricultural processing companies to market to exploit more business opportunities.
- Investing in Market Research and Development

6. Management & Administration

a. Management

The management team of **AM JOLDAN LIMITED** planned to be constituted by the following management team: -

i. Board of Directors

AM JOLDAN LIMITED will be managed by the board of Directors, which is the apex body for strategic decision-making of the project in line with the resolutions from the shareholders.

ii. Accountant

An internal accountant will be employed to work with the existing external accountant who is expected to have good experience in the accounting system as well he will be responsible for managing the cash of **AM JOLDAN LIMITED**, but also keeping books of accounts properly.

iii. Management Agreements

Management Agreements will be executed between **AM JOLDAN LIMITED** and other team managers. The purpose of these agreements is to define the expectations of both parties, establish an incentive structure, and define the grounds under which the agreement may be terminated.

iv. Confidentiality Agreements

AM JOLDAN LIMITED will enforce that all employees sign a confidentiality agreement. Confidentiality agreements with our employees and partners will protect our Agricultural processing business, operating systems, policies, and procedures. Having a confidentiality agreement in place is essential to protect the company's trade secrets and show our employees that we take our business seriously.

v. Organization Structure

The management of **AM JOLDAN LIMITED** is planning to have the following organizational structure.

vi. Job creation

The following table illustrates the forecasted job creation throughout the coming five years

Job Title /Year	2024	2025	2026	2027	2028	Total
Country Manager	1	0	0	0	0	1
Finance Manager	1	0	0	0	0	1
Office Manager	1	0	0	0	0	1
Sales Manager	1	0	0	0	0	1
Operations Manager	3	0	0	0	0	3
Drivers	30	0	0	0	0	30
Mechanical Technician	5	0	0	0	0	5
Grand Total	210	0	0	0	0	210

Appendix I

AM JOLDAN LIMITED - PROJECTED INCOME & EXPENDITURE STATEMENT (TZS)

	1	2	3	4	5	6
Revenue	6,560,000.00	6,625,600.00	6,691,856.00	6,758,774.56	6,826,362.31	6,894,625.93
Operating Expenses:	5,576,000.00	5,631,760.00	5,688,077.60	5,744,958.38	5,802,407.96	5,860,432.04
Profit before Depreciation &Interest	984,000.00	993,840.00	1,003,778.40	1,013,816.18	1,023,954.35	1,034,193.89
Interest						
Depreciation	246,000.00	246,000.00	246,000.00	246,000.00	246,000.00	246,000.00
Net Profit	738,000.00	747,840.00	757,778.40	767,816.18	777,954.35	788,193.89
Tax (30%)	221,400.00	224,352.00	227,333.52	230,344.86	233,386.30	236,458.17
Profit After Tax	516,600.00	523,488.00	530,444.88	537,471.33	544,568.04	551,735.72
Accumulated Profit	516,600.00	1,040,088.00	1,570,532.88	2,108,004.21	2,652,572.25	3,204,307.97

AM JOLDAN LIMITED - PROJECTED CASH FLOW IN TZS

YEAR	0	1	2	3	4	5	6
SOURCES:							
Profit before interest and depreciation	0	984,000.00	993,840.00	1,003,778.40	1,013,816.18	1,023,954.35	1,034,193.89
Equity	4,200,000.00	-	-	-	-	-	-
Loan	-	-	-	-	-	-	-
Total Sources	4,200,000.00	984,000.00	993,840.00	1,003,778.40	1,013,816.18	1,023,954.35	1,034,193.89
Applications	-	-	-	-	-	-	-
Capital expenditure	3,150,000.00	-	-	-	-	-	-
working Capital &Others	1,050,000.00	1,050,000.00	1,050,000.00	1,050,000.00	1,050,000.00	1,050,000.00	1,050,000.00
Cash	0	735000	751,905.00	769,198.82	786,890.39	804,988.87	823,503.61
Tax	-	221,400.00	224,352.00	227,333.52	230,344.86	233,386.30	236,458.17
Sub total	4,200,000.00	984,000.00	993,840.00	1,003,778.40	1,013,816.18	1,023,954.35	1,034,193.89
Total applications	4,200,000.00	984,000.00	993,840.00	1,003,778.40	1,013,816.18	1,023,954.35	1,034,193.89
Accumulated cash		735,000.00	1,486,905.00	2,256,103.82	3,042,994.20	3,847,983.07	4,671,486.68

Appendix III

FINANCING PLAN FOR AM JOLDAN LIMITED - FOR THE NEXT 5-YEAR TERM

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Revenue (USD)	200,000	200,000	200,000	200,000	200,000	1,000,000
Debt (USD)	200,000	200,000	200,000	200,000	200,000	1,000,000
Self-Financing (USD)	200,000	200,000	200,000	200,000	200,000	1,000,000

Investment Breakdown	Tshs.M
Land/Building	25,000,000.
Plant	25,000,000.
Vehicles	25,000,000.
Furniture & Fittings	7,500,000.
Pre-expenses	4,500,000.
Others	4,000,000.
Working Capital	9,909,000,000.
TOTAL	10,000,000,000.