



# HIGHLAND HOLDINGS (TZ) COMPANY LIMITED

## INTRODUCTION

**Applicant:** Highland Holdings (TZ) COMPANY LIMITED

**Location:** Kikombo Village, Mafinga Town Council, Mufindi District, Iringa Region. About 15km from Mafinga town Centre

**Size:** Over 1250 Acres (un-surveyed area)

**Main Investment:** Agroforest and Livestock

## PLANNED ACTIVITIES OF THE FARM

The selected activities are designed to advance the integrated regenerative vision, fostering a sustainable environment where both ecosystems and humanity can flourish for generations to come.

### Livestock breeding and Rearing

The comprehensive livestock plan encompasses the breeding and raising of various animals, including cattle, goats, pigs, and poultry. This initiative promises significant contributions to soil restoration, organic matter regeneration, and the enhancement of local hydrology.

The resulting product will address the pressing need for protein in the nearby Mafinga population and neighboring cities. Furthermore, it presents an opportunity to establish a thriving meat and dairy processing industry in the region.

The goal is to raise between 300 and 500 heads of diverse livestock to fulfill both the ecological regeneration objectives and the demands of the protein market.

Additionally, the community will benefit from having access to healthy, chemical-free food options by using the composted manure that these animals produce to grow organic vegetables and fruits.



**Horticulture: 100% Organic products (chemical-free vegetables)**

Horticulture is dedicated to providing 100% organic products, ensuring chemical-free vegetables. Our approach encompasses organic, chemical-free cultivation of vegetables, fruits, and flowers, utilizing greenhouses and drip irrigation techniques. By optimizing hydrology and utilizing onsite organic fertilizers sourced from livestock, composted manure, and organic produce, we establish fields where freshness thrives.

Water from boreholes or rainwater catchment ponds will nourish these fields and gardens. This ensures a consistent supply of fresh, organic, and health-enhancing vegetables and fruits throughout the year, addressing the scarcity of such produce in the market, particularly in urban areas where demand is high. Our farm, situated near Mafinga town, is well-positioned to satisfy the community's need for the freshest and healthiest farm produce.

**Harvesting and Processing of UAPAKA Kirkiana (Mikusu)**

Over the years, the indigenous people of the southern highlands have traditionally consumed Mikusu fruits. The farm's soil naturally supports the growth of Mikusu trees in large numbers, leading to abundant fruit production. However, due to the seasonality and high perishability of these fruits, we have initiated pilot processing over the past two years. We produce syrup and vinegar



growth  
without

any additives. This has successfully added value to the fruits. Additionally, during and off fruit season, we have established a few bee hives, which have also been successful in producing high-quality honey.

Given the seasonal and perishable nature of the fruits, the farm requires numerous harvesters to accelerate the process. We employ over 60 women and youth from Kikombo and Kinyambo villages to handpick and select the fruit for processing. We believe this initiative has significantly boosted the economies and livelihoods of these communities.



### **Integrated Forestry**

Our farm is committed to supporting a diverse range of forest products and byproducts to meet the needs of Mafinga's timber and pole industries, thereby generating significant direct and indirect employment opportunities and tax revenue.

Our farm is strategically located near Mafinga's wood industries, which ensures easier access to employment for the local population, enhancing the profitability of these industries and consequently increasing government tax revenue. Serving as a primary source of raw materials, particularly for the highland holding pole industries in Mafinga, our farm plays a pivotal role in sustaining and bolstering these sectors.

In addition to supporting the timber industry, forestry activities are an essential component of our integrated livestock grazing management plan. By combining forestry practices with managed livestock grazing, we aim to enhance organic matter production, improve soil permeability, and increase surface water penetration. This approach not only boosts forestry productivity but also contributes to raising groundwater levels and replenishing springs.

Furthermore, we prioritise labor-intensive protocols to maximise employment opportunities for the Mafinga population and neighbouring communities.



## Environmental Conservation

A significant portion of the farm comprises steep, sloped hills and gullies. It is imperative to regenerate organic matter and enhance the permeability of these slopes to prevent further erosion and improve water infiltration into the soil, thereby replenishing the water springs.

However, the absence of a Certificate of Occupation has presented a formidable challenge, making it nearly impossible to safeguard the area. Improper and uncontrolled practices such as indiscriminate rock collection, charcoal burning, rubbish dumping, and bushfires have exacerbated the situation. This has severely degraded the area, home to water springs, putting it at risk of collapse. Extensive water runoff has led to dangerously high levels of erosion, significantly impacting the water springs.

The next steps in addressing this issue hinge on obtaining title certification to initiate degradation reversal and restore the flow of fresh groundwater to the springs. To address this issue, we are waiting for title certification to initiate corrective measures and rejuvenate the water springs with fresh groundwater, restoring their flow. Proposed actions include regenerating indigenous plants, shrubs, and trees, along with implementing proper

hydrology practices and well-managed regenerative grazing of livestock.

## Water Harvesting

Creation of keyline water-retaining wells, trenches, and ponds

With an estimated 10 kilometers of water training trenches, swales, and ponds, our objective is to facilitate the effective infiltration of water into the soil, thereby replenishing the local water table. We aim to ensure a consistent water supply that supports various vital aspects of our ecosystem, including plant life, crops, livestock, bees, and other indigenous species.

This initiative, in addition to the immediate benefits of water provision, also serves to foster ecological balance by promoting sustainable water management practices. Through careful planning and implementation, we anticipate significant positive impacts on both environmental sustainability and community well-being.

To maximize employment opportunities, this landscaping project will prioritize the most labor-intensive methods. Our vision is to stimulate economic activity within the surrounding communities by generating a flow of money rather than expending funds on imports like fuel.

## USEFUL INFORMATION ABOUT THE LAND

### • Acquisition Background

The land earmarked for the proposed farm was obtained from 2005 to 2007, when it was categorised as village land, predating the establishment of the Mafinga township and the expansion of its municipal boundaries. This acquisition involved a variety of transactions, including purchases and exchanges with both individuals and village communities.

We acquired this land with a clear intention and purpose: to develop farming, livestock rearing, forestry, and associated activities, with a primary emphasis on environmental regeneration and conservation.

### • Location

The farm sites span across Kikombo village and extend into certain areas of Kinyanambo village. The farm sites are located approximately 5km from the center of Kikombo village and 15km from Mafinga township. A rough road that runs for about 10 kilometers makes it easier to access the farm.

### • Topography

The farmland features hilly terrain with varying degrees of slope, ranging from moderate to steep gradients. Rocky hills, slopes, and deep gullies characterize the landscape, giving rise to numerous water springs along the farm's periphery. However, soil erosion can also degrade the topography, having an adverse effect on organic matter, grasses, shrubs, and trees.

Past instances of improper and uncontrolled farming, grazing, firewood collection, charcoal production, bushfires, and rock mining activities have aggravated erosion conditions, jeopardizing the existence of water springs and leading to the overall desertification of the land.

The water springs play a vital role in supporting the livelihoods of the nearby Kikombo villagers, as they are the exclusive source of water for the nearby stream.

The granting of titles as an urban farm allows for the implementation of protective and restorative measures to mitigate further erosion resulting from these practices. These measures aim to replenish the water springs, restore soil health, and rebuild organic matter, ensuring sustainability for the future.

### • Hydrology

The area's hydrology requires careful planning and management due to its topography, altitude, and limited rainfall. We can reverse this downward spiral of soil and organic matter degradation by taking protective and regenerative measures with a proper certificate and title as an urban farm.

Proper planning and management of hydrology, farming, forestry, and grazing can minimize if not completely stop, the runoff of rainwater. This creates an upward spiral of increasing organic surface matter and raises the groundwater table.

### **The Current Project Status:**

The current status of the project is as follows:

- 350,000 trees have been planted for commercial use.
- A borehole, reaching a depth of 110 meters, is operational, producing 10,000 liters of water per hour. An electric generator is installed.
- Two acres of organic, irrigated vegetable gardens are actively producing crops. The farm maintains a herd of 50 cattle.
- Composting facilities for manure and organic matter are in operation.
- Construction of one large and one medium-sized water-retaining pond has been completed. Two kilometers of rainwater-retaining trenches have been excavated.
- A residence with an outdoor kitchen is established.
- Staff quarters to accommodate 16 employees have been constructed. Poultry and pig rearing operations.

Given the project's long-term commitment and future expansion plans, obtaining a certificate of occupancy with a 99-year title as a farm is urgently needed to ensure security and continued investment.

### **PROJECT LAND USE ALLOCATION PLAN**

In 2005, approximately 1250 acres of land were acquired for the project. The allocation of land use is designed to accommodate various activities, some of which may overlap, while others will facilitate combined operations. The following allocations are indicative estimates and may evolve over time based on project requirements:

- Pastures for livestock: 400 acres
  - Forestry combined with planned and managed regenerative grazing: 400 acres
  - Organic vegetable and fruit farming: 100 acres
  - Conservation and environmental regeneration, some combined with planned and managed regenerative grazing: 600 acres
  - Livestock overnight paddocks, housing, and ranges: 20 acres
  - Residential areas, staff quarters, and visitor accommodations: 20 acres
  - Produce processing and packing facilities: 10 acres
  - Animal feed processing and storage: 10 acres
  - Water source protection: 30 acres
- Ponds and water catchment trenches: 30 acres

These allocations aim to optimize the utilization of the land while ensuring sustainability and synergy among different project activities.

## **PROJECT INFRASTRUCTURE**

- Roadways
- Entrance gate
- Fencing Ponds
- Water catchment and retention trenchesLivestock housing
- Storage facilities
- Produce processing and packaging sheds
- Workshop
- Staff housing
- Residential housing
- Visitor accommodation campsites
- Learning and Training Center
- Miscellaneous amenities

## **FINANCE AND FUNDING SOURCE**

Highland Holding TZ Ltd. has full ownership of the farm, and it will be in charge of financing and managing all project activities.

## **CONCLUSION**

As a registered local company, we seek support from government institutions and adhere to legal guidelines established by the government as stakeholders in implementing the project.

<b>INCOME STATEMENT: 2023-2027</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
TZS	TZS	TZS	TZS	TZS	TZS
<b>Revenue</b>					
Income	-	10,000,000	23,850,000	42,800,000	43,350,000
<b>Total Revenue</b>	<b>0</b>	<b>10,000,000</b>	<b>23,850,000</b>	<b>42,800,000</b>	<b>43,350,000</b>
<b>Cost of goods sold</b>					
Direct cost	-	3,500,000	8,347,500	14,980,000	-
<b>Total COGS</b>	<b>-</b>	<b>3,500,000</b>	<b>8,347,500</b>	<b>14,980,000</b>	<b>-</b>
<b>Gross Profit</b>	<b>-</b>	<b>6,500,000</b>	<b>15,502,500</b>	<b>27,820,000</b>	<b>43,350,000</b>
<b>General and Administrative expenses:</b>					
Audit fee	300,000	500,000	715,500	1,284,000	1,284,000
Electricity expenses	480,000	670,000	1,431,000	2,568,000	2,601,000
Fuel and transport expenses	2,400,000	2,765,000	3,339,000	5,992,000	5,202,000
Casual labour expenses	18,480,000	20,000,000	27,500,000	27,500,000	27,500,000
Communication expenses	1,320,000	1,300,000	3,100,500	2,459,000	1,340,500
Professional/consultancy fees	1,700,000	1,700,000	3,577,500	3,577,500	3,577,500
<b>TOTAL operating expenses</b>	<b>24,680,000</b>	<b>26,935,000</b>	<b>39,663,500</b>	<b>43,380,500</b>	<b>41,505,000</b>
<b>Operating Income</b>	<b>(24,680,000)</b>	<b>(20,435,000)</b>	<b>(24,161,000)</b>	<b>(15,560,500)</b>	<b>1,845,000</b>
<b>Net income before tax</b>	<b>(24,680,000)</b>	<b>(20,435,000)</b>	<b>(24,161,000)</b>	<b>(15,560,500)</b>	<b>1,845,000</b>
Taxes	-	139,260	144,497	167,843	178,549
<b>Net income</b>	<b>(24,680,000)</b>	<b>(20,574,260)</b>	<b>-24,305,497</b>	<b>-15,728,343</b>	<b>1,666,451</b>
Net income (%)	#DIV/0!	-206%	-102%	-37%	4%



<b><u>EQUITY</u></b>					
Issued capital	2,305,000,000	2,305,000,000	2,305,000,000	2,305,000,000	2,305,000,000
Retained Earnings	(24,680,000)	(45,254,260)	(69,559,757)	(85,288,100)	(83,621,648)
<b>Total shareholders Equity</b>	<b>2,280,320,000</b>	<b>2,259,745,740</b>	<b>2,235,440,243</b>	<b>2,219,711,900</b>	<b>2,221,378,352</b>
<b>Total Liabilities and Equity</b>	<b>2,305,000,000</b>	<b>2,284,425,740</b>	<b>2,260,120,243</b>	<b>2,222,279,900</b>	<b>2,223,979,352</b>

<b>STATEMENT OF CASH FLOWS: 2023-2027</b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2026</u></b>	<b><u>2027</u></b>
TZS	TZS	TZS	TZS	TZS	TZS
Net income	(24,680,000)	(20,574,260)	(24,305,497)	- 15,728,343	1,666,451
<b>Adjustments:</b>					
Depreciation & Amortization	-	-	-	-	-
<b>Movement in Working Capital:</b>					
Change in Accounts receivable	-	- 1,500,000	- 2,077,500	1,437,500	- 27,500
Change in Accounts payable	24,680,000	-	-	(22,112,000)	33,000
Change in Deferred Income	-	-	-	-	-
<b>Net cash flow generated from operations - A</b>	<b>-</b>	<b>(22,074,260)</b>	<b>(26,382,997)</b>	<b>- 36,402,843</b>	<b>1,671,951</b>
<b>Investing Activities</b>					
Payment of purchases of Property, plant and equipments	(2,305,000,000)	-	-	-	(5,000,000)
<b>Net cash flow generated from Investing activities-B</b>	<b>(2,305,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>- 5,000,000</b>
<b>Financiag Activities</b>					
<b>Capital introduced</b>					
Issued capital	2,305,000,000	-	-	-	-
Net borrowing	-	-	-	-	-
<b>Net cash flow generated from Financing activities - C</b>	<b>2,305,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash flow = (A+B+C)</b>	<b>-</b>	<b>(22,074,260)</b>	<b>(26,382,997)</b>	<b>(36,402,843)</b>	<b>(3,328,049)</b>