

AGRO MULTI SOLUTIONS LIMITED

Dar Es Salam, Tanzania

May 2024

The Country



About Tanzania

The United Republic of Tanzania

Tanzania, an East African country situated just south of the Equator. Tanzania was formed as a sovereign state in 1964 through the union of separate states of Tanganyika and Zanzibar. Mainland Tanganyika covers more than 99% of the combined territories' total area. Mafia Island is administered from the mainland, while Zanzibar and Pemba Islands have a separate government administration.

Dodoma, since 1974 the designated official capital of Tanzania, is centrally located on the mainland & Dar Es Salam is the largest city and port in the country.

The Tanzania mainland is bounded by Uganda, Lake Victoria, and Kenya to the north, by the Indian Ocean to the east, by Mozambique, Lake Nyasa, Malawi, and Zambia to the south and southwest, and by Lake Tanganyika, Burundi, and Rwanda to the west.



The United Republic of Tanzania

Tanzania contains some of Africa's most iconic national parks and famous archaeological sites, and its diverse cultural heritage reflects the multiple ethnolinguistic groups that live in the country. Its long history of integration into trade networks spanning the Indian Ocean and the African interior led to the development of Swahili as a common language in much of East Africa and the introduction of Islam into the region. Several independent coastal and island trading posts in what is now Tanzania came under Portuguese control after 1498 when they began to take control of much of the coast and Indian Ocean trade.

Tanzania gained independence from Great Britain in 1961, and Zanzibar followed in 1963 as a constitutional monarchy. Julius Nyerere, a charismatic and idealistic socialist, established a one-party political system that centralized power and encouraged national self-reliance and rural development. John Magufuli won the 2015 presidential election, and the CCM won a two-thirds majority in Parliament. He was reelected in 2020, and the CCM increased its majority in an election that was also critiqued by observers. Magufuli died in March 2021 while in office and was constitutionally succeeded by his vice president, Samia Suluhu Hassan.

Tanzania Facts & Figures

Land	Total: 947,300 Sq km (land: 885,800 Sq Km / water: 61,500 Sq Km)
Climate	Varies from tropical along coast to temperate in highlands
Terrain	Plains along coast; central plateau; highlands in north, south
Natural Resources	Hydropower, tin, phosphates, iron ore, coal, diamonds, gemstones (including tanzanite, found only in Tanzania), gold, natural gas, nickel
Population	63,852,892 (Estimated 2022)
Population growth rate	2.78% (Estimated 2022)
Ethnic Groups	Mainland - African 99% (of which 95% are Bantu consisting of more than 130 tribes), other 1% (consisting of Asian, European, and Arab); Zanzibar - Arab, African, mixed Arab and African
Religions	Christian 63.1%, Muslim 34.1%, folk religion 1.1%, Buddhist <1%, Hindu <1%, Jewish <1%, other <1%, unspecified 1.6% (Est 2020)
Major Area Population	262,000 Dodoma (Legislative capital - 2018), 7.405 million Dar Es Salam (Administrative capital), 1.245 million Mwanza, 766,000 Zanzibar (2022)
HIV adults prevalent rate	4.7% (Estimated 2020)
People living with HIV	1.7 million (Estimated 2020)

Tanzania Facts & Figures

Government Type	Presidential republic
Capital	Dar es Salaam (Administrative capital), Dodoma (National capital)
GDP real growth	\$152.79 Billion (Estimated 2020)
GDP per capita	\$ 2,600 (Estimated 2020)
Agricultural products	Cassava, maize, sweet potatoes, sugar cane, rice, bananas, vegetables, milk, beans, sunflower seed
Industries	Agricultural processing (sugar, beer, cigarettes, sisal twine); mining (diamonds, gold, and iron), salt, soda ash; cement, oil refining, shoes, apparel, wood products, fertilizer
Exports	Gold, tobacco, cashews, sesame seeds, refined petroleum (\$9.66 Billion estimated 2019)
Imports	Refined petroleum, palm oil, packaged medicines, cars, and wheat (\$10.36 Billion estimated 2019)
Exchange rate	Tanzanian shillings (TZS) per US dollar - 2,230 (2022)
Airports	166 – 10 paved runways (2021)
Railways	4,097 Km – standard gauge: 421 Km, narrow gauge: 969 Km & broad gauge: 2,707 Km (2022)
Roadways	145,203 Km – Paved: 11,201 Km & unpaved: 134,002 Km (2022)

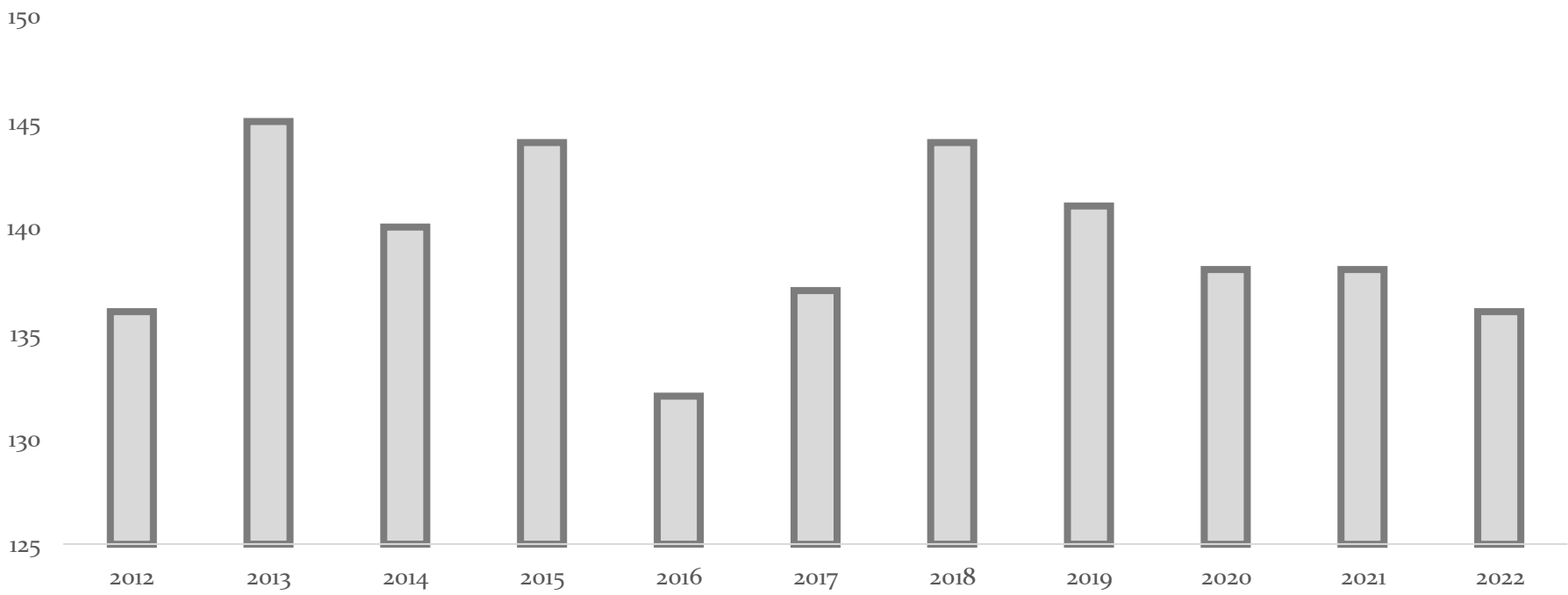
Tanzania Membership in African Treaties

African Treaty		Number of Countries
Southern Africa Development Community	SADC	16
East African Community	EAC	7
African Growth and Opportunity Act	AGOA	49
Everything but Arms	EBA	49
Trade and Investment Framework Agreement	TIFA	15

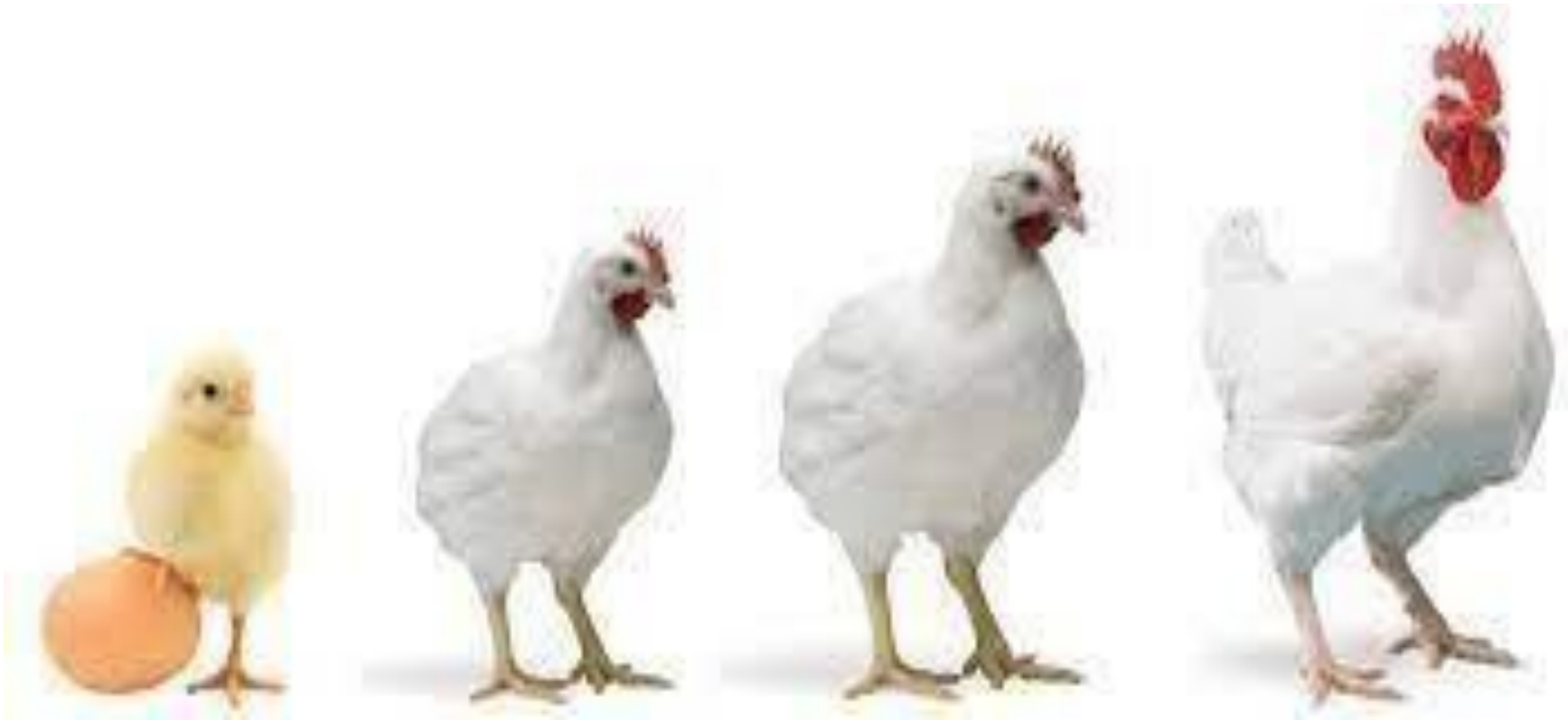
Tanzania has 45 globally signed treaties including human rights, labor, and other treaties

Doing Business in Tanzania

Tanzania is ranked 136 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings (2022). The rank of Tanzania improved from 145 in 2013. In the long-term, the Ease of Doing Business in Tanzania is projected to improve.



Tanzania Poultry Industry



Tanzania Poultry Industry

The poultry subsector in Tanzania

The poultry sector in Tanzania consists of approximately 72 million chickens, steadily emerging in both indigenous and exotic varieties. With changing eating habits in urban areas and a growing economy, the domestic market for exotic chicken and eggs is likely to keep expanding.

Indigenous chickens are mainly raised by rural dwellers and contribute to almost 100% of the poultry meat and 20% of the eggs consumed in rural and urban areas, respectively. In contrast, layers and broilers are primarily raised by urban dwellers. The commercial poultry industry includes breeder farms, hatcheries, poultry farms (both layer and broiler farms), traders, and processors. Poultry, as a source of protein, has a competitive advantage over other livestock such as cattle, goats, sheep, and pigs because it can be produced in large quantities within minimal space and time. As eating habits change and the economy grows, disposable income is increasing, and the demand for poultry products is likely to keep rising.

Tanzania Poultry Industry

With enough land to grow chicken feed, expansion opportunities in the commercialization of the poultry sector in Tanzania are promising.

Markets could be better organized, and the supply of quality feed and day-old chicks could be stabilized. However, veterinary costs remain high. Improvements could also be made by developing processing industries, enhancing the sector's distribution system, and installing third-party logistics cold chains for the efficient movement of poultry and poultry products from farms to consumers. This presents significant opportunities for investors to fill these gaps.

More and more Tanzanians are consuming chicken and eggs every year. The increasing demand offers numerous opportunities for companies looking to invest in the poultry sector in Tanzania. Currently, the sector is growing at a steady rate of 3.5% annually.

Tanzania Poultry Industry

The success of the poultry industry in Tanzania hinges largely on the availability of quality feeds, which constitute 60-70% of production costs. The price of poultry feed has remained stable in recent years due to favorable maize harvests. Additionally, the transition of feed manufacturers from using fishmeal to soybeans as a protein source has contributed to price stabilization. However, recent increases in feed prices are linked to global political stress affecting grain commodity prices, logistics, and supply chains.

Producers who can afford to process their own feed can compete more effectively in the market, as this reduces their production costs.

The Tanzanian government continually supports the industry through various means, including investment incentives, tax holidays, and, significantly, a ban on the importation of day-old chicks (DOC). This measure has been instrumental in developing the market and fostering the establishment of partner farms.

Tanzania Poultry Industry

The industry has not faced any major disease outbreaks, as many farmers are now receiving training and applying better on-farm biosecurity measures. Cases of disease outbreaks have been few, especially with commercial breeds of both broilers and layers. For indigenous chickens, one of the major diseases is Newcastle Disease, which has been well controlled due to the development of a thermo-stable vaccine known as I-2.

Eggs are produced both by commercial layer farms in urban areas and indigenous layers in rural areas. Egg production has been increasing over the past five years in terms of quantity and price. Furthermore, the layers sub-sector has recorded good and sustainable growth due to an increase in the number of large-scale producers, presenting a good opportunity for investors.

By investing in the entire value chain, the sector can unlock its full potential and, in turn, catalyze the growth of demand for high-quality poultry products for both the Tanzanian market and regional markets.

Tanzania Poultry Industry

The poultry industry in Tanzania is active and has several agencies operating to regulate the market, help farmers, and increase investment in the industry. One of the major actions these agencies have taken is the ban on the importation of one-day-old chicks, which has positively impacted the development of the industry.

Here is a list of poultry-related agencies in Tanzania:

- **Tanzania Animal Feed Manufacturers Association (TAFMA)**
- **Tanzania Poultry Breeders Association (TPBA)**
- **Tanzania Broiler Farmers Association (TABROFA)**
- **Tanzania Layer Farmers Association (TALFA)**

Tanzania Poultry Industry

Why poultry investment in Tanzania:

- Climate & weather of Tanzania.
- Industrial market growth of more than 3.5%;
- Change in behavior of consumer.
- Country economic growth, and urban development.
- Poultry industrial change from Indigenous production.
- Population increases.
- The potential of the industry remains largely untapped.
- International investments expanding in the region and setting up in Tanzania as strategic entry to the region.

The per capita consumption of eggs has been increasing over the years due to an increase in the population (particularly the middle class), mining and a growing tourism industry in Tanzania helped improve demand.

Tanzania Livestock Master Plan (LMP)

Background to the LMP

The Tanzania Livestock Master Plan was developed by a joint team from the Tanzanian Ministry of Agriculture, Livestock, and Fisheries (MALF) and the International Livestock Research Institute (ILRI). Its development was overseen by a high-level Technical Advisory Committee (TAC) convened under the auspices of the MALF Livestock Permanent Secretary.

Data collection and quantitative diagnostics were supported by the ongoing involvement of key national livestock experts and consultation with a wide range of key stakeholders.

The quantitative sector analysis was undertaken using the Livestock Sector Investment and Policy Toolkit developed by the World Bank, the Agricultural Research Centre for International Development (CIRAD), and the Food and Agriculture Organization of the United Nations (FAO), working under the auspices of the African Union Inter-African Bureau for Animal Resources.

Tanzania Livestock Master Plan (LMP)

The potential of the poultry industry in Tanzania to reduce the meat production-consumption deficit, enhance food and nutritional security, and contribute to household and national economic growth is enormous. Several targeted interventions in the areas of animal health, genetics, marketing, processing, and policies proposed as part of the Tanzania Livestock Master Plan, if implemented, could significantly increase the contribution of the national poultry sector, potentially growing the national product by 182% to nearly USD 324 million by 2022 (the figure might be on the high side, but there is still a lot of room to grow).

The proposed combined interventions of approximately USD 337 million—26% from the public sector and 74% from the private sector—for improved family and expanded commercial specialized poultry production systems would result in a 40% increase in chicken meat and egg production by 2022, reaching 465,600 tons and 4.2 billion eggs, respectively. This would shift the production-consumption deficit for chicken meat to a surplus, increasing from 130,000 tons to 258,000 tons by 2022.

Tanzania Poultry Industry Outlook

The poultry industry in Tanzania appears to have a bright future. The government, in collaboration with stakeholders, is actively supporting and strengthening technical support services and promoting the use of appropriate technologies in poultry production.

Additionally, the government supports the establishment of quality breeding farms and hatchery facilities, and it promotes and encourages poultry producers and trade associations.

To ensure the production of quality poultry products, the government is enforcing relevant laws. Regulations and registration for breeding flocks and hatcheries have been established, ensuring that hatcheries meeting set standards are registered and producing better quality day-old chicks (DOCs). Moreover, the country employs feed inspectors and feed analysts to enforce these laws effectively.

Tanzania Poultry Industry Outlook

The challenges in the chicken sector in Tanzania are primarily due to low yield and a lack of proper training and handling. These challenges are properly addressed and mitigated in the design of the project:

- **Feed:** Chicken feeds available in Tanzania are of low quality, lacking in essential nutritional content such as energy, protein, minerals, amino acids, and crude fiber.
- **Animal Health:** The poultry sector in Tanzania faces a high prevalence of diseases affecting small-scale producers, particularly Newcastle disease, salmonellosis, and Marek's disease.
- **Genetics:** 70% of the chicken breeds in Tanzania are low-yielding in terms of both egg and meat production, predominantly consisting of indigenous breeds.
- **Marketing and Processing:** Most farmer marketing organizations consist of small groups with weak decision-making platforms, primarily concentrated in urban areas like Dar-es-Salaam, and failing to adequately cover the rural majority of the country.

Addressing these challenges involves targeted interventions to improve feed quality, enhance disease management and biosecurity measures, introduce higher-yielding chicken breeds, and strengthen marketing and processing networks to include rural areas.

The Project : **AGRO** MULTI SOLUTIONS LIMITED



Project Sponsors & Guarantor

AGRO Multi Solutions Limited is the SPV created and registered in Tanzania with license for Farming & Poultry Production.

AGRO Multi Solutions Limited ownership is as follows:

Sufag Agriculture Investment

L.L.C - 50%

Multi Solutions FZE – 50%

AGRO Multi Solutions Limited will be the project owner and borrower, however, the loan/funding required for establishing the project will be guaranteed by Al Bahtry Transport Limited, UAE.

Al Bahtry is a large entity (<http://www.albahtry.com/>) involved in transport and logistics solutions. Highlights of the financials as of 31/12/2022 for Al Bahtry is as follows :

Total Assets – Euro 200 million

Equity – Euro 189 Million

Revenue – Euro 174 Million

Net Profit – Euro 32 Million

The Project will be run by professional management. However, currently project execution team is led by Mr. Salim Harissi who is also expected to lead the management team after the project execution.

Project Scope

An integrated poultry complex

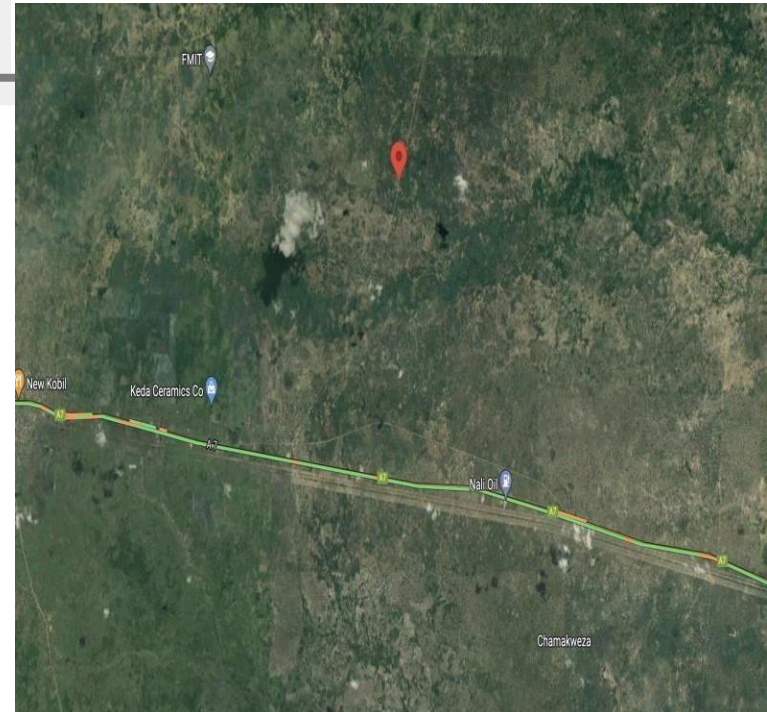
Broiler Birds	- 483,840 birds/flock
Breeder Production	- 28,000 females & 2,800 males
Hatchery	-- 90,720 DOC per week
Breeder Rearing	-- 14,700 females & 1,470 males
Poultry Feed	-- 10 TPH Mesh & 5TPH Pellet Silo 2,456 Ton
Slaughterhouse	-- 3,000 birds/hour

Revenue Streams

- Broiler Meat
- Feed Mill capacity planned to self-consume. However, sometimes Freed Mill production can be sold in the market too.
- Broiler Bird's gross weight estimated at 1.5-1.6kg
- Broiler Bird's net weight is 1.2 kg
- A total 9 cycles of flocks are expected in a year. With 483,840 birds/flock, forecasted broiler

Location

The Project is located in 700 Acres in Talawanda 90.6 km from Dar Es Salam. The project will also locate two lands at the main road for the feed mill & slaughterhouse.



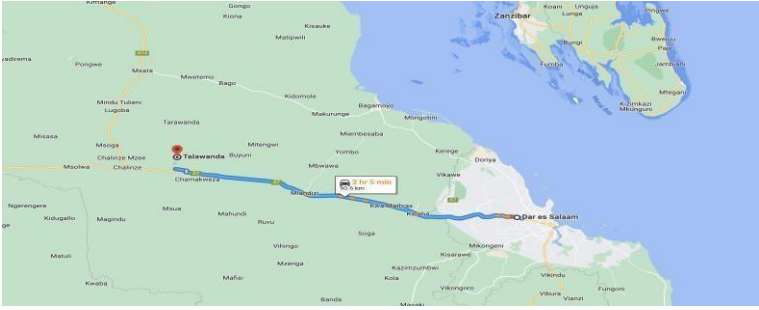
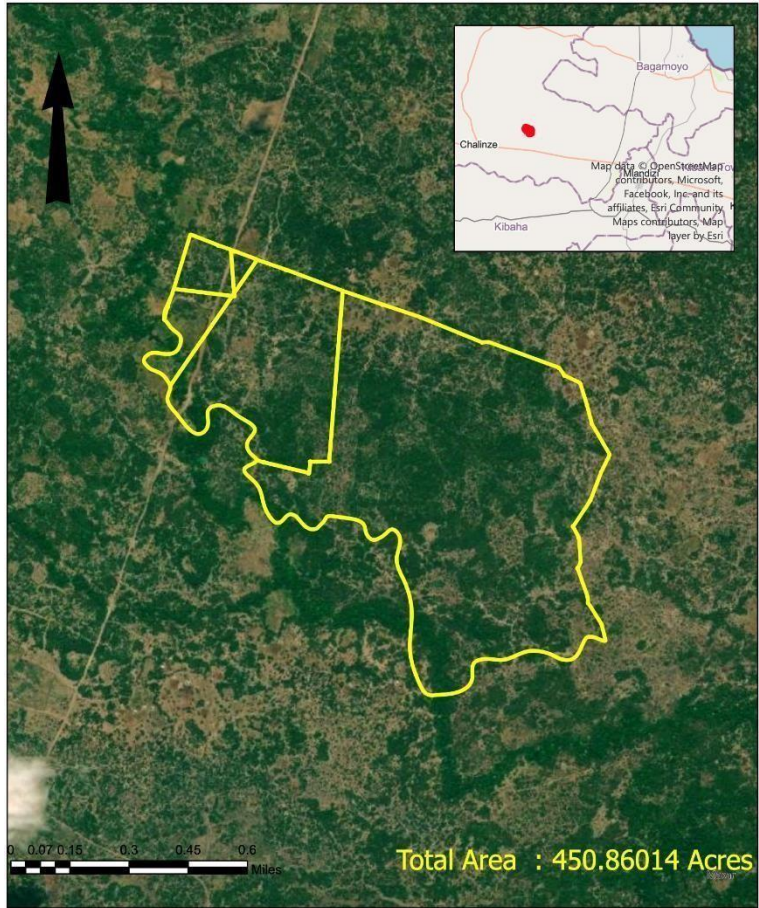
Land & Location

The land is less than 100km from Dar Es Salam.

The land is 5 km from the main road. The road is decently wide but not asphalted. Project sponsors will ensure that the road is asphalted. The budget has been kept for this. This road upgrade will help the project and the adjacent village.

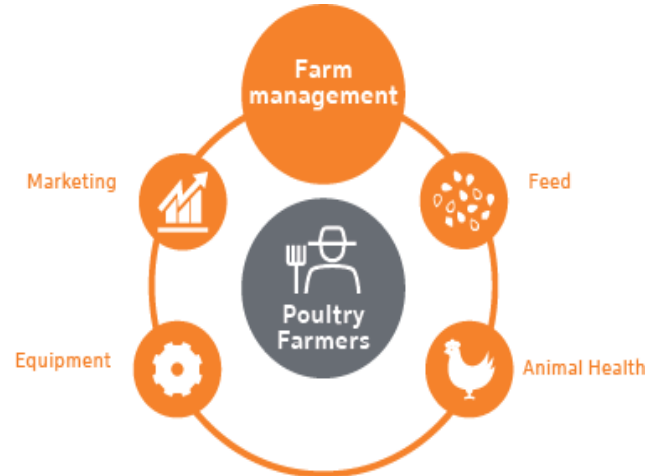
Project sponsors have kept budget provision for putting up poles, and electric cables to bring in electricity from the nearest substation. However, generators have been also budgeted to keep back-up source of power for the project.

Water is available within the land and wells will be implemented at the site.



Competitive Cost Drivers

<p>Protein production</p>	<p>The project is highly competitive on production of protein due to new technology and efficiency of operations.</p>	<p>35% Advantage</p>
<p>Slaughter line</p>	<p>The project will have the capacity of 3,000 birds/hour modern slaughter line that will satisfy the project production and support other farmers in slaughtering their birds.</p>	<p>40% Advantage</p>
<p>Marketing & distribution</p>	<p>New concepts of marketing and branding will be introduced in Tanzania for the industry. Distribution and value chain will be created for the product reach in Tanzanian and export to neighboring markets., if required</p>	<p>25% Advantage</p>



Notes:
The project will introduce contract farming as part of its CSR projects in the country to give back to the community.

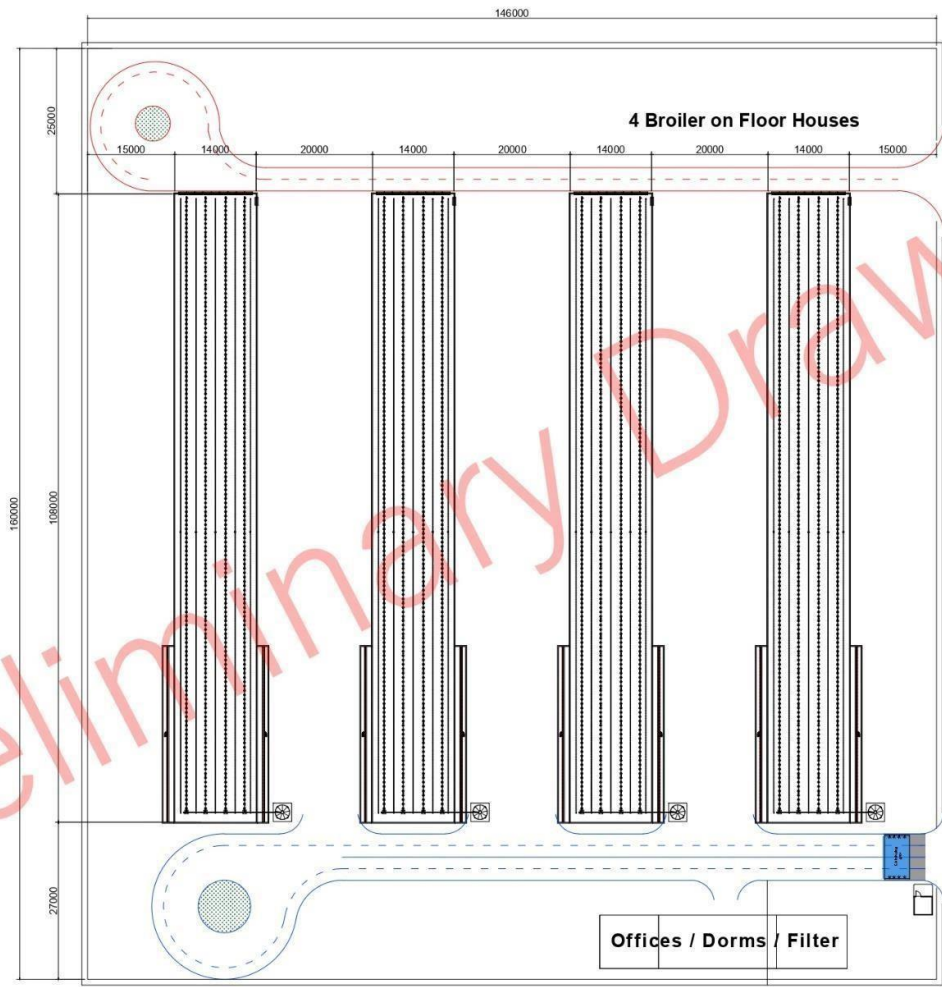
Target Markets

Highly cost competitive position with protein production to Tanzanian, neighboring markets & potentially export to other African countries (Kenya, Uganda, Rwanda, Burundi, Congo, Zambia, Malawi & Mozambique as well as export to the international markets).

Investment in Facilities

Description	Amount in EURO
Land and buildings [tshs]:	15,643,014
Plant, machinery, tools & equipments:	4,344,440
Utility vehicles	11,268,072
Furnitures, fixture & fitiings:	221,438
Pre-operational expenses [tshs]:	3,300,534
Others	96,847
Working Capital	5,144,144
Total Budget for the project CFR Dar al-Salam, Tanzania	40,000,000

Layout - Broiler Houses



Customer :
Sebdeo Investment - Tanzania

Project :
16 Broiler on Floor Houses

Drawing : **Mass Plan**
 Date : **21/03/2023**

Designer : **Anthony Kassis**



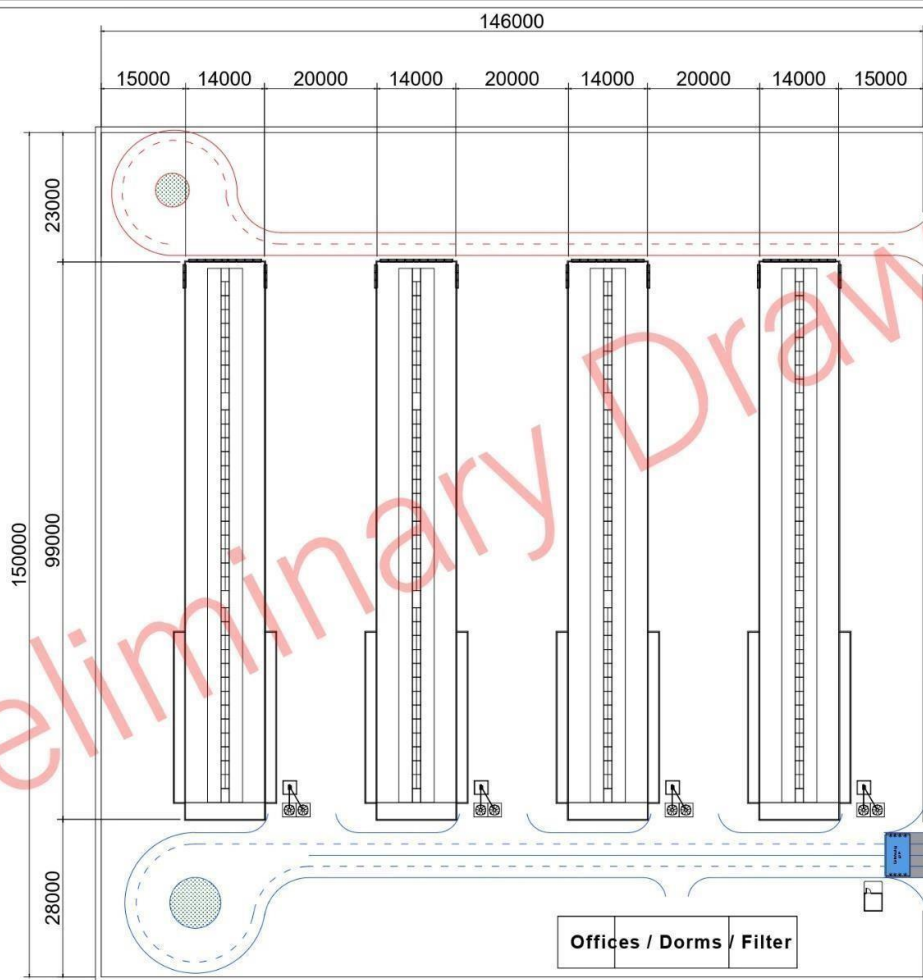
Address
Main Office
 Jordaenskaal 24 - B-2000 Antwerp - Belgium
 Tel : +3232269850 Fax : +3232269852
 www.poultec.net

North Africa & Middle East
 Beirut - Lebanon
 Tel : +961 1 888983 Fax : +961 1 874969
 info@poultec.net

4 Broiler sites
 4 Broiler on floor houses in each site

All dimensions are in mm
 This is only a preliminary drawing and not the final one, so it could be subject to further updating and modification.
 Drawing not to scale.
 The represented sizes are only indicative and not binding.

Layout – Broiler Breeder Production Houses



All dimensions are in mm

Customer :
Sebdeo Investment - Tanzania

Project : **4 Broiler Breeder Production Houses**

Drawing : Mass Plan
 Date : 21/03/2023

Designer : Anthony Kassis

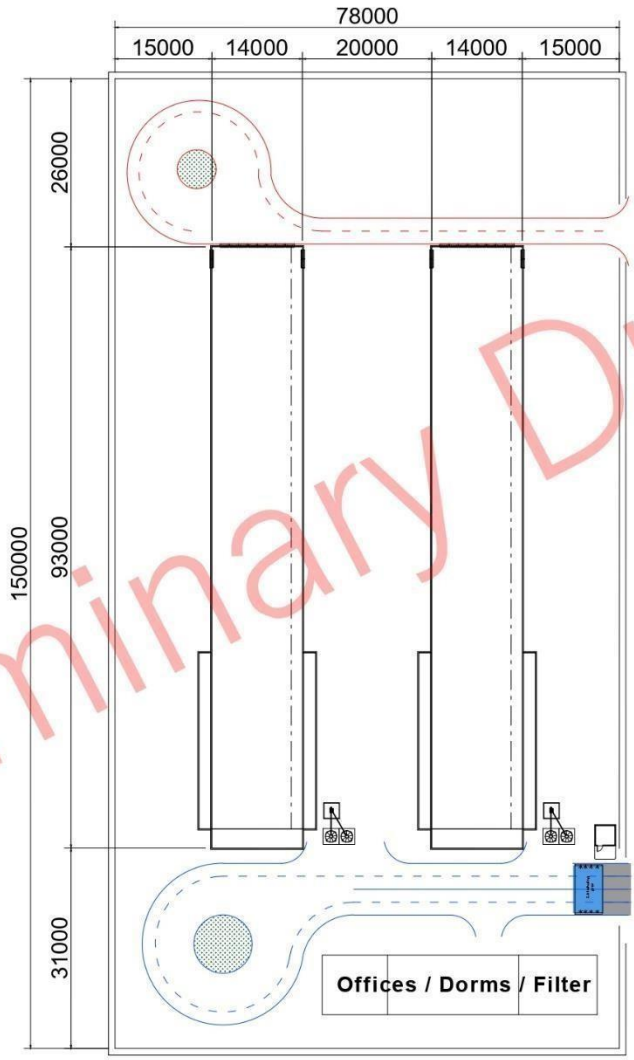


Address
Main Office
 Jordaenskaai 24 - B-2000 Antwerp - Belgium
 Tel : +3232269850 Fax : +3232269852
 www.poultec.net

North Africa & Middle East
 Beirut - Lebanon
 Tel : +961 1 888983 Fax : +961 1 874969
 info@poultec.net

This is only a preliminary drawing and not the final one, so it could be subject to further updating and modification.
 Drawing not to scale.
 The represented sizes are only indicative and not binding.

Layout – Broiler Breeder Rearing Houses

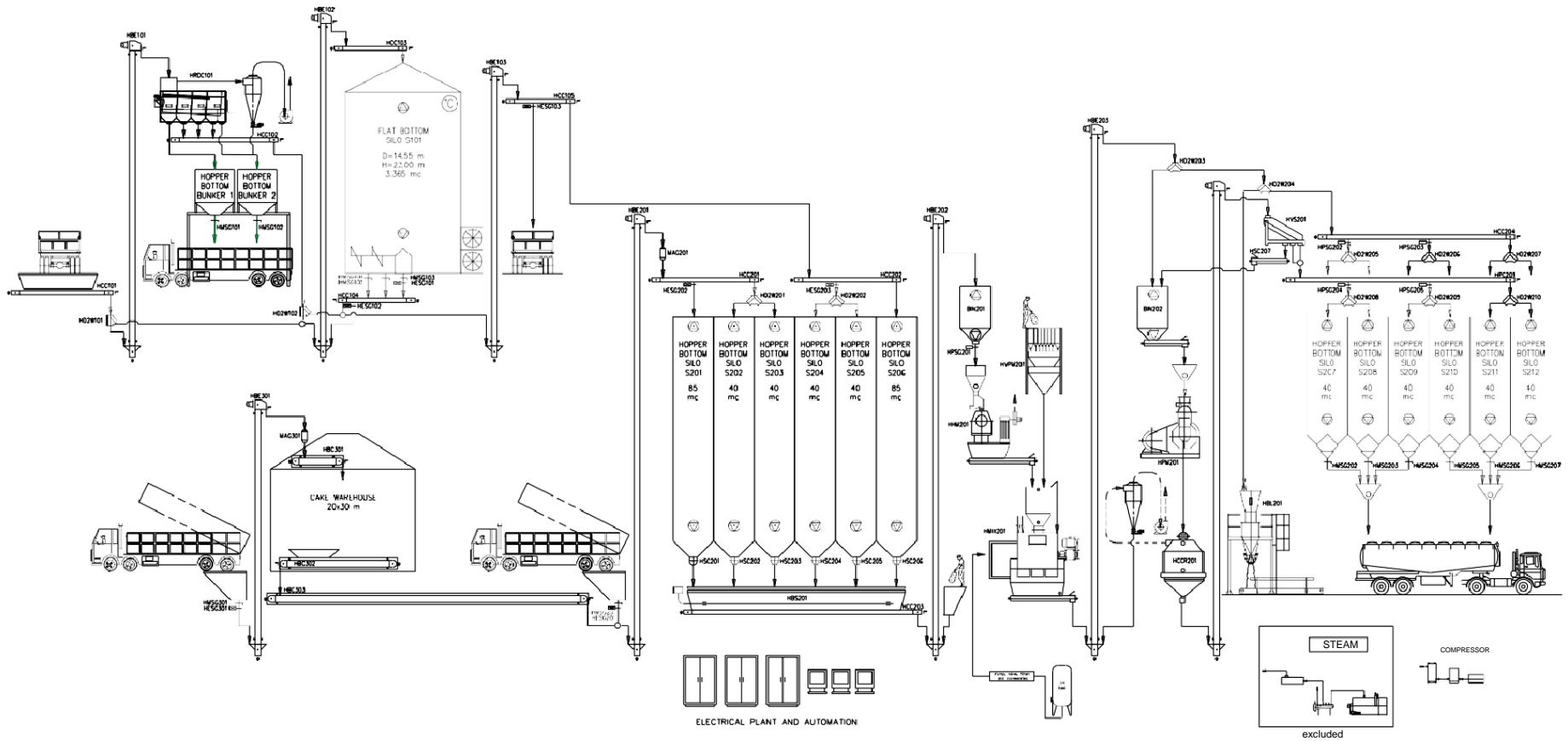


All dimensions are in mm

Customer : Sebdeo Investment - Tanzania	Project : 2 Broiler Breeder Rearing Houses	Drawing : Mass Plan Date : 21/03/2023	Designer : Anthony Kassis
---	---	--	----------------------------------

	Address Main Office Jordaenskaai 24 - B-2000 Antwerp - Belgium Tel : +3232269850 Fax : +3232269852 www.poultec.net	North Africa & Middle East Beirut - Lebanon Tel : +961 1 888983 Fax : +961 1 874969 info@poultec.net	This is only a preliminary drawing and not the final one, so it could be subject to further updating and modification. Drawing not to scale. The represented sizes are only indicative and not binding.
	POULTEC is a leading provider of poultry housing solutions, offering a wide range of products and services for broiler breeders and rearing houses.		

Layout - Feed Mill



PROJECT		DESCRIPTION		DATE	
HPH22_080		Feed mill plant 10 tph with pelleting section 5 tph FLOWSHEET		08/2024	
DESIGN	DRAWN	CHECK	DATE	SCALE	
HPH22_080	HPH22_080	HPH22_080	08/2024	1:1	
PROJECT MANAGER				DRAWN BY	
HPH22_080				HPH22_080	

Projected Income Statement

Description	Year									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Sales	19,360,374	19,360,374	19,360,374	19,360,374	19,360,374	19,360,374	19,360,374	19,360,374	19,360,374	19,360,374
Cost of Sales	8,816,272	8,816,272	8,816,272	8,816,272	8,816,272	8,816,272	8,816,272	8,816,272	8,816,272	8,816,272
Gross Profit	10,544,102	10,544,102	10,544,102	10,544,102	10,544,102	10,544,102	10,544,102	10,544,102	10,544,102	10,544,102
% from sales	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%
Other Revenues	1,033,985	1,033,985	1,033,985	1,033,985	1,033,985	1,033,985	1,033,985	1,033,985	1,033,985	1,033,985
Gross profit after other income	11,578,087	11,578,087	11,578,087	11,578,087	11,578,087	11,578,087	11,578,087	11,578,087	11,578,087	11,578,087
Selling and Marketing Expenses	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
General and Admin. Exp.	3,682,500	3,682,500	4,208,632	4,208,632	4,208,632	2,445,378	2,445,378	2,445,378	2,445,378	2,445,378
Total Expenses	3,782,500	3,782,500	4,308,632	4,308,632	4,308,632	2,545,378	2,545,378	2,545,378	2,545,378	2,545,378
% from sales	20%	20%	22%	22%	22%	13%	13%	13%	13%	13%
income before Cost of finance tax and Zakat	7,795,587	7,795,587	7,269,455	7,269,455	7,269,455	9,032,709	9,032,709	9,032,709	9,032,709	9,032,709
% from sales	40%	40%	38%	38%	38%	47%	47%	47%	47%	47%
Cost of Finance	2,913,298	2,913,298	2,330,638	1,747,973	1,165,319	582,660				
income after Cost of finance and before tax and Zakat	4,882,289	4,882,289	4,938,817	5,521,482	6,104,136	8,450,049	9,032,709	9,032,709	9,032,709	9,032,709
% from sales	25%	25%	26%	29%	32%	44%	47%	47%	47%	47%

Projected Cash Flows

Description	Year									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Initial Investment	12,443,36		27,784,17		4,266,38		4,974,49			
Cash flows Form Operating Activities										
Collections from Customers	20,394,359	20,394,35	20,394,35	20,394,35	20,394,35	20,394,35	20,394,35	20,394,35	20,394,35	20,394,35
Payments to suppliers		-8,816,27	-8,816,27	-8,816,27	-8,816,27	-8,816,27	-8,816,27	-8,816,27	-8,816,27	-8,816,27
Payments for expenses	-450,86	-450,86	-450,86	-450,86	-450,86	-450,86	-450,86	-450,86	-450,86	-450,86
Net cash inflows (outflows) form operating activities	19,943,495	11,127,22	11,127,22	11,127,22	11,127,22	11,127,22	11,127,22	11,127,22	11,127,22	11,127,22
Cash flows Form Investment Activities										
Payments for new CAPEX purchases	-24,051,99									
Net cash inflows (outflows) form Investment activities	-24,051,99									
Cash flows From Financing Activities										
Loan repayments	-3,935,50	-2,913,29	-6,215,03	-5,632,37	-5,049,71	-4,467,05	-3,884,39			
Projected Cash flows For the year	4,399,36	8,213,92	32,696,36	5,494,84	10,343,88	6,660,16	12,217,31	11,127,22	11,127,22	11,127,22
Projected Cash flows For the year	4,399,36	12,613,28	45,309,64	50,804,49	61,148,38	67,808,54	80,025,86	91,153,08	102,280,31	113,407,53

