

# TANZANIA INVESTMENT CENTRE



## PROJECT PROGRESS REPORT SPICE UP LIMITED

13 April 2023

**COMPANY NAME:**

***SPICE UP LIMITED***

Project's Profile				
S/N	Item	Description		
1	Company Name	<b>SPICE UP LTD</b>		
2	Project Name	<b>KINOLE</b>		
3	Projects' Core Activities	FARMING OF ORGANIC SPICES		
4	Contact Address & Mobile number Email:	Morogoro, Jumbe mtoto Street, Sengodo road, Plot 165 , Box 6720 +255674 942000 awiti.maurice@gmail.com		
5	Contact Person	Maurice Leo AWITI		
6	Shareholders	<b>Name</b>	<b>Nationality</b>	<b>% Share</b>
		Silvan Roger Schmid	Switzerland	95%
		Maurice Leo Awiti	Tanzanian	5%

## **1. BACKGROUND**

Spice Up Limited (the "Company") was incorporated in Tanzania on August 31, 2017, with company registration number 137528 and having Certificates of Incentives No. 20212294. The Company has a share capital of Tanzania Shillings Forty Million (TZS. 40,000,000). The shareholders of the company are Silvan Schmid, a Swiss National with 95 shares and Maurice Leo Awiti from Tanzania with 5 % shares. In September 2022 the Company had entered into a lease agreement with Mr. Maurice Leo Awiti, who is a Director and minority shareholder of the Company, in order to obtain the properties located at Tandai, Kinole, Morogoro of 40 hectares, these properties have been issued with title deeds by the Assistance Commission of Lands in Morogoro with Title numbers 5967,5976,5969,5977and

5970 which are in the name of Mr. Maurice Leo Awiti and these properties are the ones that have been registered under the Company's project of cultivating organic spices at Tanzania Investment Centre. As for now the Company is in the process to apply for Derivate rights for the above mentioned properties.

Mr. Maurice Leo Awiti oversees the Company's activities in Morogoro. Mr. Maurice Leo Awiti has six years of prior professional expertise in spice farming projects. The Company's goal is to have 300 Hectares of sustainable organic spice products on their own farms and to market them internationally.

The Company's operation officially began in September 2019 and to date there has been a development of 50 Hectares of spices in Kinole at Morogoro region creating 15 direct and 60 indirect employments. The Company expects to reach its full production potential of 1000 tons annually by the year 2025 and that is when it shall commence exporting spices.

## 2. ACTIVITIES PLANNED

The Company's plan it to cultivate organic spices on more than 300 Hectares of land, but due to difficulties in acquiring land, climate change, and inadequate infrastructure, it has been obliged to cultivate using only 50 Hectares of land.

## 3. INVESTMENT BREAKDOWN AND FINANCIAL PLAN

S/N	CAPITAL ITEM	AMOUNT IN USD \$
1	Land/ Building	62,509.91
2	Plant and Machinery	26,478.59
3	Vehicles	12,587.98
4	Furniture and Fittings	4,224.84
5	Pre- Expenses	291,287.04
6	Working Capital	250,491.12
7	Others	18,164.16
	<b>TOTAL</b>	<b>673,770.00</b>

## **ACHIEVEMENTS ATTAINED**

### **4. JOB CREATION AND KNOWLEDGE TRANSFER**

#### **4.1 EMPLOYMENT**

The Company has a total of 15 employees who are under contracts for specified period of time and 60 employees who are employed under specific tasks who are employed during the farm maintenance period which is 3 times a year, The Company anticipates to be at full production capacity of 1000 tons per harvest by the year 2025. The Company expects to employ over 100 to 150 employees under employment for specific task and adding 20 staffs who shall be employed under the contract for specified period of time..

#### **4.2 CHALLENGES**

- i. Infrastructure has been a major challenge to the Company. Poor roads and lack of road connectivity from the village center to our farms has been working conditions very difficult to transport crops and for workers to move around to perform their duties effectively.

- ii. Shortage and lack of skilled labor.

The Company is facing a major challenge in the labor market, a lot of its employees have little or no experience in growing spices thus given that the Company is required to use manual labor in production and in the maintenance of spices, a lot of resources and time is used to train employees.

- iii. Climate change

The major issue with climate change is that it can disrupt spice production and affect quality of products. For example, projected increases in temperatures, changes in precipitation patterns, changes in extreme weather events, and reductions in water availability may all result in reduction of the agricultural productivity.

## **5. ISSUES / CHALLENGES TO BE ADDRESSED BY THE GOVERNMENT**

### **i. Irrigation permits.**

In the past two years, it has been very challenging for the Company to obtain irrigation permits, this problem has hindered the spice production. The government authorities that deal in issuing permits make it difficult to obtain the permits in time, thus it remains the duty of the Company to follow up with the officers in charge to make sure that permits are processed in time.

### **ii. lack of government support.**

There is a great challenge that the Company is facing in acquiring land, and it has hindered in the growth of the investment than we had s projected. There is a lot of bureaucracy in the government in the process of acquiring land for investment, which makes it difficult to progress in the investment project given land is the primary asset and security of the whole project.

### **iii. Lack of adequate infrastructure**

Inadequate infrastructure remains a major obstacle towards the Company in achieving its full economic growth potential in Kinole and expanding its investment business. Without good infrastructure, the Company's achieve, and growth shall time than expected or required.

## **6. FUTURE PLAN**

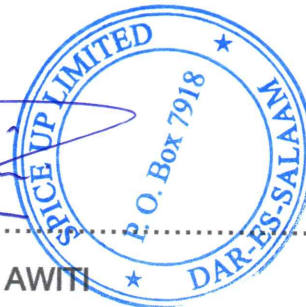
The Company plans to expand more in the Morogoro region and add additional lands of 100 Hectares by the year 2025. The Company also had planned to build a processing warehouse of 1500sqm by the year 2024 which shall employ 100 - 150 people in a processing season.

## 7. RECOMMENDATIONS

The Tanzania Investment Center to assist the Company and other investors in land acquisition or ready-assessed land banks to be easily accessed by investors to overview, this will help speed up the investment opportunities in the country. The Tanzania Investment Center to assist the Company in acquiring necessary permits for this project such as irrigation permits.

## 8. CONCLUSION

Apart for the challenges that the Company has faced such as climate change, lack of experience of the workers and poor infrastructure slow and bureaucratic procedure of acquiring the land which is still ongoing, and the delay of the Company's initial production target which was set to be 2022, the Company has been successful in terms of the whole project and positive that the Company is more solid and well developed with enough experience and good team members to harvest more organic spices . The Company shall continue to work hand to hand with our local authorities and with the Tanzania Investment Center so that it can reach its production targets.



SPICE UP LIMITED  
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MAURICE LEO AWITI

**MANAGING DIRECTOR**