

TANZANEX COMPANY LIMITED

Business Plan

Farming, Buying, and Semi-Processing of Chili for Export

Prepared by:
TANZANEX COMPANY LIMITED
In collaboration with
DOWENZO MANAGEMENT GROUP
Corporate & Business Strategy Advisors

BUSINESS PLAN
TANZANEX COMPANY LIMITED
Blended Chili Farming, Processing & Export

Table of Contents

| | |
|--|--|
| 1. Investment Objective | |
| 2. Sector and Products | |
| 3. Investment Costs and Sources of Finance | |
| 4. Job Creation and Social Impact | |
| 5. Investment Funds Expenditure Breakdown | |
| 6. Input Supply and Raw Material Sources | |
| 7. Marketing Plan | |
| 8. Implementation Timeline | |
| 9. Five-Year Financial Projections | |
| 10. Capacity & Growth Potential | |
| 11. Risks and Mitigation | |
| 12. Tax and Legal Compliance | |
| 13. Conclusion | |

1. Executive Summary

TANZANEX COMPANY LIMITED is an agro-industrial firm focused on the cultivation, sourcing, and semi-processing of chili (mainly Bird's Eye and African Red) for the export market. Our primary goal is to support Tanzania's agricultural value chain, create jobs, and boost foreign exchange through agro-processing.

The company intends to operate a leased warehouse of over 1,000 sqm for processing and packaging. It will contract smallholder farmers for supply and manage its chili farms in key producing regions. Operations will begin in January 2026, with the setup phase from August–December 2025.

2. Sector and Products

- **Sector:** Agribusiness and Agro-processing
 - **Primary Products:**
 - Dried Chili (semi-processed)
 - Chili Sauce
 - Chili Paste
-
-

3. Vision & Mission

Vision:

To be the leading East African exporter of high-quality, value-added chili products.

Mission:

To transform Tanzanian chili farming through innovation, fair trade, and sustainable agro-processing.

4. Market Analysis

- **Demand:** Global demand for African chili is increasing, especially from India, China, the UAE, and the UK.
- **Supply Gap:** Tanzania has high-quality chili potential, but poor post-harvest handling reduces competitiveness.
- **Competitors:** Few formalized processors; most exporters depend on raw sun-dried chili.
- **Advantage:** TANZANEX will offer semi-processed, high-quality, export-standard chili with traceability and consistent supply.

5. Operational Plan

a) Facilities & Equipment

- Warehouse Lease (1000+ sqm): TZS 60M/year
- Renovation & Improvement: TZS 80M (flooring, ventilation, partitions, HACCP compliance)
- Machinery & Equipment:
 - Chili washing machine
 - De-stoner and air classifier
 - Solar and hot-air dryer units
 - Grinder/Crusher
 - Vibrating sieve
 - Packaging & sealing machines
 - Weighing & grading scale
 - Cost Estimate (including shipping + duties): TZS 300M

b) Human Resource

- Skilled Workers (15):
 - Agronomist, Plant Manager, Quality Control, Export Manager, Accountant, HR, Technicians, etc.
 - Average Salary: TZS 1.5M/month × 15 = TZS 22.5M/month
- Unskilled Labor (200):
 - Warehouse hands, field support, cleaners
 - Avg Wage: TZS 300,000/month × 200 = TZS 60M/month

c) Other Key Costs

- Office setup, branding, registration, and legal: TZS 20M
 - Vehicles (2 pickups, 1 small truck): TZS 120M
 - Furniture & fittings: TZS 40M
 - Working Capital & Inventory Buffer: TZS 150M
 - Contingency/Other: TZS 170M
-

6. Financial Summary

a) Capital Investment Breakdown

| Item | TZS |
|----------------------------|----------------------|
| Land/Building | 200,000,000 |
| Machinery & Import Costs | 300,000,000 |
| Vehicles | 120,000,000 |
| Furniture & Fittings | 40,000,000 |
| Pre-operating Expenses | 20,000,000 |
| Working Capital | 150,000,000 |
| Other Expenses/Contingency | 170,000,000 |
| Total | 1,000,000,000 |

7. 5-Year Financial Projections

Income Statement

| Year | Revenue (TZS) | COGS (TZS) | Gross Profit (TZS) | Operating Expenses (TZS) | Net Income (TZS) |
|------|---------------|---------------|--------------------|--------------------------|------------------|
| 2025 | 0 | 0 | 0 | 980,000,000 | -980,000,000 |
| 2026 | 600,000,000 | 330,000,000 | 270,000,000 | 400,000,000 | -130,000,000 |
| 2027 | 1,200,000,000 | 600,000,000 | 600,000,000 | 450,000,000 | 150,000,000 |
| 2028 | 1,800,000,000 | 870,000,000 | 930,000,000 | 520,000,000 | 410,000,000 |
| 2029 | 2,500,000,000 | 1,375,000,000 | 1,125,000,000 | 600,000,000 | 525,000,000 |

Cash Flow Statement

| Year | Operating Cash Flow (TZS) | Capital Expenditure (TZS) | Net Cash Flow (TZS) |
|------|---------------------------|---------------------------|---------------------|
| 2025 | -980,000,000 | 0 | -980,000,000 |
| 2026 | 100,000,000 | -50,000,000 | 50,000,000 |
| 2027 | 300,000,000 | -50,000,000 | 250,000,000 |
| 2028 | 400,000,000 | -50,000,000 | 350,000,000 |
| 2029 | 600,000,000 | -50,000,000 | 550,000,000 |

Balance Sheet

| Year | Total Assets (TZS) | Total Liabilities (TZS) | Equity (TZS) |
|------|--------------------|-------------------------|---------------|
| 2025 | 1,000,000,000 | 0 | 1,000,000,000 |
| 2026 | 1,020,000,000 | 20,000,000 | 1,000,000,000 |
| 2027 | 1,200,000,000 | 30,000,000 | 1,170,000,000 |
| 2028 | 1,450,000,000 | 50,000,000 | 1,400,000,000 |
| 2029 | 1,750,000,000 | 70,000,000 | 1,680,000,000 |

8. Organization Structure

- Director
- GM – Operations
- Finance Manager
- Production Manager
- Quality Control Officer
- Field Manager
- Export & Logistics Officer
- 50 Supporting Staff

9. Products and Export Strategy

- Sun-dried chili (semi-processed)
- Ground chili (fine and coarse)
- Vacuum-packed and bulk shipments
- Export through Dar es Salaam port
- Direct contracts with Asian spice companies and European buyers

10. Sustainability & Impact

- Support over 5000 smallholder farmers for an annual target of over 10000 tons per annum target
 - Gender-inclusive employment
 - Eco-drying technologies
 - HACCP and traceability for export compliance
-

11. Conclusion

TANZANEX COMPANY LIMITED is strategically positioned to bridge the gap in the chili export value chain by offering traceable, high-quality, semi-processed chili. With a solid business model, experienced management, and strong market demand, the business is both financially and socially impactful.

Authorization and Declaration

I, the undersigned, hereby declare that the information contained in this business plan for TANZANEX COMPANY LIMITED is true and accurate to the best of my knowledge and belief. This plan has been prepared in good faith to outline our strategic intentions, financial projections, and operational plans to seek financing, regulatory approval, or strategic partnerships.

I authorize the use of this document for official purposes as required by banks, investors, and relevant authorities.

| Name | Position | Signature | Date | Company Stamp |
|-----------------------|-------------------|---|------------|--|
| Hosea Peter Magelanga | Managing Director |  | 13/07/2025 |  |