BANKABLE BUSINESS PLAN

IMPROVEMENT OF EXISTING IRRIGATION PROJECT KIBITI, RUFIJI DC –PWANI REGION

OWNED AND SUBMITTED BY;

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Executive summary

This business plan presents a structured investment blueprint for the transformation of a traditional, rain-dependent rice farming operation into a modern, irrigated, and fully integrated agribusiness enterprise. Anchored in a phased implementation approach, the project targets both productivity enhancement and value chain integration, with the ultimate goal of establishing a climate-resilient, market-driven rice production and processing hub.

The total project investment is TZS 6.15 billion, covering five sequential phases from land development to value addition. Phase One, land acquisition, clearing, and mechanization was successfully completed in 2022 at a cost of TZS 1.15 billion, fully financed by the project promoters. Phase Two, which begins in June 2025, is already financed and focuses on the installation of irrigation pumps and HDPE pond liner lined canal systems to enable year-round water supply.
The remaining phases require an additional TZS 4.375 billion in financing:

- Phase Three: Intensification of field productivity through land levelling, internal drainage, and on-farm infrastructure upgrades.
- Phase Four: Development of post-harvest systems, including warehouse construction and paddy drying to reduce losses and maintain grain quality.
- Phase Five: Construction of a rice milling and packaging facility and acquisition of transport trucks to enable full market integration and brand-based distribution.

Each phase is aligned with specific operational milestones and supported by a detailed implementation plan. This ensures efficient capital deployment, reduced risk, and measurable outcomes at every stage. A parallel R&D and capacity-building track is embedded across all phases to support innovation, local training, and adaptive learning for long-term sustainability.

Strategically, this project addresses key bottlenecks across the rice value chain moving from secure landholding and water access to yield optimization, post-harvest loss mitigation, and high-value market entry. Its structure is designed to appeal to blended finance, development capital, and commercial investors seeking bankable, high-impact agricultural opportunities.

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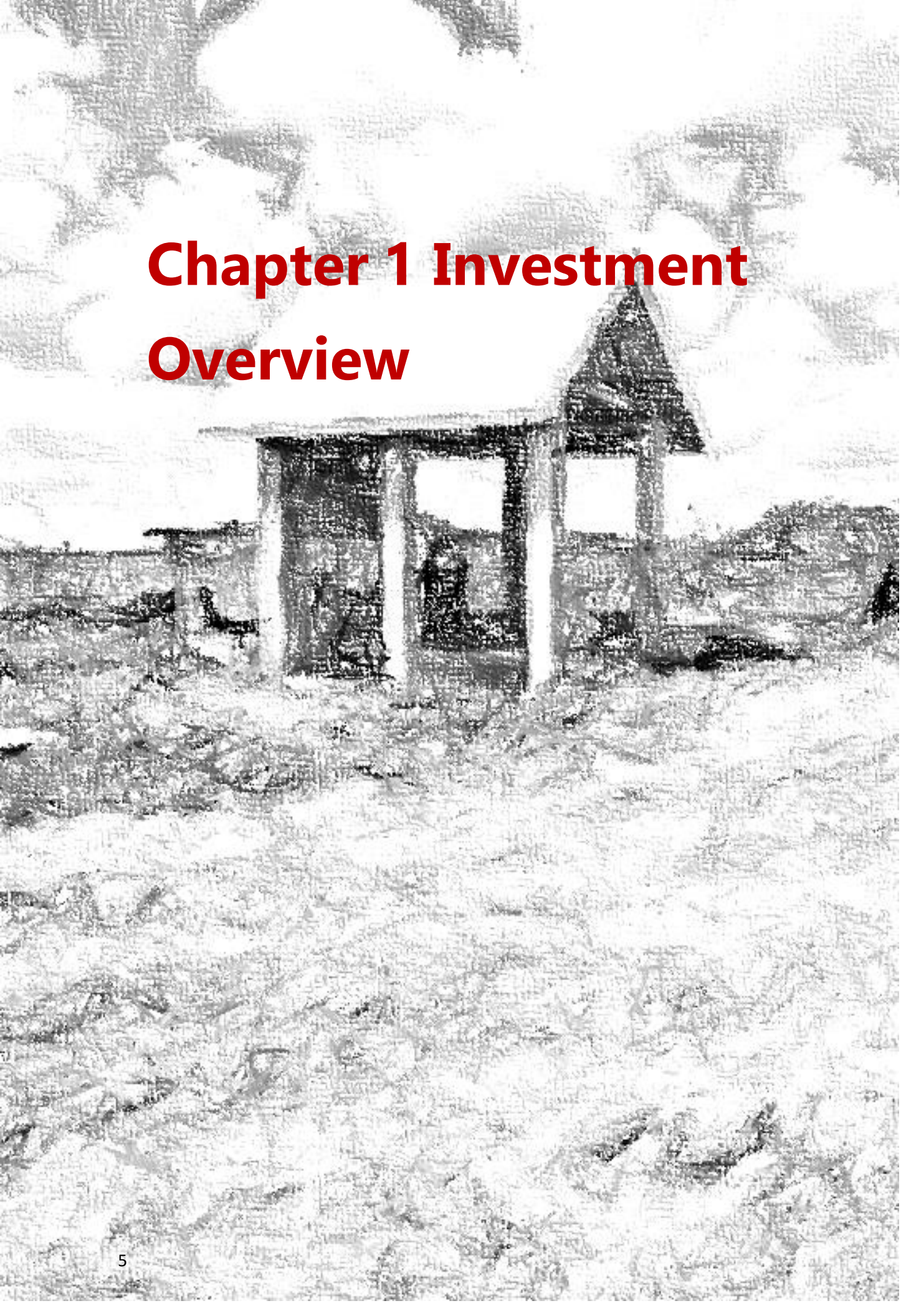

Chapter 1 Investment Overview

1.1 Investment Overview

1.2 Promoter Background

Mr. Khamis Mohammed Kambanga, is a seasoned agricultural entrepreneur and impact investor with a specialized focus on paddy farming. He has been engaged in this field since 2012 and has successfully built a reputation as a knowledgeable and reliable farmer. As the proprietor of his farming operations, Mr. Kambanga brings over ten years of hands-on experience in paddy farming and agribusiness management. His long-term involvement in the agricultural sector has given him extensive expertise in cultivating and managing large-scale rice farms, as well as navigating the broader business aspects of farming.

Mr. Khamis owns a total of 800 acres of agricultural land dedicated to paddy farming in the Kibiti District, which is located in the Coast Region. This vast land area allows him to manage a significant and efficient rice production operation. In addition to his primary farming activities in Kibiti, he also oversees and manages similar agricultural projects in Rujewa, located in the Mbarali District of Mbeya Region. His multi-regional experience further demonstrates his ability to handle diverse farming conditions and adapt to the specific needs of different farming environments.

Throughout his career, Mr. Khamis has developed a strong proficiency in farm management, particularly in the areas of crop cultivation, resource allocation, and large-scale paddy farming operations. His deep understanding of the complexities of paddy farming, including land preparation, irrigation management, pest control, and harvesting techniques, positions him as an expert in the field. In addition to his technical skills, Mr. Khamis possesses exceptional business acumen, enabling him to make strategic decisions that optimize productivity, reduce costs, and enhance profitability. His practical knowledge of managing farming operations and his ability to lead teams effectively make him a trusted and capable individual within the agricultural sector.

Mr. Khamis's proven track record, coupled with his ongoing commitment to sustainable farming practices and agricultural development, makes him a highly regarded figure in the industry.

Phase One Accomplishment

FARM LAND AND LANDED PROPERTY (TZS 563 Mil)

Owns 800 acres af paddy farm in Mtunda Village, Kibiti District, a valuable agricultural investment with potential for large-scale production. The farm is all cleared with bunds ready for farming

MECHANIZATION (TZS 461 Mil)

Possesses six Tractors (Case JX754WD with respective attachments such as Plough Disc (Baldan AF 3x28" x6mm), Rotary Tiller, 54B. V-Type Harrow (ALPLER 20Disc) and combine harvestor TADB financed the purchase of two tractors with attachments and the combine harvester

IRRIGATION (TZS 376 Mil)

Construction and commission of irrigation system, the system has been designed with the technology move large volumes of water from Rufiji River to paddy fields with the aim of watering

1.3 Potential Challenges on existing Investment

The current agricultural investment encounters a number of pressing challenges, ranging from environmental risks to post-harvest inefficiencies and logistical limitations. This business plan introduces a phased development strategy that directly tackles each of these constraints with focused, step-by-step interventions.

A major challenge is the over-reliance on rain-fed agriculture, which exposes farm operations to erratic weather patterns, delayed planting seasons, and unpredictable yields. This vulnerability undermines production consistency and revenue stability.

To resolve this, Phase Two of the business plan introduces a robust irrigation system, including the installation of irrigation pumps and the lining of canals with HDPE pond liners. These interventions will enable controlled water delivery throughout the growing cycle, allowing for multiple planting seasons and improved resilience against climate variability.

Limited mechanization is another critical constraint affecting productivity and operational efficiency. Many routine tasks such as land preparation, weeding, and field management remain labor-intensive and inefficient.

Phase One addresses this by procuring essential mechanization tools like tractors and ploughs, while Phase Three enhances field efficiency through the acquisition of land levelling equipment.

These combined efforts will lead to uniform fields, optimized water usage, and higher crop yields. Post-harvest losses present yet another challenge. The absence of modern storage and drying facilities leads to significant spoilage, especially during peak harvest periods.

As a result, the marketable volume of paddy is reduced, and overall profitability is compromised.

To tackle this, Phase Four of the plan focuses on the development of critical post-harvest infrastructure, including the construction of a warehouse and installation of a paddy dryer. These interventions will drastically minimize storage-related losses and maintain grain quality. Value addition remains minimal under the current setup. Raw paddy is often sold without further processing, limiting income potential and market leverage.

Phase Five addresses this by establishing a fully equipped milling and packaging facility. This will allow the business to process rice to a market-ready form, increase shelf life, and brand its products for direct-to-consumer and bulk distribution.

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Finally, inefficient logistics and limited market access create a bottleneck in value chain operations. Without reliable transportation, produce may not reach markets in optimal time or condition, resulting in lost sales and lower bargaining power. Phase Five addresses this by investing in transportation assets such as trucks, ensuring efficient movement of goods from farm to market and expanding the business's reach to regional and urban centers

1.4 Financing needs and use of funds

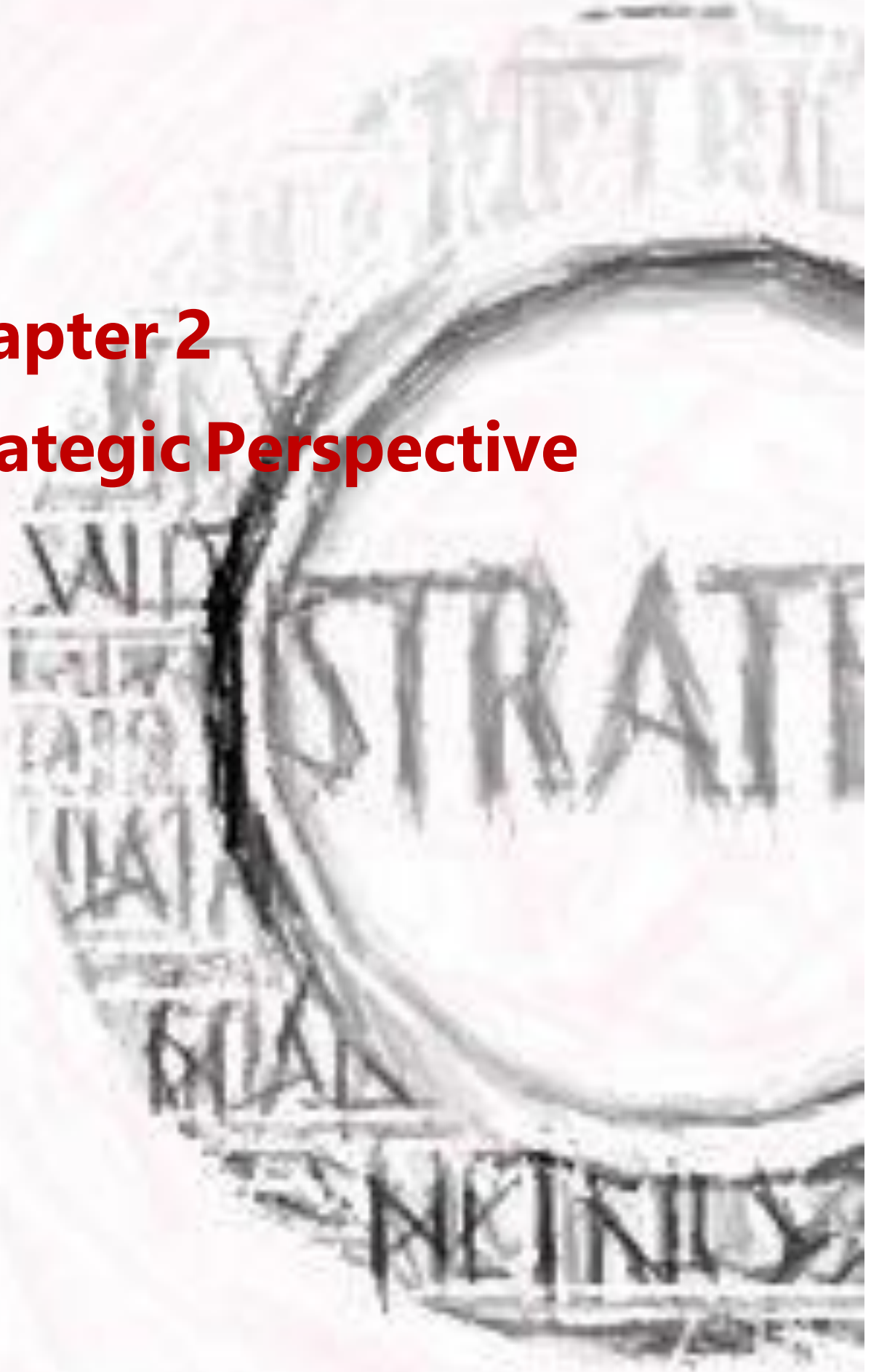
The full realization of this agribusiness project requires a **total investment of TZS 6.15 billion**, distributed across five strategic phases. This includes **Phase One**, which has already been completed and financed by the project promoters, and **Phase Two**, for which funding has been secured. The remaining financing requirement is **TZS 4.375 billion**, targeting Phases Three through Five.

Note:

- *Phase One (TZS 1.15 billion) is complete and fully funded by the project sponsors.*
- *Phase Two (TZS 625.48 million) has secured external financing.*
- *Phases Three to Five require a combined funding of **TZS 4.375 billion**.*

Phase	Focus Area	Key Activities	Est. Cost (TZS)
1	**Land & Mechanization (Completed)**	Land purchase and legal processing	500,000,000
		Bush clearing and land preparation	200,000,000
		Tractors, ploughs, harrows procurement	400,000,000
		Operator training and testing	50,000,000
		Subtotal Phase 1	**1,150,000,000**
2	**Irrigation Infrastructure**	Irrigation system design and engineering layout	50,000,000
		Irrigation pumps, pipes, fittings	300,000,000
		Canal excavation and HDPE lining	200,000,000
		Field distribution system setup	75,483,000
		Subtotal Phase 2	**625,483,000**
3	**Production Intensification**	Laser land levelling machine purchase	540,000,000
		Field re-shaping, profiling, bunds, and drainage	225,000,000
		Access road upgrades and internal logistics paths	135,000,000
		Subtotal Phase 3	**900,000,000**
4	**Storage & Drying Infrastructure**	Warehouse design and construction	400,000,000
		Paddy dryer purchase and installation	250,000,000
		Power backup system and security fencing	100,000,000
		Storage management software and fittings	50,000,000
		Subtotal Phase 4	**800,000,000**
5	**Milling, Packaging & Transport**	Milling plant civil works, machinery, and installation	1,400,000,000
		Packaging line procurement and branding setup	500,000,000
		Certification, quality systems, market compliance	174,517,000
		Purchase of transport trucks (fleet)	600,000,000
		Subtotal Phase 5	**2,674,517,000**
		TOTAL PROJECT INVESTMENT	**6,150,000,000**

Chapter 2
Strategic Perspective



2.1 Strategic Perspective

2.1.1 Vision for Transformative Agribusiness Growth

This agribusiness investment is anchored in a bold and deliberate strategy to transition a rain-dependent, low-efficiency farming operation into a modern, climate-resilient, and fully integrated rice production and processing enterprise. The transformation is designed to not only increase productivity and profitability, but also to create systemic impact across the agricultural value chain.

2.1.2 Structured Growth through Phased Implementation

The project follows a carefully sequenced phased approach, where each stage addresses a specific constraint while laying the foundation for the next. The journey begins with foundational land development and mechanization, followed by irrigation infrastructure, then yield-optimizing field upgrades, post-harvest loss mitigation, and finally full-scale processing and market integration. This sequencing ensures strategic continuity, operational readiness, and efficient capital deployment.

2.1.3 Investment Efficiency and Risk Mitigation

By breaking the investment into manageable, milestone driven phases, the model allows for focused financing aligned with clearly defined outputs. This reduces capital exposure at each stage, provides measurable indicators of success, and offers structured entry points for diverse investors.

2.1.4 Enhancing Resilience and Sustainability

The phased design is not only about growth it is a platform for resilience. Through irrigation, land use optimization, and infrastructure development, the farm becomes more resistant to climate variability, more efficient in water and input use, and better equipped to maintain stable production.

2.1.5 Market Integration and Value Capture

Strategically, the model leads toward full value addition. With the development of milling, packaging, and transport systems in the final phase, the enterprise will capture higher margins, build brand equity, and access premium markets. This positions the business not just as a producer, but as a market-oriented player in the rice value chain.

2.1.6 Scalable Model for Inclusive Agribusiness Development

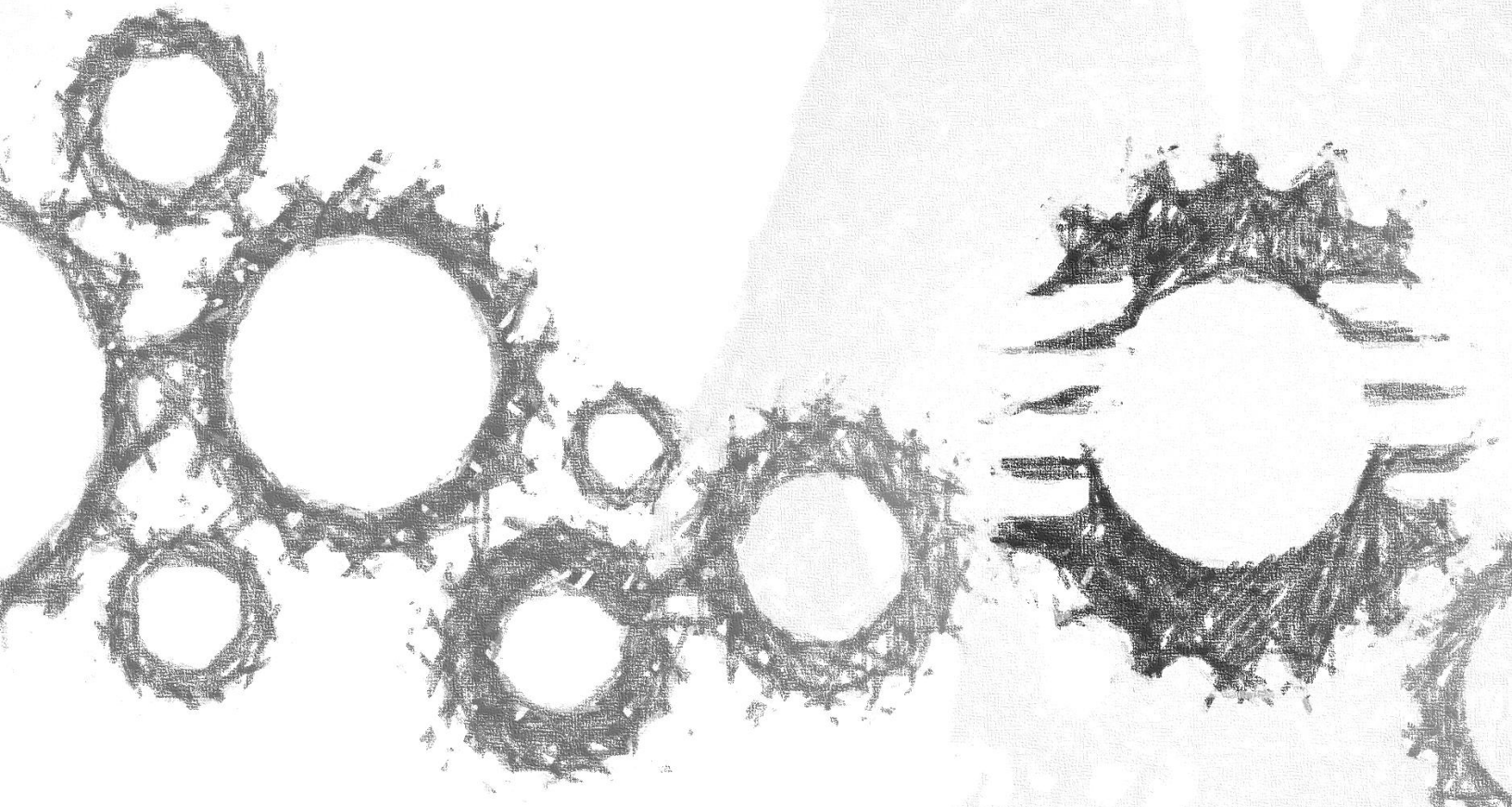
Ultimately, this strategy goes beyond operational implementation. It offers a replicable model for scalable, inclusive, and sustainable agricultural development. The phased approach ensures not only financial viability, but also broader development outcomes—rural employment, skills transfer, and improved livelihoods making it highly attractive for blended finance, development capital, and long-term partnerships.

Phase	Key Components	Sub-Activities	Timeline	Responsible
1	Land Acquisition & Mechanization	- Land purchase - Bush clearing - Tractors & implements procurement	Completed (2022)	Project Sponsors
2	Irrigation Infrastructure	- Install irrigation pumps - HDPE canal lining - Field water layout	Jun – Sept 2025	Technical Contractors
3	Production Intensification	- Laser land levelling - Field regrading - Drainage & access road works	Oct 2025 – Mar 2026	Operations Team + Vendors
4	Post-Harvest Infrastructure	- Warehouse construction - Paddy dryer setup - Energy & security installation	Apr – Sept 2026	Civil Works Contractor
5	Milling, Packaging & Logistics	- Milling & packaging plant - Truck purchase - Branding & certification	Oct 2026 – Jun 2027	Engineering Firm + M&E
Ongoing	R&D and Capacity Building	- Trials (varieties, irrigation) - Farmer/staff training - Monitoring	Integrated throughout	R&D Lead + Extension Unit

Note:

The above plan ensures phased delivery while enabling overlap in preparatory activities (e.g. procurement, training, R&D). Monitoring, evaluation, and adaptive feedback loops are embedded at every phase to guide implementation quality and continuous improvement.

Chapter 3
Operations Management

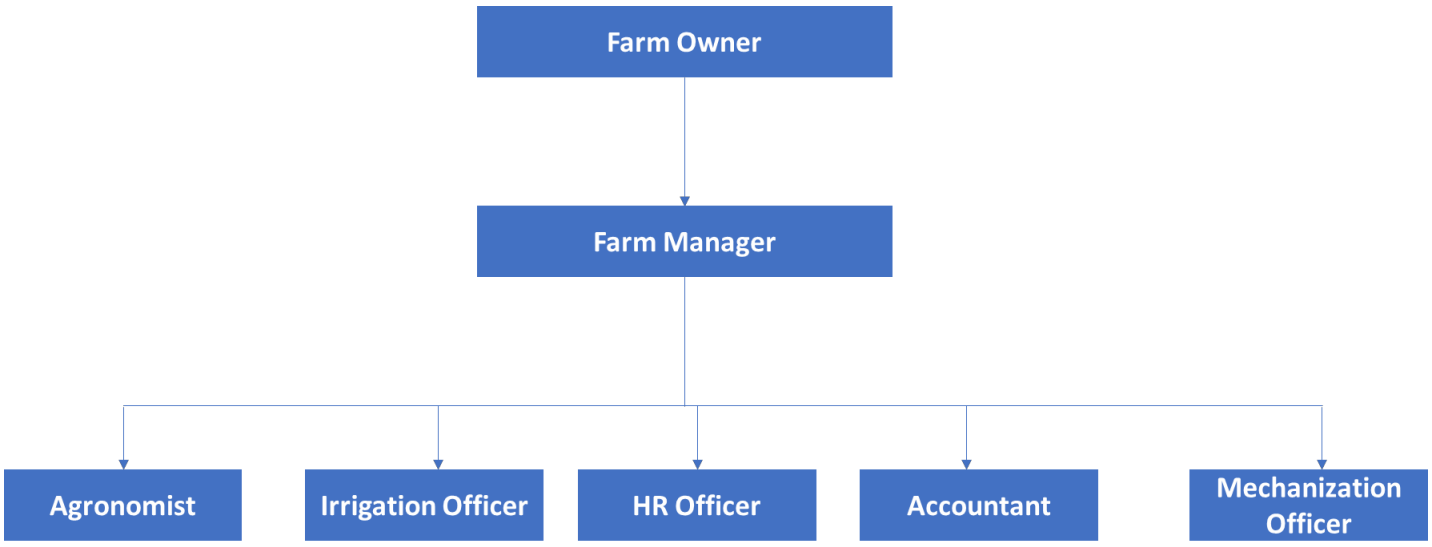


3.1 Operations Management

3.2 Management structure

To ensure the sustainability and efficient management of the project, a well-defined organizational structure has been established. In the short term, the project will operate as a sole proprietorship under the direct supervision of the owner, who serves as the head of the project. The farm plans to employ ten permanent staff members to handle regular operations. Additionally, temporary workers will be hired during peak farming periods, such as seed sowing, weeding, and fertilizer application, to address seasonal labor demands.

In the long term, the plan is to transition the project into a limited liability company. This strategic move aims to enhance the farm's sustainability, improve its governance structure, and ensure continuity as the business grows. The current organizational framework consists of the farm owner (promoter) at the top, overseeing all operations. Permanent staff report directly to the owner, while casual laborers hired during peak periods will also fall under the owner's direct supervision. This streamlined reporting structure ensures clear communication and efficient decision-making. A visual representation of the farm's organizational structure is presented beneath.



3.3 Operational Matrix

An **Operational Matrix for Irrigation Farming** provides a structured framework to plan, manage, and monitor the critical aspects of an irrigation farm. This matrix typically outlines key operations, responsibilities, performance indicators, and timelines. Below is an operational matrix for an irrigation farm of Mr Khamis :

Phase	Objective	Key Sub-Activities	Responsible Party	Timeline	Status	Expected Output
Phase 1Farm Acquisition & Mechanization	Establish land ownership and basic operational readiness	- Secure land title- Bush and stump clearing- Procurement of tractors and ploughs- Primary tillage and soil preparation	Project Promoters	Completed in 2022	✅ Completed	250 ha of land secured and cleared; mechanized for baseline operations
Phase 2Irrigation Infrastructure	Secure reliable year-round water supply	- Purchase and install irrigation pumps- Line main canal using HDPE pond liners- Install in-field distribution network	Project Team & Irrigation Contractor	June 2025 – Dec 2025	✅ Financed	250 ha of land equipped with functional irrigation system
Phase 3Production Intensification	Optimize field productivity and water use efficiency	- Procure laser land levelling equipment- Field reshaping and alignment- Construct internal drainage and field roads	Project Team & Agronomy Advisor	Oct 2025 – Mar 2026	🚧 Pending Financing	Improved land uniformity; enhanced crop stand and water retention
Phase 4Post-Harvest Infrastructure	Reduce post-harvest losses and	- Build ventilated warehouse-	Infrastructure Engineer & Procurement	Apr 2026 – Sept 2026	🚧 Pending Financing	500MT storage capacity;

Phase	Objective	Key Sub-Activities	Responsible Party	Timeline	Status	Expected Output
	improve quality preservation	Install paddy dryer- Establish power connection and security fencing	Unit			drying capability up to 10MT/day
Phase 5Value Addition & Market Access	Enable full processing, branding, and distribution	- Construct paddy mill & packaging unit- Acquire transport trucks- Initiate branding and market linkage activities	Value Chain Lead & Marketing Officer	Oct 2026 – Jun 2027	🚧 Pending Financing	Integrated processing line; brand-ready packaging; improved market reach

Chapter 4
Rice Sector Analysis

4.0 Rice Sector analysis

4.1 Global Overview of the Sub-sector

Paddy/Rice is produced in over hundred countries throughout the World. It is estimated that more than 715 million tons of paddy is produced annually equivalent to 480 million tons of milled rice. Asian countries account for 90% of the world's total rice production. China and India account for 50% of the rice produced in the World. Other major producing countries include Brazil, USA, Egypt, Nigeria and Madagascar account for 5 percent of rice produced globally. Global rice consumption has been increasing in the 2018/2019 crop year, about 490.27million MT of rice was consumed worldwide as compared to 437.18 million MT in the 2008/2009 crop year (MoA,2019). The increase in the global level of rice consumption is associated with the increase in global population. Paddy/Rice has emerged as a significant crop in SSA, the single most important source of dietary energy in West Africa, and the third most important crop across SSA. Local demand is growing at a rate exceeding 6% per year, with some countries like Kenya and Ethiopia reaching over 12%, faster than any other food staple in the region. The world consumption of rice is increasing rapidly in the recent years mostly attributed to population growth of 4% annually, improved income, and urbanization. Average annual per capita rice consumption is estimated at 40 kg in SSA, with the highest reported in Madagascar 140 kg. In Tanzania, per capita consumption of rice is estimated to be 25 kg (MoA,2019). Reasonable production gains were witnessed in the last decade, attributed to both area expansion and increase in yield in some countries. However, the gap between local/regional production and demand is progressively widening, causing the region to import about 15 million tons of milled rice in 2018, and posing serious food security challenges. Rice is now being recognized as a strategic crop and a major component of food security and income for the region. Regional rice production meets only about 55% of demand, with the rest being met through imports, costing the region USD 5–6 billion annually, placing a considerable burden on the already struggling economies.

4.2 Overview of the paddy/rice Sub-sector in Tanzania

In Tanzania, rain-fed areas, which constitute over 70% of paddy rice production areas in the country are not sufficiently exploited, and the country has plans to expand its irrigated areas. Despite the existing challenges, Tanzania is still the biggest producer of paddy /rice in East Africa Region, the annual production is estimated to be 2.2 million metric tons.

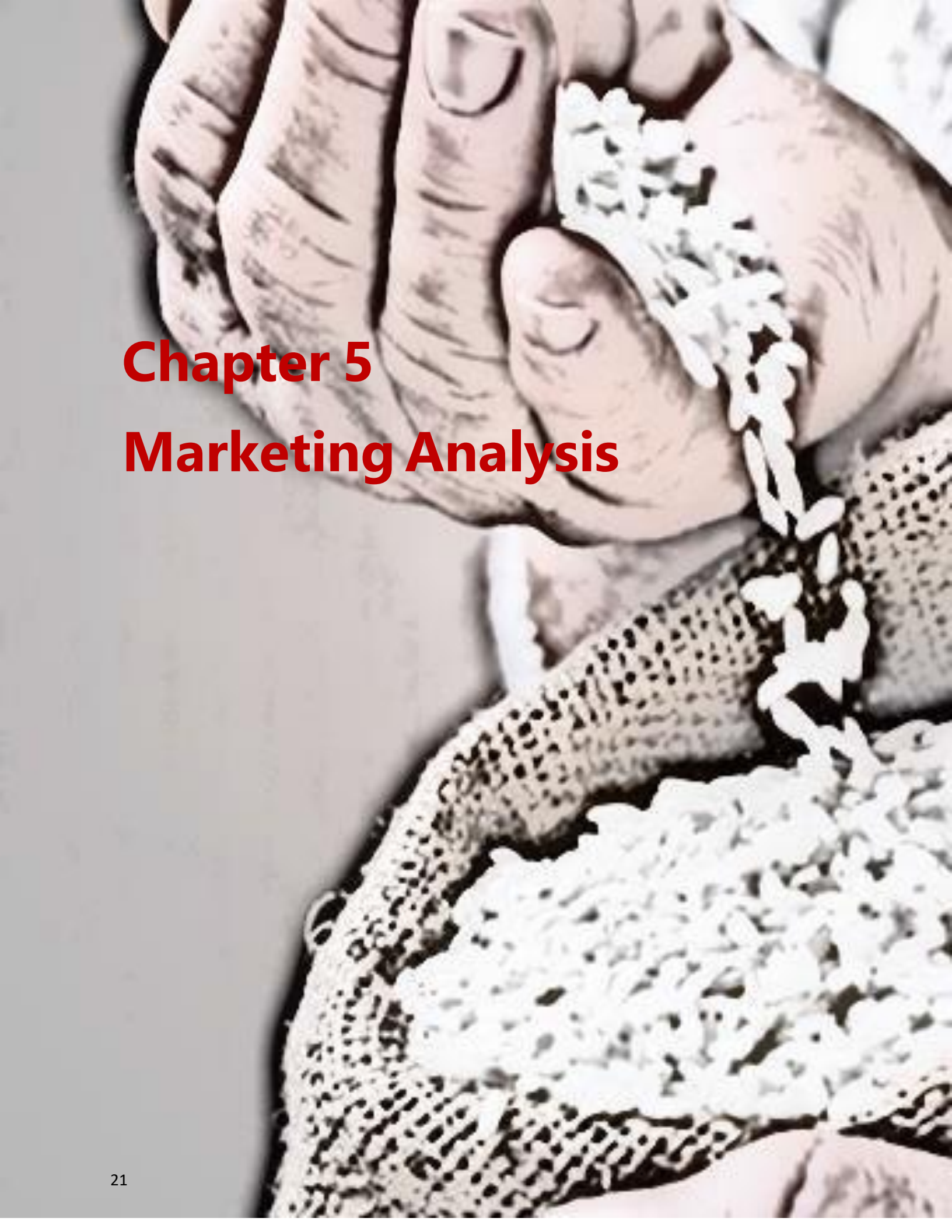
Over the past two decades from 1995 to 2014, the area under paddy production at national level increased by 57 and 76 percent respectively. Increase in production has gradually reduced the need for imports and rice self-sufficiency has been attained in the recent years

Trend of Rice Production and Consumption

Year	Area Harvested (Ha)	Yield (t/ha)	Production (MT)	Requirement (Consumption) (MT)	Self-sufficiency ratio (%)
2011/2012	900,275	1.3	1,170,358	818,699	143
2012/2013	1,005,622	1.3	1,307,308	840,487	156
2013/2014	840,563	2.0	1,681,125	886,962	190
2014/2015	1,139,358	1.7	1,936,909	926,096	209
2015/2016	1,238,372	1.8	2,229,071	976,925	228
2016/2017	758,861	2.1	1,593,609	924,435	172
2017/2018	1,109,814	2.0	2,219,628	990,044	224

Source: MOA Reports-Tanzania

Tanzania has been producing excess rice in relation to domestic demand, the statistics presented in table above provide the complete picture. This increased production and excess communicates available opportunity in the business of exporting processed paddy (rice) to different countries in the EAC block, great lakes countries, SADC and other Africa and out of Africa countries



Chapter 5
Marketing Analysis

5.0 MARKET ANALYSIS

5.1 Current market orientation

There are active markets for paddy and rice throughout the year. Both products if stored well will keep from one year to the next and are therefore extensively traded. Rice in Tanzania is mostly sold to consumers as polished milled rice. Tanzanian paddy/rice achieves a premium over imported rice, this is due to good aroma and flavour that the rice from Tanzania has. The market for Tanzanian paddy/rice is growing faster both domestically and internationally. The growth is associated with increased population in Tanzania and the world at large, increase in per capita income and Tanzania being a member to the regional blocks such as EAC and SADC. Most of countries in these regional blocks rice is their staple food after maize, and Tanzania is one of the main producers of the paddy/rice in the region. The regional blocks have expanded the level of demand of the products and has smoothen the trading between countries by agreement of removing some of trade restrictions, especially tariff-based restrictions. This ensures the market for paddy/rice that farmers in Tanzania produces.

In Sub-Saharan Africa, paddy/rice is increasingly becoming an important food and cash crop. The annual rice consumption averaged about 26 million MT between 2012 and 2014 and is expected to increase to about 38 million MT by 2024(FAO, 2015). That is a massive 45% consumption increase within 10 years (FAO, 2015). The per capita rice consumption in Sub-Saharan Africa also averaged 25.6 kg between 2012 to 2014 and is expected to increase to 28.6 kg in 2024 (FAO, 2015). In the East African Community (EAC), Consumption is predicted to increase by 54 % in 2020, due to population growth, urbanization, changing consumer preferences and economic development (Kilimo Trust, 2017). Generally, there is large market for paddy/rice domestically, in the neighboring countries, SSA and the world at large.

5.2 Potential Market for Paddy (rice)

Paddy/Rice is the world second staple food after maize; it is consumed by majority of people around the world. Thus, the potential market/users of the crop are all people around the world. However, the rice produced in Tanzania is mostly consumed by Tanzanians and the export is mainly to East African Countries (Rwanda, Burundi, Kenya, Uganda, and South Sudan), DRC and Somalia. The project Owner will use different distribution channels to reach its customers found in Tanzania, EAC, and SADC and even out of Africa.

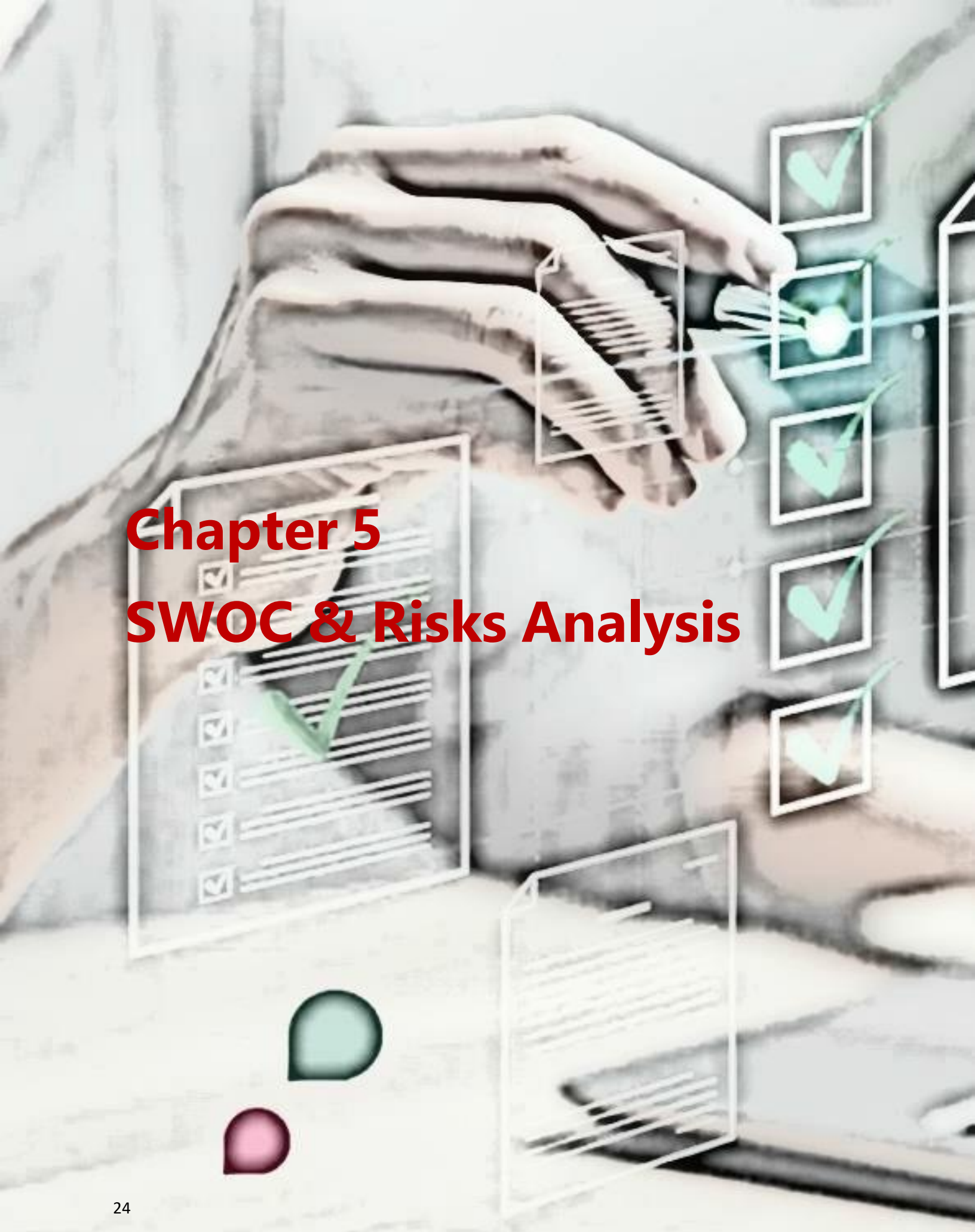
A Promoter will sell paddy as raw products to processing plants that are allocated in project are and to other processing plants founding in Dar es Salaam Pwani and Morogoro. There are also customers from Zanzibar who purchases the paddy in the project area. In long-run the project will process paddy and sell rice in and out of Tanzania. The purchase of Scania trucks is mean to facilitate the processes of supplying orders to these customers.

5.3 Degree of Competition in the market

Like other businesses that face competition due to the presence of alternative suppliers, this business is also expecting to face competition from small, medium and large paddy producers spread in different areas in Tanzania. However, the market for paddy/rice is still open to more supplies due to increased demand, and thus the competition is not stiff as in other sub-sectors. In order to stay amidst competition in the market, the project plans to have contract with some of potential buyers of the paddy/rice, this will reduce competition and ensure sure market for the paddy/rice produced by the project.

5.4 Marketing Strategy

For the sake of managing entry in the market and creating strong muscles against the main competitors, the farm will use market penetration strategy and sales by contracts approaches. Market penetration strategy involves charging low prices for the products compared to the prices charged by competitor on the similar products. This strategy will enable to attract new customers and even engulf some of customers from competitors. For the sake of implementing Market penetration strategy a price for paddy will be less or equal to TZS 80,000 per sack instead of the prevailing market prices of that range between TZS 100,000 and TZS 120,000 per sack. The farm will as well follow marketing **'Right'** Principle i.e., Make right Products to the right people at the right place, at right time and the right price, and use right promotional techniques in facing its competitors. In long-run there will be signing of sales contracts with customers and thus ensuring market security for all products from the farm.



Chapter 5
SWOC & Risks Analysis

5.0 SWOC & Risks Analysis

5.1 SWOC ANALYSIS

This part describes Internal and External Business environment that project in relation current business situation. The analysis focuses to describe Strengths, Weaknesses, Opportunities and Challenges in relation to the farmer's businesses (Paddy farming). The analysis is abbreviated as **SWOC** (Strengths, Weaknesses, Opportunities and Challenges).

STRENGTH

- ✓ Mr. Khamis (A Promoter) own 800 acres of farm land fit for paddy farming in Kibiti District
- ✓ The Promoter has more than ten years in paddy/rice farming and trading
- ✓ The project is under irrigation farming system, thus, the farming is undertaken twice per year
- ✓ The Promoter has enough Assets to edge the loan facility applied

WEAKNESS

- ✓ High water loss associated with unlined canals—estimated at 80% due to seepage and inefficient water flow management.
- ✓ The high-water loss contributes to increased production costs as more resources are required to compensate for the deficit, ultimately leading to lower productivity and reduced profitability.

- ✓ Presence of many paddy processing and trading firms, and increase in demand for paddy/rice in the country and in neighboring states
- ✓ Raised income of individuals and urbanization that raise the demand for rice
- ✓ Friendly business environment and political stability in Tanzania
- ✓ Availability of enough land to expand the project and conducive climate in the country
- ✓ Tanzania being a member to the regional blocks EAC and SADC simplified international trade among the member states

CHALLENGES

- ✓ Presence of importation of rice from Asian (Competition in the market)
- ✓ Frequently changes in the export and trading laws and regulation eg. Ban for exports due to the issue of food security in the country.

5.2 RISK ANALYSIS

Risk is the probability of deviation of the actual outcome of an event from the expected/desired outcome. This project like any other projects is encountered by number of risks. It is important that possible risks are identified and necessary actions to minimise or eliminate them altogether are outlined and implemented when and where necessary so as to improve the overall sustainability and viability of the project. The paddy/rice farming and trading is prone to the following common risks; Climatical changes that might affect the level of output or destroy crops, the climate changes can lead to floods or drought. Drought or floods affects the level of output. Other risks include; fire hazards, market movements that affect the level of prices for which paddy is sold and thus affecting revenue generated, frequent changes in the trading laws and regulation, theft of the produce in the farm and in stores, attach of the crops by disease and destruction of the farm by livestock or wild animal-like elephants.

Risk Management Plan in the Project

The Risk Management Plan (RMP) has taken into consideration on the three main angles in assessment of the risks associated with the business. With RMP in place the risks have been assessed on the basis of:

- Probability of occurrence
- Impact on projects success
- Action to be taken to mitigate identified risks

Table below summarizes the risks associate with the project, their possibility of occurrence and actions to be taken to mitigate. However, the summarized risks might be not the only risks of engaging in this business, the management/ owner of the project will for several times review the project risks based on the experience from the actual operations and take appropriate mitigation measures.

Summary of the proposed Risks and the Management Plan

Risk	Probability of Occurrence	Impacts that a risk to the project Success	Action to be taken to mitigate
Climatical changes that results floods or drought	**High**, due to the due to the current world status on changes associated with the increase in human activities that destruct environment	✓ Destruction of the crops due by the flood ✓ Low crop yield in the farm	✓ The improvement of irrigation structure through lining of canals to ensure constant water though out the year ✓ A retaining wall have been raised and improved to avoid flooding water
Attack of the crops by pests and diseases	**Low,** since paddy is not pruned much by pests and disease like other crops	✓ Low crop yield	✓ Following of GAP ✓ Expert consultancy
Low sales figures due to low prices or decline in market demand	**Medium,** due to existence of competition in the market	✓ Reduced profits ✓ Possibility of project failure	✓ Maintaining quality of the products ✓ Sales by order/contracts
Crops theft in the farm or at the stores	**Low,** due to the presence of the farm security persons	✓ Loss of crops	✓ Having security persons at the ✓ farm and stores (Godowns)

Chapter 6
Financial Analysis

6.0 FINANCIAL PROJECTIONS

5.1 Investment Requirement

The total investment required for the project is TZS 6.15 billion, distributed across five implementation phases. Phase One, valued at TZS 1.15 billion, has already been completed and self-financed. Phase Two is financed and scheduled to commence in June 2025, while Phases Three to Five, totaling TZS 4.375 billion, are pending financing.

5.2 Revenue Assumptions

- Revenue generation begins in 2026, following the operationalization of irrigation infrastructure (Phase Two).
- Production will be scaled in line with field development and mechanization, with revenue projected to grow from TZS 400 million in 2026 to TZS 1.8 billion by 2029.
- Revenue drivers include paddy sales in year 2, followed by value-added milled rice sales from year 3 onwards.

5.3 Cost Structure and Operating Expenses

- Operating costs include labor, input procurement (seeds, fertilizers, fuel), equipment servicing, and field logistics.
- Initial operating costs are estimated at TZS 100 million in 2025, increasing to TZS 700 million by 2029 as production expands.
- Depreciation is calculated at TZS 50 million annually, based on capital asset values.
- Interest expenses are highest during peak capital expenditure years (2025–2026), tapering as loan obligations are serviced.

5.4 Profitability Outlook

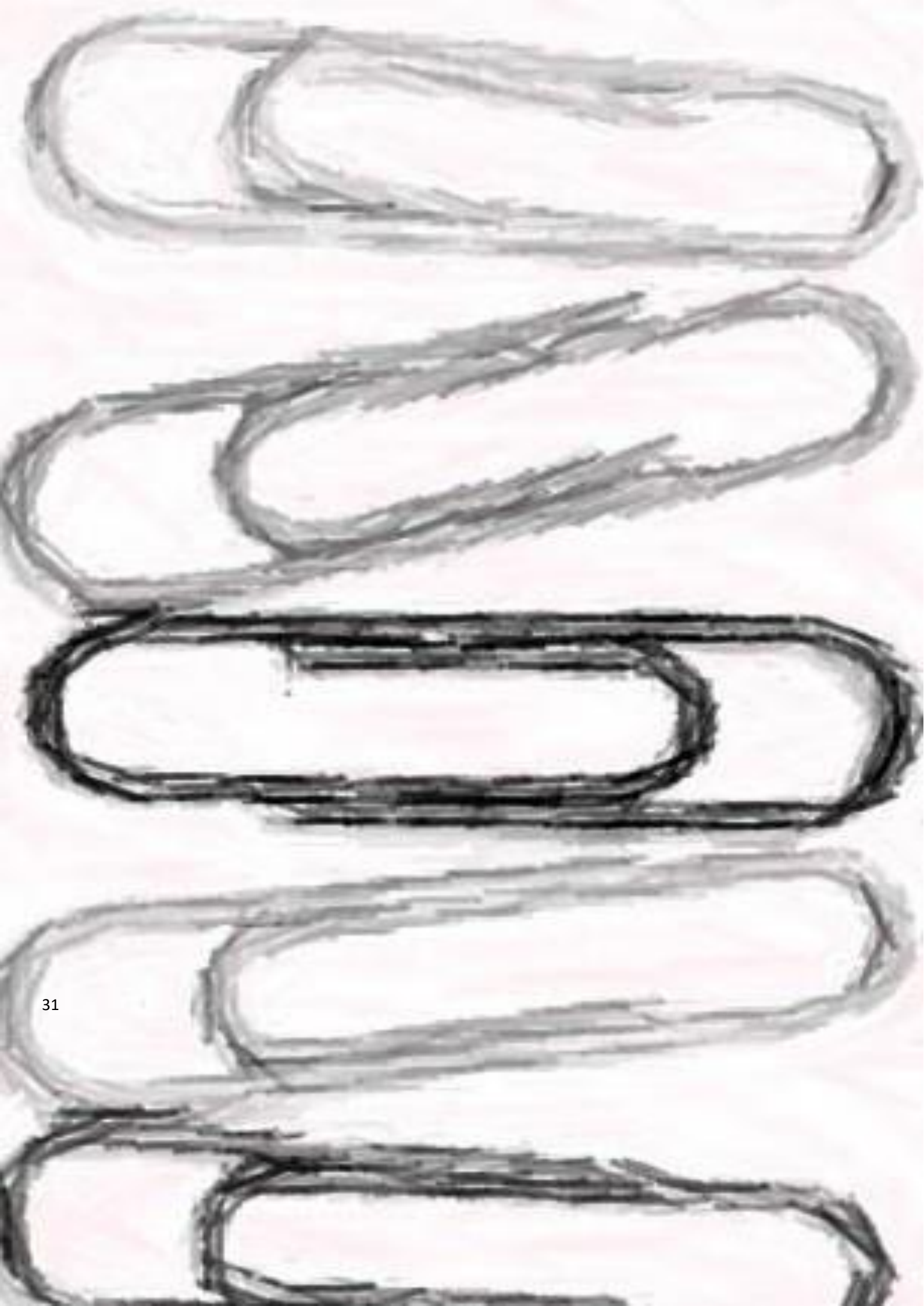
- The business is expected to reach profitability by 2027, as full value-chain integration (milling, packaging, logistics) is completed.
- Projected net income grows from TZS 160 million in 2027 to TZS 690 million in 2029.
- EBITDA margins improve with economies of scale and value addition from milling operations.

5.5 Balance Sheet Summary

- Total assets are projected to grow to TZS 5.9 billion by 2029, comprising fixed assets (machinery, storage, mill) and working capital.
- Equity increases steadily, reflecting retained earnings and capital injections.
- Liabilities peak in 2026 and gradually reduce as repayments are made from positive cash flows.

5.6 Cash Flow Projections

- Operating cash flow turns positive from 2026 onward.
- Significant investing cash outflows occur in 2025–2026, reflecting expenditures on land development, irrigation, infrastructure, and machinery.
- Financing cash flows mirror capital drawdowns and are highest in the early years.



ANNEX 1	
KAMBANGA IRRIGATION RICE FARMING PROJECT	
Khamis Mohammed Kambanga **P.o.Box 21, Kibiti-Pwani. Phone: +255 753 639 605** **E-mail: samson.buyamba@gmail.com**	
ASSUMPTION USED IN FINANCIAL ANALYSIS	
1	A business-friendly political, economic and social environment will continue to persist throughout the duration of the project
2	The Application for the Review of repayment schedule for Loan Facility amounting **TZS 326,000,000 received from CRDB Bank Plc to** purchase **two Scania Trucks** will be accepted
4	The loan duration for reviewed schedule is proposed to be One year, and repayments to have two installments
5	The proposed interest on the applied Loan is **10% p.a**, charged on reduced balance and **repayment made semi-annually**
6	The loan shall be repaid from the reciepts from the sales of paddy
7	Mr. Khamis will contiune to farm all **800 acres** owened at Kibiti Paddy Farming Scheme
8	There will be two farming season per year since there is irrigation infrastructure at the farm
9	One acre of the farm will at minimum produce **20 sacks of paddy per cycle.**
10	A minimum selling price for one sack of the paddy with **75 Kgs** will be **TZS 80,000**
11	Straight-line depreciation method has employed in depreciating fixed assets of the farm/Project
12	The estimates for this reveiewed loan repayment plan covers the period of five(5) years from 2025 to 2029

ANNEX 2

KAMBANGA IRRIGATION RICE FARMING PROJECT

Khamis Mohammed Kambanga
P.o.Box 21, Kibiti-Pwani. Phone: +255 753 639 605
E-mail: samson.buyamba@gmail.com

CURRENT VALUE OF THE FARM ASSETS (TZS)

S/N	Description of Asset	Unit of measure	No. of Units	Unit value	Value of Asset (s)
1	Farm land	Acres	800	700,000	560,000,000
2	Irrigation Infrastructure	No	3	5,700,000	17,100,000
3	Solar Panels	No.	1	1,500,000	1,500,000
4	Tents	No.	20	120,000	2,400,000
5	Tractor JX754WD	No.	2	53,000,000	106,000,000
6	ALPLER 20Disc V-Type Harrow	No.	2	10,000,000	20,000,000
7	Combine Harvestor: MODEL DC 70H (HOPPER TYPE)-KUBOTA	No.	1	79,000,000	79,000,000
8	Rotary Tiller; 54B(9) Fieldking FKDTMG-5-54	No.	2	12,000,000	24,000,000
9	Plough Disc(Baldan AF 3x28'' x6mm)	No.	2	10,200,000	20,400,000
	Grand Total				**830,400,000**

ANNEX 3

KAMBANGA IRRIGATION RICE FARMING PROJECT

Khamis Mohammed Kambanga
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LOAN RECEIVED FROM CRDB BANK IKIRIRI BRANCH

S/N	Description of Activity/Investment/Asset	Unit of measure	No.of Units	Unit Price	Funds needed (TZS)
1	Purchase of Scania Trucks	No.	2	163,000,000	326,000,000
	GRAND TOTAL				**326,000,000**

ANNEX 4

KAMBANGA IRRIGATION RICE FARMING PROJECT

Khamis Mohammed Kambanga
P.o.Box 21, Kibiti-Pwani. Phone: +255 753 639 605
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VALUE OF FARM ASSETS AFTER TADB LOAN

S/N	Description of Asset	Value in TZS
1	Project Farm Land	560,000,000
2	Irrigation Infrastructure	17,100,000
3	Solar Panels	1,500,000
4	Tents	2,400,000
5	Tractor JX754WD	106,000,000
6	ALPLER 20Disc V-Type Harrow	20,000,000
7	Combine Harvestor: MODEL DC 70H (HOPPER TYPE)-KUBOTA	79,000,000
8	Rotary Tiller; 54B(9) Fieldking FKDTMG-5-54	24,000,000
9	Plough Disc(Baldan AF 3x28" x6mm)	20,400,000
10	Scania Trucks	326,000,000
	GRAND TOTAL	830,400,000

ANNEX 5

KAMBANGA IRRIGATION RICE FARMING PROJECT

Khamis Mohammed Kambanga
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PROJECT FINANCING STRUCTURE

S/N	Description of Asset/Activity	Value in TZS	Financing Arragement	
			Owners Equity(OE)	Debt Financing (Loan from CRDB)
1	Project Farm Land	560,000,000	560,000,000	
2	Irrigation Infrastructure	17,100,000	17,100,000	
3	Solar Panels	1,500,000	1,500,000	
4	Tents	2,400,000	2,400,000	
5	Tractor JX754WD	106,000,000	106,000,000	
6	ALPLER 20Disc V-Type Harrow	20,000,000	20,000,000	
7	Combine Harvestor: MODEL DC 70H (HOPPER TYPE)-KUBOTA	79,000,000	79,000,000	
8	Rotary Tiller; 54B(9) Fieldking FKDTMG-5-54	24,000,000	24,000,000	
9	Plough Disc(Baldan AF 3x28" x6mm)	20,400,000	20,400,000	
10	Scania Trucks	326,000,000		326,000,000
	GRAND TOTAL	1,156,400,000	830,400,000	326,000,000
	PERCENTAGE		72%	28%

ANNEX 6

KAMBANGA IRRIGATION RICE FARMING PROJECT

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PROJECTED SALES VOLUMES (Sacks)

S/N	Description of the Product	Unit of measure	2025	2026	2027	2028	2029
1	Paddy Sacks	No.	32,000	32,000	32,000	32,000	32,000

Not:

(a).One acre will produce a minimum of 20 sacks of paddy with at least 75 Kgs
(b).There will be two farming seasons during a given year
(c). The minimum price for a sack of paddy is TZS 80,000
(d). The farmer will farm/ utilize all 800 acres of the farm land owned
(e). The Minimum volume of the harvested sacks is assumed to remain constant in the period of five years