



Sarith Argo Estate Limited

Business plan



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Executive Summary

Sarith Argo Estate Limited is a Tanzanian registered limited liability company implementing an Integrated Mixed Farming, Agro-Processing, and Aquaculture Project in Bunda District, Mara Region. The project combines sunflower and sesame cultivation, livestock keeping, and fish farming, supported by value addition to improve margins, reduce post-harvest losses, and strengthen market access.

The project will be executed over a long-term horizon of 33 years, with an initial 5-year ramp-up plan.

The total capital investment is estimated at USD 6.0 million, financed through a mix of Director's equity contribution and bank loan. At full operation, the project will employ 100+ staff and engage additional indirect jobs through transporters, suppliers, out-growers, and service providers.

Vision

To be a leading integrated agribusiness estate in the Lake Zone, supplying high-quality food and agro-products sustainably, while strengthening local value chains and improving livelihoods.

Mission

To produce and process sunflower, sesame, livestock, and fish products using modern, efficient, and environmentally responsible methods—ensuring consistent quality, strong market access, and long-term profitability.





Company Objectives

Strategic Objectives (First 5 Years)

1) Establish Commercial-Scale Operations

- Develop and operationalize commercial-scale crop farming (sunflower and sesame), livestock production, and aquaculture systems.
- Achieve stable, efficient operations and predictable output levels.
- Strengthen farm infrastructure (field layout, water systems, animal housing, ponds/cages, storage).

2) Implement Value Addition and Improve Profit Margins

- Introduce primary value addition to reduce post-harvest losses and improve product quality.
- Safe storage systems to maintain quality and stabilize prices.
- Increase average gross margins

3) Build Strong Market Access and Distribution Channels

- Develop reliable distribution networks across domestic and regional markets.
- Customer segmentation and targeted sales channels for each product line.
- Secure reliable off-take and supply agreements.
- Supplier contracts for critical inputs (seed, feed, veterinary supplies, packaging).
- Strengthen branding and market trust through quality standards, traceability practices, and consistent delivery.

4) Jobs, Skills Development, and Community Partnerships

- Create 100+ direct jobs over five years.
- Build local partnerships and inclusive growth by:
 - Engaging out-growers where practical, supported by training, input supply models, and structured purchasing.
 - Collaborating with local authorities, community groups, and relevant institutions for shared development.

Business Sector, Products and Services

Sector Overview

The Company operates in the agriculture, livestock, and fisheries sector. Tanzania continues to experience strong demand for edible oils, protein (meat and fish), and export commodities such as sesame. Integrated farming improves resilience by diversifying revenue streams and utilizing by-products across the value chain (e.g., sunflower cake as livestock feed).

Core Products

- Sunflower: seeds, crude/filtered edible oil, and sunflower cake for feed.
- Sesame: cleaned seed for domestic and export markets; potential for basic processing/packing.
- Livestock: meat and related livestock products depending on herd structure and market demand.
- Aquaculture: table fish for local and regional markets, targeting consistent supply and quality.



Ancillary Products/Services

- Storage and handling services (where feasible).
- By-products utilization (manure composting, feed mixing).
- Potential contract farming/out-grower aggregation over time

Project Location and Rationale

Project Location

The project will be implemented in Bunda District, Mara Region, within Tanzania's Lake Zone. The area is strategically positioned near Lake Victoria, providing favorable conditions for integrated agribusiness activities, including crop farming, livestock production, and aquaculture. Bunda District is accessible through established road networks linking it to major towns in Mara Region and the wider Lake Zone, facilitating the movement of inputs and finished products.

Strategic Importance of Bunda District

Bunda District offers a strong combination of agro-ecological suitability, market access, and operational practicality, making it an ideal location for the proposed agribusiness estate.

Key strategic advantages include:

- **Agro-ecological suitability**

The area has favorable rainfall patterns, arable land, and suitable soil conditions that support the production of sunflower and sesame, as well as grazing and fodder development for livestock. Proximity to Lake Victoria and related water systems also supports fish farming and aquaculture activities.

- **Availability of land for scale and integration**

Bunda District offers relatively large and affordable land parcels, allowing the project to be developed as an integrated estate with space for farming, animal production units, aquaculture facilities, storage, and basic processing infrastructure. This supports phased expansion without the need for relocation.

- **Access to local labor and skills development**

The district has a readily available rural workforce with experience in agriculture and livestock activities. The project will leverage local labor while investing in skills development, contributing to employment creation and knowledge transfer within the community.



Project Description and Business Model

Integrated Estate Model

Sarith Argo Estate Limited will operate as an integrated agribusiness estate combining crops (sunflower and sesame), livestock, and fish farming. The integrated model reduces risk by diversifying income sources and improving resource efficiency through circular use of inputs and by-products.

Value Addition and Processing Strategy

The Company will prioritize value addition through: (i) improved post-harvest handling (drying, cleaning, grading), (ii) storage facilities to reduce losses, (iii) primary processing for sunflower oil and cake, and (iv) packaging and quality improvements to meet market requirements. These interventions aim to improve margins and strengthen long-term customer contracts.

Operational Phasing (First 5 Years)

Year 1:

Site mobilization, land development, core equipment procurement, initial production ramp-up.

Year 2:

Expansion of planted area and herd/fish capacity; commissioning of additional processing and storage.

Year 3:

Stabilize operations; optimize yields, feed efficiency, and processing throughput; strengthen market contracts.

Year 4-5:

Expand volumes, improve product mix, and introduce efficiency improvements and potential out-grower aggregation.

Market Analysis

Demand Drivers

Demand for edible oils and protein is driven by population growth, urbanization, and changing diets. Sunflower products have steady domestic demand, while sesame is an established cash/export commodity. Fish demand is strong in the Lake Zone and major urban markets due to affordability and preference.

Target Customers

- Traders and wholesalers in the Lake Zone and Dar es Salaam distribution networks.
- Edible oil buyers, retailers, and institutional customers (schools, hotels, caterers).
- Regional commodity buyers and export channels for sesame.
- Butchers, meat processors, and local markets for livestock products.
- Fish markets, cold-chain traders, and institutional buyers.

Go-to-Market Strategy

The go-to-market plan prioritizes:

- (i) reliable quality and consistency,
- (ii) long-term buyer relationships and supply agreements,
- (iii) structured logistics and aggregation.
- (iv) branded/package products where practical.

Marketing will focus on bulk supply initially, then gradually introduce branded products for premium segments.

Competitive Landscape and Competitive Advantage

Industry and Competitive Environment

Sarith Agro Estate Limited operates within a fragmented agribusiness landscape dominated by:

- Smallholder and medium-scale farmers producing raw crops, livestock, and fish with limited scale and inconsistent quality.
- Commodity traders and aggregators focused on short-term buying and resale, with minimal investment in storage or value addition.
- Small processors operating with capacity constraints, irregular raw material supply, and limited quality control systems.
- Most competitors operate in single-commodity silos, exposing them to seasonal risks, price volatility, and supply disruptions. Limited storage and weak post-harvest handling further reduce margins across the value chain.

Sarith Agro Estate's Competitive Advantage

Sarith Agro Estate's core advantage lies in its scale, integration, and value-chain control. By combining crop production, livestock, and aquaculture within one coordinated estate, the Company is able to stabilize revenues, reduce costs, and consistently meet market demand.

Key sources of advantage include:

- Integrated production systems that allow internal use of by-products (e.g. crop residues for livestock feed), lowering input costs and minimizing waste.
- Planned investment in storage and handling infrastructure, enabling reduced post-harvest losses and improved price timing rather than forced seasonal sales.
- Consistent quality control and grading, positioning the Company as a reliable supplier to institutional buyers and bulk customers.
- Ability to move beyond raw commodity sales into primary processing and aggregation, capturing higher margins than traders and small producers.

Operations Plan

Production Approach

Operations will be designed to ensure efficient land preparation, planting, crop protection, harvesting, and post-harvest handling for sunflower and sesame. Livestock operations will focus on health management, feeding systems, and controlled breeding/growth cycles. Aquaculture will be implemented using best practices for pond management, fingerling stocking, feed programs, water quality management, and harvesting schedules.

Quality and Controls

Quality systems will include standard operating procedures for farming and handling, basic laboratory/field testing where necessary, traceability records, and hygiene standards for processing. The Company will implement strong internal controls for inventory, cash, procurement, and asset management to protect capital investment and satisfy lender requirements.

Logistics and Distribution

The Company will use structured logistics arrangements, including third-party transporters and strategic storage points where needed. Distribution will prioritize dependable supply to key buyers with clear payment terms, delivery schedules, and quality specifications.

Human Resources and Staffing Plan

Human Resources Strategy

The success of Sarith Agro Estate Limited will be driven by a structured, skilled, and locally rooted workforce. At full operation, the project will employ over 100 staff across management, technical, operational, and support functions.

The staffing strategy emphasizes:

- Priority recruitment of local employees to promote community inclusion and reduce labor costs.
- Targeted use of specialized technical staff to ensure productivity, biosecurity, and quality standards.
- Continuous training and performance management to build capacity, improve efficiency, and retain talent.
- Flexible labor arrangements to accommodate seasonal production peaks.

Staffing Structure and Roles

Category	Key Positions	Core Responsibilities
Management & Administration	General Manager / Operations Manager Finance & Administration Officer	Overall estate management, planning, and performance oversight.
Technical & Professional Staff	Agronomist Livestock Technician / Veterinary Support Aquaculture Specialist	Crop planning, yields, soil and input management; Animal health, breeding, feeding, and biosecurity.
Operations Staff	Farm Supervisors Machine Operators Processing Operators Storekeepers	Day-to-day farm operations and supervision; Equipment operation and maintenance.
Support & Services	HR / Administration Assistants Drivers Security Personnel Casual Labor (seasonal)	Personnel administration and payroll support; Logistics and transport; Asset and site security.

Phase 1 (Years 1–2):

Lean core team focusing on land development, pilot production, and systems setup. Emphasis on supervisors, machine operators, and key technical staff.

Phase 2 (Years 3–4):

Expansion of operational and processing staff as production stabilizes and storage/processing capacity increases.

Phase 3 (Year 5):

Full staffing levels achieved, including additional supervisors, processing operators, and support staff to manage scale and market expansion.

Implementation Plan and Milestones

The project's long-term horizon is 33 years, with the first 5 years focused on establishment and stabilization.

Key milestones (first 5 years):

1

Land development and primary infrastructure complete.



2

Core equipment procured and commissioned.



3

Processing and storage systems operational.



4

Stable production and sales contracts in place by Year 3–4.



5

Expansion and efficiency improvements by Year 4–5.

Financial Plan

This section presents a 5-year illustrative financial projection for Sarith Agro Estate Limited based on its integrated agribusiness model (crops, livestock, and fishery) and a total investment of USD 6.0 million. The projections are conservative and lender-ready, designed to demonstrate financial viability, cash flow sustainability, and debt service capacity.

Key Financial Assumptions

Item	Assumption
Total Capital Investment (Capex)	USD 6,000,000
Financing Mix	70% Equity / 30% Debt
Equity Contribution	USD 4,200,000
Loan Amount	USD 1,800,000
Debt Interest Rate	12% p.a.
Loan Tenor	6 years (2-year grace on principal)
Corporate Income Tax	30%
Depreciation	Straight-line over 10 years
Net Working Capital	10% of revenue
Revenue Growth Driver	Volume ramp-up, storage, and processing

Financial Projection

5-Year Summary

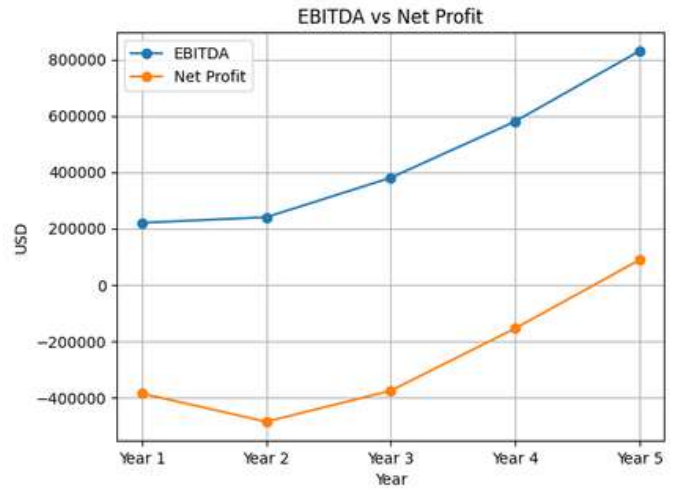
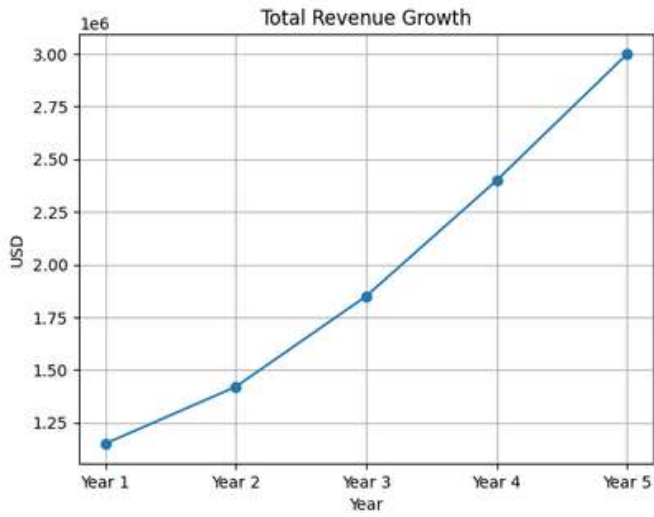
Revised 5-Year Profit & Loss Statement (USD)

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	1,150,000	1,420,000	1,850,000	2,400,000	3,000,000
COGS	(600,000)	(760,000)	(950,000)	(1,200,000)	(1,450,000)
Gross Profit	550,000	660,000	900,000	1,200,000	1,550,000
Operating Expenses	(330,000)	(420,000)	(520,000)	(620,000)	(720,000)
EBITDA	220,000	240,000	380,000	580,000	830,000
Depreciation	(300,000)	(420,000)	(450,000)	(480,000)	(500,000)
EBIT	(80,000)	(180,000)	(70,000)	100,000	330,000
Interest (17%)	(306,000)	(306,000)	(306,000)	(255,000)	(204,000)
Net Profit	(386,000)	(486,000)	≈ Break-even (operational)	Still absorbing finance cost	88,200

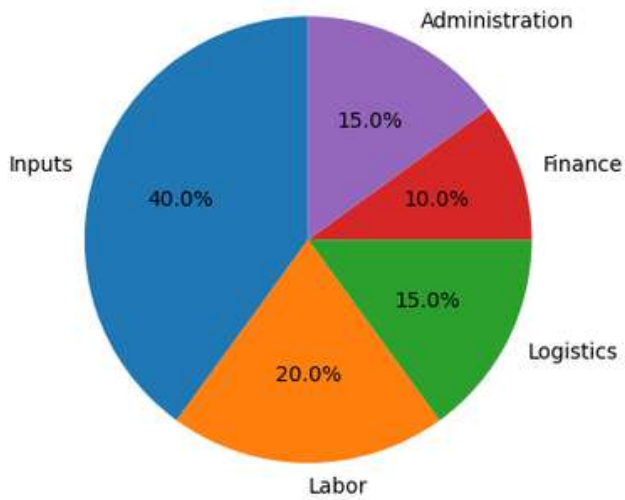
Revised Cash Flow Statement (USD)

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Cash Flow	635,000	687,000	873,000	1,115,000	1,390,000
Capex	(2,800,000)	(1,400,000)	(900,000)	(600,000)	(300,000)
Free Cash Flow	(2,165,000)	(713,000)	(27,000)	515,000	1,090,000
Interest	(306,000)	(306,000)	(306,000)	(255,000)	(204,000)
Principal	-	-	(300,000)	(300,000)	(300,000)
Net Cash Flow	(2,471,000)	(1,019,000)	(633,000)	(40,000)	586,000

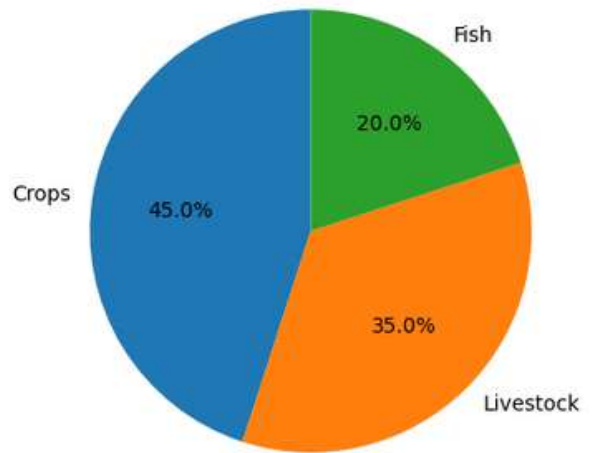
Financial Charts



Cost Structure - Year 5



Revenue Mix - Year 5



Risk Assessment and Mitigation

Sarith Agro Estate Limited will implement a practical and proactive risk management framework focused on risk prevention, continuous monitoring, and rapid response.

Risks are reviewed regularly by management, with mitigation measures embedded into operational planning, financial controls, and compliance systems.

Risk Category	Key Risk Description	Potential Impact	Mitigation Measures
Agronomic Risk	Adverse weather, pests, crop and livestock disease	Reduced yields, production losses	Diversified production (sunflower, sesame, livestock, fish); Good Agricultural Practices, integrated pest management.
Market & Price Risk	Commodity price volatility and demand fluctuations	Revenue instability, margin pressure	Product diversification; investment in storage to allow timed sales; focus on value addition; forward sales and off-take agreements.
Operational Execution Risk	Delays, inefficiencies, equipment breakdowns	Cost overruns, production delays	Phased implementation; engagement of qualified technical staff; detailed SOPs.
Biosecurity & Animal/Fish Health Risk	Livestock disease, fish mortality, biosecurity breaches	Loss of stock, reputational damage	Veterinary oversight; vaccination and health protocols; water quality monitoring.
Financial & Liquidity Risk	Cash flow pressure, cost escalation, debt servicing stress	Liquidity shortfalls, covenant breaches	Conservative financing (70% equity); staged capital expenditure; strict working capital management; cost controls.
Compliance & Regulatory Risk	Non-compliance with tax, environmental, or sector regulations	Fines, delays, operational disruption	Early engagement with regulators and local authorities; timely statutory filings.
Human Resource Risk	Skills gaps, staff turnover	Reduced efficiency, operational risk	Local recruitment; structured training programs; clear job descriptions.
Environmental & Social Risk	Environmental degradation or community conflict	Reputational risk, regulatory action	Environmental management practices; responsible waste handling; water conservation.

Environmental, Social and Governance (ESG)

ISarith Agro Estate Limited is committed to integrating Environmental, Social, and Governance (ESG) principles into all aspects of its operations. The Company's integrated agribusiness model (crops–livestock–fish) promotes efficient resource use, circular utilization of by-products, and responsible engagement with employees, communities, and stakeholders. ESG performance will be monitored regularly and aligned with operational and financial objectives.

Environmental Management

The Company will adopt environmentally responsible practices to protect land, water, and ecosystems while maintaining productivity.

Key Environmental Practices

Soil and land management:

- Crop rotation and diversification to maintain soil fertility
- Soil conservation measures (contour farming, minimum tillage where appropriate)
- Responsible use of fertilizers and agrochemicals in line with recommended guidelines

Water management:

- Efficient water use across crop production, livestock, and aquaculture
- Proper pond design, stocking density control, and water quality monitoring for fish farming
- Measures to prevent contamination of surrounding water sources

Waste and by-product management:

- Composting of organic waste and crop residues
- Reuse of by-products (e.g. crop residues for livestock feed where suitable)
- Controlled disposal of non-organic waste

Environmental protection:

- Compliance with environmental permits and safeguards
- Prevention of land degradation and erosion
- Progressive improvement of environmental practices as the estate scales

Social Responsibility

The project is designed to generate meaningful social impact through employment, skills development, and local economic participation.

Social Commitments

Employment creation:

- Creation of 100+ direct jobs at full operation
- Priority recruitment from surrounding communities

Skills development and training:

- On-the-job training in modern farming, livestock, and aquaculture practices
- Capacity building in equipment handling, safety, quality control, and processing
- Skills transfer to supervisors and technical staff

Local economic integration:

- Local procurement of goods and services where practical
- Engagement with local suppliers, transporters, and service providers

Community engagement:

- Open communication with local leaders and authorities
- Promotion of inclusive growth through potential out-grower or supplier partnerships
- Respect for community land use and social norms

Health and safety:

- Safe working environment with basic occupational health and safety procedures
- Training on workplace safety and use of equipment



Governance Measures

Financial governance:

- Robust financial controls and budgeting processes
- Segregation of duties and approval limits
- Regular financial reporting to management, lenders, and investors

Procurement and asset management:

- Transparent procurement procedures
- Asset registers and safeguards for equipment and infrastructure
- Preventive maintenance planning

Compliance and reporting:

- Timely tax and statutory compliance
- Adherence to environmental and sector regulations
- Periodic internal reviews and external audits where required

Accountability and oversight:

- Clear management roles and responsibilities
- Performance reviews linked to operational and financial targets
- Open communication with lenders and key stakeholders

Conclusion

Sarith Agro Estate Limited is well positioned to deliver a commercially viable, scalable, and socially responsible integrated agribusiness project in Bunda District, Mara Region. The project is aligned with strong and growing demand in the Lake Zone and regional markets for edible oil crops, livestock products, and fish, while addressing key challenges related to supply consistency, quality, and value addition.

With a total investment of USD 6.0 million, the Company will establish sustainable operations across sunflower and sesame cultivation, livestock production, and aquaculture, supported by investments in storage, handling, and selected processing. This integrated approach enhances operational efficiency, reduces post-harvest losses, improves margins, and strengthens market access through more reliable and higher-quality product offerings.

The diversified production model provides resilience against climatic, market, and operational risks, while enabling efficient use of land, water, and by-products. The project is designed to reach operational stability by Year 3 and generate strong and sustainable cash flows from Year 4 onward, supporting long-term growth and reinvestment.

In addition to its commercial objectives, the project will deliver meaningful environmental and social benefits, including the creation of over 100 direct jobs, skills development for local communities, responsible land and water management, and support for local supply chains. Strong internal governance, financial controls, and compliance systems will underpin disciplined execution and transparent stakeholder engagement.

Overall, Sarith Agro Estate Limited represents a well-structured and sustainable agribusiness initiative with clear growth potential, measurable development impact, and long-term contribution to food security and economic development in the Mara Region and beyond.