

TANZAGRO MANUFACTURING COMPANY LIMITED



BUSINESS PLAN
FOR
MANUFACTURING OF PESTICIDES, INSECTICIDES &
HERBICIDES

FIVE YEARS PROJECT: 2025-2029

JULY, 2025

CORPORATE INFORMATION

Date of Incorporation : 02/10/2024

Company Registration

Number : 178456342

TIN : 178-456-342

Business Activity: The company among other activities engaged in the manufacture and distribution of agro-inputs including pesticides, insecticides, herbicides & other agro-chemicals.

Shareholders:

| Name | Address | Number of shares |
|-----------------------|--------------------------------------|------------------|
| 1. MAC GROUP LIMITED | P.O. BOX 2552 DAR ES SALAAM TANZANIA | 1000 |
| 2. HANS GROUP LIMITED | P.O. BOX 2552 DAR ES SALAAM TANZANIA | 1000 |

Directors:

1. YOGESH MAGANLAL KANJI MANEK, Tanzanian-MAC GROUP LIMITED
2. PARDEEP SINGH HANS, Tanzanian- HANS GROUP LIMITED
3. JOACHIM & JACOBS GROUP LIMITED, Tanzanian- Company Secretary

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LIST OF ABBREVIATIONS

| | | |
|------------|---|---|
| AfCFTA | - | African Continental Free Trade Area |
| CEO | - | Chief Executive Officer |
| DRC | - | Democratic Republic of Congo |
| EAC | - | East African Community |
| GDP | - | Gross Domestic Product |
| SADC | - | Southern African Development Community |
| SWOT/SWOC- | | Strengths, Weaknesses, Opportunities and Threats/Challenges |
| TIN | - | Taxpayer Identification Number |
| TZS | - | Tanzania Shillings |

1.0 EXECUTIVE SUMMARY

TanzAgro Manufacturing Company Limited is a company registered in Tanzania with the main purpose of providing a comprehensive range of high-quality agrochemical products and services. The company's core business revolves around the manufacturing, formulation, and distribution of innovative agrochemical solutions, designed to enhance crop yields and safeguard agricultural productivity. The company has purchased land in the Same District in the Kilimanjaro region, which shall be used to construct offices, plants, and warehouses for storage services.

The company is owned and managed by experienced persons in business, agrochemicals, and general business operations. The project is expected to be financed both through owners' equity and debt financing, where the total project requirement amounts to **TZS 10,00,000,000 (Tanzania Shillings Ten Billion only)**. During the first year of operations, the project intends to employ at least 60 locals, 5 foreigners, and more than 200 indirect jobs through services associated with the project. The production capacity of agro-chemicals is estimated to be 300 tons per year.

1.1 Company Vision, Mission, and Core Values

Our Vision: To be the leading and most trusted provider of quality agro-inputs in Tanzania and across Africa, driving agricultural productivity and sustainability.

Our Mission: Our mission is to drive agricultural advancement and sustainable development by providing innovative agrochemical solutions and exceptional service. We are dedicated to enhancing crop productivity and ensuring environmental stewardship through our cutting-edge products, rigorous quality control, and commitment to excellence.

Our Belief: Is that success depends entirely on our exceptional teamwork approach, while constantly striving to leave our clients with an everlasting positive customer experience.

Core Values: Through our dedicated, competent, professional, and motivated organization, modernized and experienced personnel, we are committed to the following principles:

- We ensure total, continual customer satisfaction and optimum returns.
- We are committed to listening and responding to the needs of the community we serve;
- We are by international standards and a system that is uncompromised in quality, achieved by individuals and as a team.
- To inspire and connect with our community to put their best selves forward every day.

1.2 Project Objectives

The project aims to revolutionize agricultural practices in Tanzania through a comprehensive range of high-quality agrochemical products and services. The company's core business revolves around the manufacturing, formulation, and distribution of innovative agrochemical solutions, designed to enhance crop yields and safeguard agricultural productivity.

Specifically, the project aims to achieve the following objectives;

- To ensure the availability and reliability of agrochemical products in the country to meet the growing demand.
- To increase employment opportunities and join hands with the government's efforts in job creation.
- To improve the linkages among agricultural producers, suppliers and consumers of various products across the country and nearby markets.
- Utilise the opportunity of our country's endowment in various agricultural production for meeting the local markets as well as foreign markets.

1.3 Project Location

The Project is located in the Same area in the Kilimanjaro region. The area has access to basic infrastructure, including water, electricity, and road networks. The area is also

accessible by walking, cycling, taxi, automobile, and public transit, which also link other regions in Tanzania.

1.4 Project components and costs

The project is expected to commence its activities soon after all the preliminary arrangements and permits are obtained. Setting up an agrochemical processing plant requires a range of specialized equipment and machinery. Table 1.1 provides a summary of project requirements.

Table 1.1: Project Requirements (Cost in TZS)

| Type of Investment | Qty | Cost/unit (TZS 000) | Amount (TZS 000) |
|---|-----|---------------------|-------------------|
| Land & Buildings | | | |
| Land | 20 | 100,000 | 2,000,000 |
| Buildings | 5 | 480,000 | 2,400,000 |
| Sub-total | | | 4,400,000 |
| Equipment and Machineries | | | |
| Raw Material Handling Equipment (Storage tanks, feeders, conveyors, weighing systems) | 1 | 750,000 | 750,000 |
| Mixing & Blending System (Ribbon/paddle mixers (powder), high-shear mixers (liquid), agitators) | 1 | 846,000 | 846,000 |
| Reaction & Storage Vessels (Jacketed stainless-steel vessels, neutralization tanks) | 1 | 910,000 | 910,000 |
| Heating & Cooling Equipment | 1 | 362,000 | 362,000 |
| Filling and Packaging Equipment (complete set) | 1 | 720,000 | 720,000 |
| Quality Control Lab Equipment | 1 | 580,000 | 580,000 |
| Sub-total | | | 4,168,000 |
| Furniture & Fittings (Lampsum) | 1 | 30,000 | 30,000 |
| Sub-total | | | 30,000 |
| Motor vehicles | | | |
| TOYOTA Land CRUISER V8 | 1 | 250,000 | 250,000 |
| TOYOTA HILUX- double cabin | 2 | 120,000 | 240,000 |
| Trucks | 2 | 150,000 | 300,000 |
| Sub-total | | | 790,000 |
| Working Capital | | | |
| Pre-Operational Expenses | 1 | | 350,000 |
| Labour | 65 | | 262,000 |
| Sub-total | | | 612,000 |
| Total Cost | | | 10,000,000 |

The project requirement amounts to **TZS 10,000,000,000 (Tanzania Shillings Ten Billion, only)**. which covers the cost of land, buildings, machinery and equipment, motor vehicles, as well as working capital.

1.5 Implementation Plan

The envisaged project is expected to be implemented from August 2025 after all the preliminary requirements for the project are met, including the purchase of machinery and equipment. The implementation programme is well described in Table 1.2

Table 1.2: Implementation Schedule

| DESCRIPTION | | PHASE I | | | | | PHASE II |
|-------------|---|---------------|----------------|---------------|----------------|--------------|-------------------|
| No. | Activities | Aug-Dec, 2025 | Jan-March 2026 | Apr-June,2026 | July-Sept,2026 | Oct-Dec.2026 | Jan 2026-Dec.2029 |
| 1 | Site preparations and mobilization of resources | | | | | | |
| 2 | Purchase and installation of machineries and equipment | | | | | | |
| 4 | Project roll out, Operations starts | | | | | | |
| 5 | Assessment of machineries, equipment, replenishments and procurement of new accessories | | | | | | |
| 6 | Project monitoring and evaluation | | | | | | |

Upon completion of site preparations, procurement of machinery and equipment shall follow; then the project roll-out shall take place. The project shall conduct periodic assessments of its machinery, equipment, and all accessories and replace the obsolete ones through the disposal and procurement of new items. Project monitoring and evaluation shall be maintained throughout the duration of five years.

1.6. Project Benefits

The Implementation of this project will have economic and social benefits to the community and the country at large, notably:

- The project will help the community access the best, safest, yet affordable agro-inputs in the country;
- The project will support the industrialization process through the provision of high-quality agro-chemicals to farmers, distributors, suppliers, and other industries dealing with agro-inputs.
- The project will increase employment opportunities.
- The project will increase social services to the community.
- The project will increase tax revenue to the government.

2.0 PROJECT DESCRIPTION

The project intends to utilise the prevailing opportunity in the agricultural sector in Tanzania. There is a huge demand, thus the project will help to fill the gap in the agrochemicals market in the country.

2.1 Key Elements of the Business Concept:

- **Product Offerings:** TanzAgro Solutions specializes in the development and supply of a diverse portfolio of agrochemical products, including fertilizers, pesticides, and herbicides. The company emphasizes the use of advanced technologies and sustainable practices to meet the needs of modern agriculture
- **Quality Assurance:** Committed to delivering superior products, TanzAgro Solutions implements stringent quality control measures at every stage of production. This ensures that all products meet the highest standards of performance and safety.
- **Customer-Centric Approach:** The company prioritizes understanding and addressing the unique challenges faced by Tanzanian farmers. Through tailored solutions and dedicated support, TanzAgro Solutions aims to enhance customer satisfaction and agricultural success.
- **Innovation and Development:** Investing in research and development is a cornerstone of TanzAgro Solutions' strategy. The company continuously

explores new technologies and product formulations to stay at the forefront of the agrochemical industry.

- **Sustainability:** TanzAgro Solutions is committed to promoting sustainable agricultural practices. The company integrates environmental considerations into its operations and seeks to minimize the ecological impact of its products.
- **Expansion and Growth:** With a focus on regional growth, TanzAgro Solutions plans to expand its footprint by establishing a new formulation and packaging unit in Moshi. This initiative will increase production capacity and enhance service delivery.

Through these strategic elements, TanzAgro Solutions Limited seeks to be a key player in advancing agricultural productivity and sustainability in Tanzania

2.2 Key Success Factors

Trade and logistics are our core competency. The project is designed to have modern, decent, well-managed facilities and equipment, as well as immaculately humanitarian services during service delivery. We have access to the distribution networks and modern equipment that are operated by highly professional people, who are ready to ensure maximum delivery of goods.

2.2.1 Our Staff

TanzAgro Manufacturing Company Limited is well known for its “safety-first” policy that guarantees safe handling and delivery of our clients' shipments. The project shall maintain its policy to hire staff who have years of experience in the sector. The hired staff shall comprise both Tanzanians and foreigners, creating opportunities for hundreds of jobs, providing fair pay in an excellent work environment. We will conduct periodical orientations and team-building seminars so that our staff continues to be on the same page and properly trained to meet the company’s objectives.

2.2.2 Products & Services

TanzAgro Solutions Limited offers a comprehensive portfolio of products and services tailored to meet the needs of farmers and agricultural businesses in Tanzania. The company is dedicated to providing high-quality agrochemical solutions that enhance crop productivity, protect against pests and diseases, and promote sustainable farming practices.

Products

Insecticides: A broad range of insect control products that protect crops from harmful pests, ensuring minimal crop damage and maximum yield.

Fungicides: Effective solutions to prevent and control fungal diseases that can affect crop health and productivity, ensuring crops remain disease-free.

Herbicides: Powerful weed control products that help manage unwanted vegetation, improving crop access to nutrients and reducing competition for resources.

Plant Growth Regulators - Products that enhance or modify plant growth processes, including growth promoters and retardants, which optimize crop yield and quality.

Seed Treatment Products- Innovative treatments that protect seeds from pests and diseases during the early stages of growth, ensuring better germination and healthier plants.

2.2.3 Services

Custom Formulation and Blending: The company offers custom formulation services to create tailor-made agrochemical products that meet the specific needs of individual farmers or agricultural enterprises. This service ensures that the products are precisely suited to the crops and conditions they will be used in.

Agronomic Support and Advisory Services: The company provides expert agronomic advice and support to help farmers make informed decisions about crop management, product selection, and application techniques. This service includes field visits, soil testing, and personalized recommendations to optimize crop production.

Research and Development: TanzAgro Solutions invests in ongoing research and development to stay at the forefront of agrochemical innovation. The R&D team works on improving existing formulations and exploring sustainable farming practices.

Training and Capacity Building: Recognizing the importance of knowledge transfer, TanzAgro Solutions offers training programs for farmers, distributors, and agricultural professionals. These programs cover the safe and effective use of agrochemicals, best practices in crop management, and the latest advancements in agricultural technology.

Packaging and Repackaging: The company provides packaging and repackaging services, ensuring that products are available in various sizes and formats to meet different market needs. This includes bulk packaging for large-scale farmers and smaller, more accessible options for smallholder farmers.

Logistics and Distribution: With an efficient logistics and distribution network, TanzAgro Solutions ensures the timely delivery of products across Tanzania. The company is committed to maintaining a reliable supply chain that meets the demands of its customers.

2.2.4 Focus on Sustainability

TanzAgro integrates sustainability into its product and service offerings. The company promotes environmentally friendly practices by offering products that minimize ecological impact, such as biodegradable packaging and low-toxicity formulations.

2.2.5 Customer Support

A dedicated customer support team will be available to assist with product inquiries, order processing, and technical issues. The company prioritizes responsive and helpful customer service to ensure a positive experience for all trade partners and farmers.

Through its diverse range of products and services, TanzAgro is committed to empowering farmers, enhancing agricultural productivity, and supporting sustainable growth in Tanzania's agricultural sector.

Our introductory Range of Agrochemicals-

| Sr.No. | Formulation | Category |
|--------|---|-------------|
| 1 | Carbendazim 12.5% + Tebuconazole 12.5% SC | Fungicide |
| 2 | Profenofos 530g/L + Cypermethrin 100g/L EC | Insecticide |
| 3 | Lambda cyhalothrin 9.5% + Thiamethoxam 12.6% EC | Insecticide |
| 4 | Sulphar99.5% DP | Fungicide |
| 5 | Abamectin 20g/L + Emamectin benzoate 10g/l EC | Insecticide |
| 6 | Chlorpyrifos 500g/l + Cypemethrin 100g/l EC | Insecticide |
| 7 | Mancozeb 64%+ Metalaxyl 8% WP | Fungicide |
| 8 | Hexaconazole 5% SC | Fungicide |
| 9 | Glyphosate 48% SL | Herbicide |
| 10 | Imidacloprid 200g/l + cypermethrin 144g/l EC | Insecticide |
| 11 | Imidacloprid 700g/l WG | Insecticide |
| 12 | Bispyribac-Sodium 10% SC | Herbicide |
| 13 | Paraquate Dichloride 20% SL | Herbicide |
| 14 | Lambda-cyhalothrin 5% EC | Insecticide |
| 15 | Copper Oxychloride 50 WP | Fungicide |
| 16 | Trifloxysteobin 100g/l + Tebuconazole 300g/l | Fungicide |
| 17 | Azoxystrobin 200g/l + Difenaconazole 120g/l | Fungicide |
| 18 | Chlorpyrifos 50% EC | Insecticide |
| 19 | Deltamethrin 2.5% EC | Insecticide |
| 20 | Amitraz 125g/l EC | Insecticide |

3.0 BUSINESS ENVIRONMENT AND SECTOR ANALYSIS

3.1 Business environment

Businesses may be affected by factors beyond the owner's control, and these need to be taken into account before making any investment decision. The company has considered many opportunities and challenges that may arise from the expected changes. Thus, analysis of business environment key factors is paramount to this plan to determine external factors and how they are likely to affect the project.

Economically, Tanzania is now experiencing economic growth, whereby the purchasing power of people is increasing, and people's interactions are increasing as trade grows in the East African Region, SADC, and AfCFTA. This has led to a lot of business opportunities in the regions. The burning issue currently is the rate of inflation and the continuous fall in domestic currency, which would lead to increased cost of operations as the price of materials is rising.

Politically, Tanzania has enjoyed political stability since it gained her independence in 1961, which has allowed for a degree of continuity and coherence in the organisation of both the state and the private sector. The country retains a strong national unit with an engaged civil society and private sector. The government of Tanzania is in support of investments through a number of policies and strategies that aim at making the business environment more conducive.

Social-Cultural: The social aspect focuses on the forces within the society. Family, friends, colleagues, neighbours, and the media are social factors. These factors can affect our attitudes, opinions, and interests. So, it can impact sales of products and revenues earned. There is no doubt that society is continually changing. The tastes and preferences are a great example of this change in Tanzanian culture. Most Tanzanians are currently willing to pay a premium price for a product that satisfies their expectations. Demographically, the country is increasing in population, where currently the country is estimated to have over 61 million people. The increase in population necessitates an increase in demand of goods and services.

Technological factors: Technological factors are one of the various external environment factors that affect businesses greatly and are also an integral component of the environmental analysis. Our project considers technology as an integral part and an important tool for improving operations and functions. In the present scenario, utmost dependence on equipment, technological factors can have more effect on business operations and success globally than ever before. Furthermore, the development of technology has also introduced digital marketing strategies through which companies are able to sell their products and services. Even the research and development (R&D) divisions in most companies have changed their ways of functioning, and more advanced techniques in the development of products and services have been introduced only through technological advancements. We will ensure we keep up the pace of technology to suit the needs of our customers.

4.0 MARKET PLAN

There is a growing population in the country, where current statistics show that the population trend grows by 3% annually, with a current population of more than 63 million.¹ The pace of regional integration within the EAC and SADC blocs, with the recent ratification of AfCFTA, paves the way for more trade in the region. Our motive is to cater to this need, especially through providing high-quality products and services.

4.1 Marketing Strategies

4.1.1 SWOT Analysis

The SWOT analysis is conducted in order to assess the Company's internal strengths and weaknesses that need to be improved. We have also analyzed external factors that may provide opportunities or pose threats to the project. Finally, we have indicated how the company can best utilize the available opportunities and mitigate potential threats, and overcome our weaknesses.

Table 4.1: SWOT Analysis

| STRENGTHS | WEAKNESSES |
|---|--|
| <ul style="list-style-type: none">• Vast experience in agro-chemicals manufacturing and distribution.• Ability of the project owners to solicit required funds for the project.• A conducive transport facilities and safe environment for all different categories of customers.• Affordable prices will give options for customers to prefer our products. | <ul style="list-style-type: none">• Sourcing of required resources including finances may cause delay in starting operations on time.• No appropriate data on the current and projected market share. |
| OPPORTUNITIES | THREATS/CHALLENGES |
| <ul style="list-style-type: none">• Growing demand due to increase in population and regional integration.• Government commitment to support industries.• Economic growth and rising in purchasing power of individuals provides opportunities for the project. | <ul style="list-style-type: none">• High expectations and catering for changing customer preferences.• Requirement of sophisticated infrastructure for ease of delivery of goods.• Stiff competition in the sector |

¹ National Bureau of Statistics, 2022: Population and Housing Census

From the SWOT analysis, we have been able to identify the Company's strengths, weaknesses, opportunities, and threats. The project will capitalize on the key strengths to provide the best products and services to customers. The available opportunities create a room for business expansion, and the company sees that this prevailing opportunity cannot be left in vain. On the other hand, the company is facing some limitations in providing its services; thus, marketing strategies are aimed at minimizing these constraints. The project shall make use of the marketing mix in making sure that high-quality product is maintained in the market, the products reach high-demand locations (place), a reasonable price is charged to the clients, and appropriate promotional tools are employed to increase awareness of the company's products and services.

Product: The high-quality products that suit different uses will be an added advantage to compete in the market through the company's long-term determination to provide high-quality products and services. A sufficient budget shall be allocated for the repair and maintenance of machinery and equipment to ensure that all facilities remain in good condition at all times, to ensure continuity of operations.

Pricing: The objectives of price strategy depend on a number of factors such as business, economic, and marketing objectives. Price setting can be based on cost or market-based. With demand and competition orientation concepts, a fair price shall be set that customers are willing to pay, at the same time covers operational costs with some profit margin. In this regard, price setting shall be based on demand, competition, but also the cost of operation.

Place: The project shall invest in modern and sophisticated facilities and a conducive environment. The project has arranged to start operations by looking at the most convenient market segment.

Promotion: Media advertisements, both digital and print media, shall be widely employed by the project. The company will engage in positive promotion of the project through developing appropriate marketing strategies. The project will make advertisement of the available services via a number of media such as local

newspapers, leaflets, TV, radio, social media and Internet. Different procedures of promotion will be applied, such as providing price discounts to regular customers.

4.2 Target Market Segments

Smallholder Farmers: - Representing the largest segment, smallholder farmers account for most of the agricultural production in Tanzania. They often require affordable, effective, and easy-to-apply agrochemical products to increase their yields and improve food security.

Commercial Farmers and Agribusinesses: - This segment includes larger farms and agribusinesses focused on commercial crops for both domestic and export markets. They demand higher volumes of specialized agrochemical products, as well as more sophisticated services such as custom formulations and agronomic support.

Government and NGOs: - Engaged in agricultural development projects, these entities often procure agrochemical products in bulk for distribution among smallholder farmers as part of rural development and food security programs.

4.3 Competitive Landscape

Key Competitors: - Several multinational and trading companies and local firms are active in the Tanzanian agrochemical market. These include established brands like Syngenta, Bayer, and local companies that have built strong distribution networks and brand recognition.

Competitive Advantages of TanzAgro:

Local Expertise: Deep understanding of Tanzanian agricultural conditions, enabling the development of products specifically tailored to local needs.

Sustainability Focus: A commitment to environmentally friendly products that appeal to increasingly eco-conscious consumers and align with governmental and NGO priorities.

Comprehensive Services: Offering not just products but also agronomic support and training, which differentiates TanzAgro from competitors that may focus solely on product sales.

4.4 Market Trends

Sustainability and Eco-Friendly Products: - There is a growing demand for sustainable agricultural practices and products that reduce environmental impact. This trend is driven by both consumer awareness and governmental policies aimed at protecting the environment.

Technology and Innovation: - Advances in agricultural technology, including precision farming, are increasing the demand for more sophisticated agrochemical products that can be used efficiently and effectively in these systems.

Government Support and Subsidies: - The Tanzanian government is actively promoting agricultural development through subsidies, infrastructure improvements, and policies that encourage the use of agrochemicals to boost productivity. This creates a favourable environment for market growth.

Rising Demand for Export Crops: - The global demand for Tanzanian export crops such as cashews, coffee, and horticultural products is rising. This trend drives the need for high-quality agrochemical products that can enhance crop quality and yields.

Price Sensitivity: - Many farmers, especially smallholders, are highly price-sensitive. TanzAgro will balance quality with affordability to capture this market segment effectively.

4.5 Opportunities

Expanding Product Lines: - Introducing new products, such as organic or specialty fertilizers, and expanding into adjacent markets like animal health or seed treatment could provide additional revenue streams.

Geographical Expansion: - Beyond Moshi and the immediate region, there is significant potential to expand operations and distribution networks into other regions of Tanzania and neighboring countries.

Strategic Partnerships: - Collaborating with government agencies, NGOs, and research institutions could enhance product development, improve market penetration, and access new customer bases.

TanzAgro will operate in a dynamic and growing market with significant potential for expansion. By leveraging its unique strengths, such as local expertise, a focus on sustainability, and comprehensive customer support, the company is well-positioned to capitalize on the opportunities presented by the evolving agricultural landscape in Tanzania.

5.0 OPERATIONAL AND MANAGEMENT PLAN

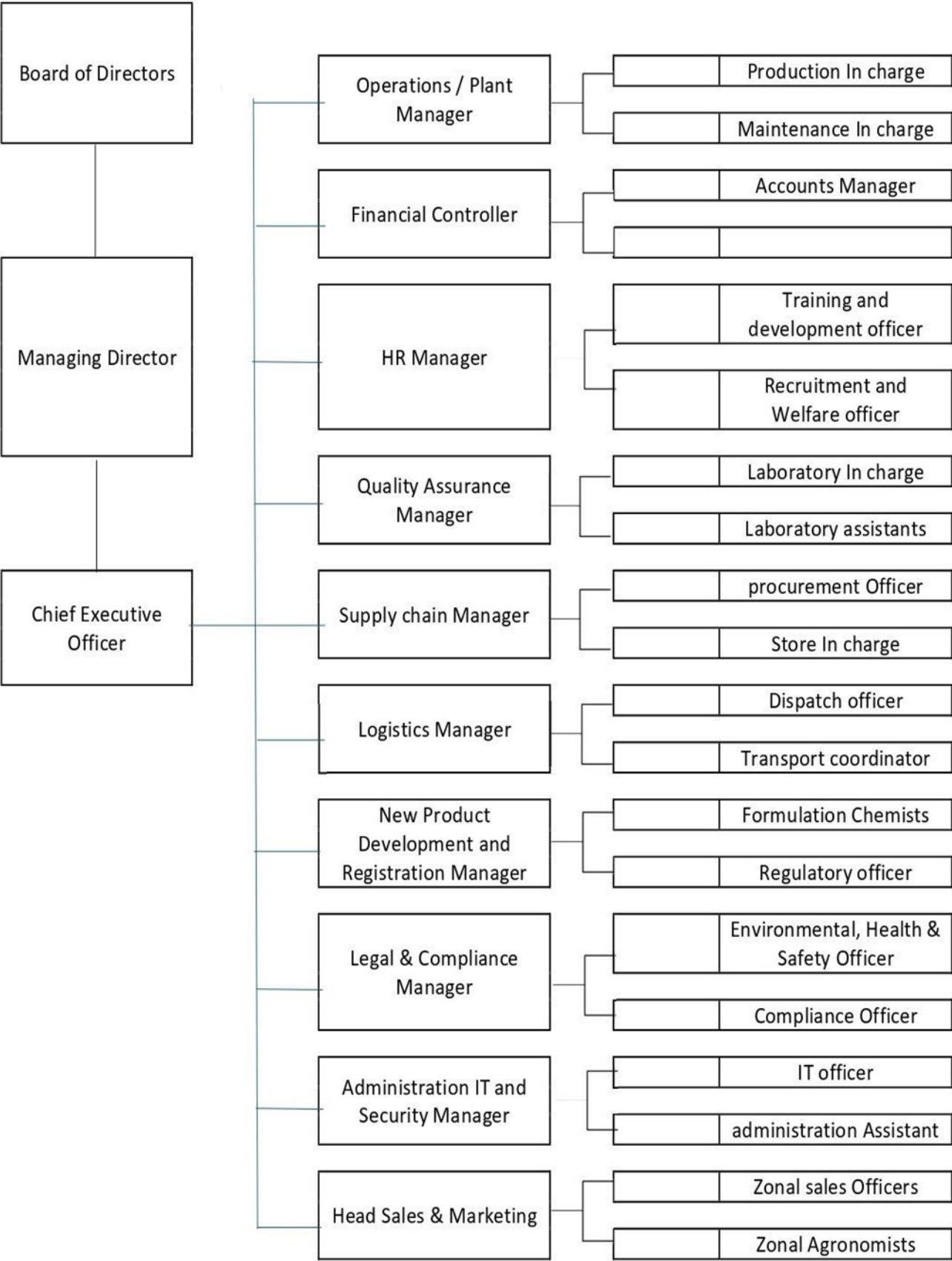
5.1 Operational Plan

The operation is subject to government regulations and requires acquiring relevant permits and licenses before the commencement of the business. All necessary licensing and permits shall be obtained before the commencement of the project.

5.3 The Organization Structure

The project shall maintain the hierarchical mode of organization structure. The organization structure comprises the Project Implementation Team led by the CEO and other supporting staff as provided in the organogram on the next page.

Organogram of TanzAgro Limited



5.3 Management

The Board of Directors provides strategic guidance and oversight. Managing Director is responsible for the day-to-day running of the project and reports to the Board of Directors. The Chief Executive Officer shall be responsible for daily operations to support the Managing Director. The Director of Operations shall be responsible for the day-to-day operational activities of the project, including sourcing of materials, managing the personnel under him, repair and maintenance, and controlling the timetable for machinery and vehicles. The Finance and Administrative Director shall be responsible for all financial and administrative issues. Accounting and Administrative officers shall be responsible for all financial and administrative issues, respectively. The financial controller shall ensure monitoring resource allocation, especially funds, and making sure that the fund is used in a desired manner.

5.4 Sales Projections

Sales shall be done on a cash basis and by bank transfer. Where there is a written agreement, the company will also provide services on a credit basis to institutional customers. For the first year of the project, the average revenue is estimated to be **TZS 3,905,137,500**. The description of revenue projections is shown in the Table below.

Table 5.1: Description of Revenue Projections

| Year | Total Sales (TZS) |
|------|-------------------|
| 2025 | 3,905,137,500 |
| 2026 | 4,295,651,250 |
| 2027 | 5,197,738,013 |
| 2028 | 5,445,000,000 |
| 2029 | 5,989,500,000 |

5.5 Project Monitoring and Evaluation

The project will be monitored and evaluated on a regular basis to track progress and identify any potential problems. The monitoring process will collect data on key indicators, such as the number of trucks added, the number of trucks per route, and the reduction in service delivery time and costs. The evaluation process will collect data on the benefits of the project, such as improvement in transport services, the creation of jobs, and the improvement of economic activities of the Company.

The monitoring and evaluation plan will be tailored to the specific needs of the project. However, the following general principles will be followed:

- i) **Relevance:** The monitoring and evaluation plan will be relevant to the objectives of the project.
- ii) **Accuracy:** The monitoring and evaluation plan will be accurate and reliable.
- iii) **Timeliness:** The monitoring and evaluation plan will be timely and up-to-date.
- iv) **Transparency:** The monitoring and evaluation plan will be transparent and accessible to stakeholders.

6.0 RISK ASSESSMENT AND KEY ASSUMPTIONS

The project has the potential to significantly improve the efficiency of transport services in Dar es Salaam and hence promote an increase in economic activities and the incomes of people. However, there are also a number of risks associated with the project. Some of the key risks may include:

- i) Competition:** There is stiff competition in the agro-inputs sector, as there is for other businesses. The majority of competitors have already covered a huge share of the market, and the company intends to capitalize on a niche in which the company can best serve others.
- ii) Price changes:** Due to inflation, the price of materials is expected to rise up particularly fuel and spare parts. In order to cater for this price increase, the project shall review the project planning, timelines, and make price adjustments from time to time.

iii) Accidents

Manufacturing and handling of chemicals are prone to accidents. One of the major causes of these accidents is overworking without being given enough time to rest. The company shall employ adequate qualified personnel with an additional of two machine operators to allow them to rest. The company also intends to provide insurance cover for the plant and all equipment through a comprehensive insurance in case of any accident, theft, or any other disaster.

Despite the likelihood of these risks, the project's potential to make a significant contribution to economic development is inevitable. If the project is successful, it could help to improve the availability of products, hence reduce trade costs and ultimately boost economic growth.

7.0 FINANCIAL PLAN

7.1 Sources of Funds

The project financing is expected to be through both owners' equity and debt financing through both internal and external sources of financing, where needs arise. The amount of revenue shall be allocated to the parties as per the profit calculations of the project. The financial structure is expected to be as follows;

| S/N | Type of Financing | Source | Amount TZS |
|--------------|-------------------|--------|-----------------------|
| 1` | Equity | Local | 4,000,000,000 |
| 2 | Loan | Local | 6,000,000,000 |
| Total | | | 10,000,000,000 |

7.2 Financial Assumptions

Several assumptions were made and considered in the preparation of this financial plan and projection. The assumptions are based on professional judgment, economic trends, and the current financial market environment. These are as noted below;

- (i) The annual sales are projected to grow by 10% per annum, while expenses shall rise by 5%.
- (ii) Depreciation will be charged on the straight-line method to allocate the cost of each value over its estimated useful life. The rates to be used for vehicles and equipment are as follows;
 - (a) Buildings 5%
 - (b) Furniture & Fittings 10%
 - (c) Equipment 10%
 - (d) Motor vehicles 20%

The financial assumptions will also include issues on credit sales, payments of interest rates, taxes, and other levies. From the beginning, we recognize that payment terms and hence collection days are critical, but not a factor we can influence easily. At least we are planning on the problem and dealing with it. Interest rates, tax rates, and personnel burden are based on conservative assumptions. Some of the more important underlying assumptions are:

- We assume a strong economy, without a major recession.

- We assume that there are no unforeseen changes in economic policy to make our service immediately obsolete or unwanted.
- We assume an inflation rate of 5% yearly.
- Maintenance costs 5% of Property, Plant and Equipment
- Corporate tax is 30% of Net Income

7.3 Projected Financial Statements

The projected financial statements for five years indicate that the company will be able to generate substantial amounts of profits as detailed below.

Table 7.2: Projected Income Statements for Five Years

| Description | YEAR 1 (TZS 000) | YEAR 2 (TZS 000) | YEAR 3 (TZS 000) | YEAR 4 (TZS 000) | YEAR 5 (TZS 000) |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenue | 3,905,138 | 4,295,651 | 5,197,738 | 5,445,000 | 5,989,500 |
| Less: Cost of sales | 1,957,043 | 2,004,895 | 2,009,790 | 2,110,280 | 2,215,794 |
| Operating Profit | 1,948,095 | 2,290,756 | 3,187,948 | 3,334,720 | 3,773,706 |
| <i>Less: Op. expenses</i> | 651,016 | 674,170 | 1,348,341 | 1,415,758 | 1,486,546 |
| Earnings Before Interest and Tax | 1,297,079 | 1,616,586 | 1,839,607 | 1,918,962 | 2,287,160 |
| Less: Charges | | | | | |
| Interest | 990,000 | 792,000 | 594,000 | 396,000 | 198,000 |
| Earnings Before Tax | 307,079 | 824,586 | 1,245,607 | 1,522,962 | 2,089,160 |
| <i>Corporate Tax (30%)</i> | 92,124 | 247,376 | 373,682 | 456,889 | 626,748 |
| Earnings After Tax (Loss) | 214,955 | 577,210 | 871,925 | 1,066,073 | 1,462,412 |
| <i>Dividends (30%)</i> | 64,487 | 173,163 | 261,577 | 319,822 | 438,724 |
| Retained Earnings | 150,469 | 404,047 | 610,347 | 746,251 | 1,379,596 |

Table 7.3 Projected Balance Sheet

| DESCRIPTIONS | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|---------------------------------------|-------------------|------------------|------------------|------------------|------------------|
| | TZS 000 | TZS 000 | TZS 000 | TZS 000 | TZS 000 |
| NON-CURRENT ASSETS | | | | | |
| Land & Buildings | 4,180,000 | 3,960,000 | 3,740,000 | 3,520,000 | 3,300,000 |
| Machinery & Equipment | 1,861,200 | 1,654,400 | 1,447,600 | 1,240,800 | 1,034,000 |
| Motor vehicles | 632,000 | 474,000 | 316,000 | 250,000 | 200,000 |
| Total Non-Current Assets | 6,673,200 | 6,088,400 | 5,503,600 | 5,010,800 | 4,534,000 |
| Stocks | 1,653,366 | 1,311,980 | 1,189,420 | 995,460 | 913,100 |
| Debtors & Prepayments | 1,765,910 | 1,527,858 | 1,351,059 | 988,359 | 1,020,700 |
| Cash and Bank balance | 139,288 | 266,379 | 86,343 | 217,495 | 347,886 |
| Total Current Assets | 3,558,564 | 3,106,217 | 2,626,822 | 2,201,314 | 2,281,686 |
| TOTAL ASSETS | 10,231,764 | 9,194,617 | 8,130,422 | 7,212,114 | 6,815,686 |
| Equity | 3,400,000 | 3,400,000 | 3,400,000 | 3,400,000 | 3,400,000 |
| Retained Earnings | 150,469 | 404,047 | 610,347 | 746,251 | 1,379,596 |
| Total Equity | 3,550,469 | 3,804,047 | 4,010,347 | 4,146,251 | 4,779,596 |
| Bank loan | 6,600,000 | 5,280,000 | 3,960,000 | 2,640,000 | 1,320,000 |
| Total Non-Current Liability | 6,600,000 | 5,280,000 | 3,960,000 | 2,640,000 | 1,320,000 |
| Trade Creditors and Accruals | 62,420 | 90,364 | 49,336 | 327,363 | 597,990 |
| Taxation | 18,875 | 20,206 | 110,739 | 98,500 | 118,100 |
| Total Current Liabilities | 81,295 | 110,570 | 160,075 | 425,863 | 716,090 |
| TOTAL EQUITY & LIABILITIES | 10,231,764 | 9,194,617 | 8,130,422 | 7,212,114 | 6,815,686 |

Table 7:4 Projected Cash Flow for Five Years

| DESCRIPTIONS | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--|------------------------------|-------------------|------------------------------|------------------------------|------------------|
| | US\$ | US\$ | US\$ | US\$ | US\$ |
| Cash from operations: | | | | | |
| Profits before tax | 307,079 | 824,586 | 1,245,607 | 1,522,962 | 2,089,160 |
| Adjustments for non-cash items: | | | | | |
| Depreciations | 560,750 | 448,600 | 448,600 | 448,600 | 448,600 |
| Change in Working Capital: | | | | | |
| Receivables | 1,765,910 ⁻ | -1,527,858 | 1,351,059 ⁻ | -988,359 | -1,020,700 |
| Trade payables & Accruals | 81,295 | 352,040 | 160,075 | 425,863 | 716,090 |
| Total | -816,786 | 97,368 | 503,223 | 1,409,066 | 2,233,150 |
| Tax payments | -92,124 | -247,376 | -373,682 | -456,889 | -626,748 |
| Total Cash Inflow from Operating Activities | -908,910 | -150,008 | 129,541 | 952,177 | 1,606,402 |
| Cash from investing activities: | | | | | |
| Purchase of assets | 3,212,215 ⁻ | -2,809,435 | 1,823,131 ⁻ | 1,160,031 ⁻ | -496,941 |
| Other purchases | - | - | -262,414 | -224,853 | -189,815 |
| Net Cash Outflow from Investing Activities | 3,212,215⁻ | -2,809,435 | 2,085,545⁻ | 1,384,884⁻ | -686,756 |
| Cash from financing activities: | | | | | |
| Bank Loan | 6,600,000 | 5,280,000 | 3,960,000 | 2,640,000 | 1,320,000 |
| Loan Repayments | -2,310,000 | -2,112,000 | -1,914,000 | -1,716,000 | -1,518,000 |
| Dividends | -29,587 | -81,466 | -270,032 | -360,142 | -591,255 |
| Cash from financing activities: | 4,260,413 | 3,086,534 | 1,775,968 | 563,858 | -789,255 |
| Change in cash & cash equivalent | 139,288 | 127,091 | -180,036 | 131,151 | 130,391 |
| <i>Beginning Cash Balance</i> | 0 | 139,288 | 266,379 | 86,343 | 217,495 |
| <i>Ending Cash Balance</i> | 139,288 | 266,379 | 86,343 | 217,495 | 347,886 |

7.4 Loan Repayment Plan

As indicated, the financing of the project shall come from both equity and debt financing through bank loans. The project shall ensure that, the repayments of loans are usually made in periodic payments that include some principal and interest as indicated in Table 7.5 below.

Table 7.5: Loan Repayment Schedule

| | | | | | |
|--------------------------------|--------------------------|----------------|------------------|------------------------|----------------------------------|
| Loan amount (TZS 000) | 6,600,000 | | | | |
| Interest rate per annum | 15% | | | | |
| Annual Instalments | 12 | | | | |
| Loan Duration (Years) | 5 | | | | |
| Years | Principal Payment | Balance | Interest | Total Repayment | Total Repayment Per Month |
| Year 1 | 1,320,000 | 5,280,000 | 990,000 | 2,310,000 | 192,500 |
| Year 2 | 1,320,000 | 3,960,000 | 792,000 | 2,112,000 | 176,000 |
| Year 3 | 1,320,000 | 2,640,000 | 594,000 | 1,914,000 | 159,500 |
| Year 4 | 1,320,000 | 1,320,000 | 396,000 | 1,716,000 | 143,000 |
| Year 5 | 1,320,000 | 0 | 198,000 | 1,518,000 | 126,500 |
| TOTAL | 6,600,000 | - | 2,970,000 | 9,570,000 | 797,500 |

8.0 ECONOMIC ASPECTS

8.1 National economic and social Benefits

The economic and social impact of establishing the proposed project in Tanzania is expected to be positive. This positive impact is expected to be direct and indirect, as explained below:

a) Direct economic impact

Direct positive economic impact is expected to come from the following factors, namely,

- 1) Tax payments to the government increased,
- 2) Access to quality, reliable, and affordable products increased,
- 3) Employment opportunities generation; more than 65 direct jobs expected to be created, and more than 200 indirect jobs.
- 4) Technology and skills are transferred from experts hired from different parts of the globe.

b) Indirect economic impact

The project is expected to operate as a responsible corporate citizen by fulfilling some of its corporate responsibilities, such as assisting some of the disadvantaged communities by way of donations, starting from the communities living near the project, and participation in economic development activities of the country.

9.0 CONCLUSION

The agrochemical industry is poised for consistent growth over the next few years. By strategically focusing on high-growth products and expanding the market for niche products, the company can capitalize on the increasing demand and achieve sustained success.

This detailed Business plan is designed to guide TanzAgro through a period of substantial growth, ensuring that the company not only meets but exceeds its ambitious sales targets over the next five years. The plan combines market expansion, product innovation, and strategic marketing to build a strong and sustainable business foundation for the future.

TanzAgro is committed to becoming a leading player in the Tanzanian agro-chemical industry. With a clear growth strategy, strong financial projections, and a focus on innovation and customer satisfaction, we are confident in our ability to achieve our ambitious targets. This business plan sets the foundation for sustainable growth, increased market share, and long-term profitability for TanzAgro.