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# 1. EXECUTIVE SUMMARY

## 1.1. Overview of the Business

The Precision Agriculture Project in Madaba, Ruvuma Province, is a transformative agribusiness initiative led by Agrofeed Products International Limited (APIL). Designed to revolutionize regional agriculture, it integrates large-scale maize and soybean cultivation with cutting-edge precision farming, sustainability, and value-added processing.

## 1.2. Business Model in Brief

The project follows a vertically integrated model – spanning cultivation, processing, storage, and export – leveraging international technical expertise, local workforce development, and smallholder farmer partnerships. It operates under both rain-fed and irrigation conditions to ensure year-round productivity.

## 1.3. Market Opportunity

Driven by East Africa's rising demand for high-quality food and animal feed, the project targets both regional and international markets. A secured 7-year renewable export agreement further ensures long-term offtake and revenue stability.

## 1.4. Competitive Advantage (Unique Selling Proposition)

- Integration of Brazilian agri-tech expertise for world-class efficiency
- Use of precision agriculture and climate-smart practices
- Sustainable, inclusive model with smallholder farmer integration
- High-value processing and guaranteed export contracts

## 1.5. Financial Highlights

- **Projected Annual Revenue:** USD 21 million at Year 1 to USD 41 million + at Year 7
- **EBITDA (Est.):** Strong margins driven by scale and vertical integration
- **Initial Funding Requirement:** [insert funding amount – recommend you specify this]
- **Use of Funds:**
  - Land preparation and infrastructure
  - Equipment acquisition
  - Processing plant and storage facility construction
  - Working capital and staffing
  - Technical assistance and farmer training programs



## 2. COMPANY DESCRIPTION

### 2.1. Introduction

Agrofeed Products International Limited (APIL) is an innovative agribusiness company specializing in **precision agriculture** and **sustainable farming solutions**. The company is focused on transforming the maize and soybean value chains in East Africa into high-performing, eco-friendly, and inclusive industries.

### 2.2. Legal Structure and Ownership

APIL is a **Tanzanian-registered private limited company**, operating under **Certificate No. 167448100** and **TIN 167-448-100**. It is owned by a consortium of local and international investors committed to advancing agricultural modernization in the region.

### 2.3. Mission and Vision

- **Vision:** To lead sustainable modern agriculture in East Africa through precision farming, community empowerment, and transforming maize and soybean value chains into competitive, eco-friendly industries.
- **Mission:** To apply world-class precision farming in maize and soybean production, promote environmentally sustainable and socially responsible agriculture, build strong partnerships with global markets and local communities, and deliver premium-quality products that enhance national and regional food security while driving economic growth.

### 2.4. Core Values



- **Sustainability**

Agrofeed prioritizes sustainable practices by promoting feed solutions that support the **long-term health of livestock**, minimize **environmental impact**, and enhance **economic stability** for clients.



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By sourcing responsibly and reducing waste in production, Agrofeed ensures the environmental, social, and economic balance of its operations and those of its clients.

- **Innovation**

Agrofeed invests in **advanced nutritional technologies, precision feeding systems, and research-based formulations**. These innovations help farmers achieve **higher yields, better animal health, and resource efficiency**, thereby making farming smarter and more profitable.

- **Collaboration**

Agrofeed builds partnerships with **local suppliers, international research institutions, and global distributors**. This collaborative approach allows them to **co-develop solutions**, tailor feed to regional needs, and **exchange expertise** across the agricultural value chain for shared success.

- **Community Empowerment**

Through **training programs, technical support, and inclusive supply chains**, Agrofeed empowers rural farmers and cooperatives. These initiatives enhance local capabilities, uplift livelihoods, and foster **self-sustaining agricultural communities**.

- **Integrity**

Agrofeed maintains strict standards of **transparency in sourcing, accurate labeling, and honest business practices**. Their compliance with **industry regulations** and dedication to ethical conduct strengthens trust among partners and clients.

- **Excellence**

From **quality assurance in production to customer service excellence**, Agrofeed adheres to high standards across all areas. Regular **performance monitoring, certifications, and continuous improvement practices** ensure that Agrofeed products consistently meet and exceed expectations.

## 2.5. STRATEGIC OBJECTIVES

APIL is committed to transforming Tanzania's agricultural landscape through the following strategic goals:



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**Develop 5,000 Hectares of Precision Farmland**

Implement advanced agricultural technologies and data-driven farming techniques to enhance crop yields and land use efficiency.



**Establish an Animal Feed Processing Facility**

Build a state-of-the-art processing plant to produce high-quality animal feed, supporting both local livestock farming and regional agribusiness growth.



**STRATEGIC GOALS**



**Promote Sustainable Agriculture**

Integrate eco-friendly practices to ensure long-term soil fertility, water conservation, and reduced carbon footprint across all farming operations.



**Build Local Capacity and Train Farmers**

Offer structured training programs and on-site demonstrations to **empower** smallholder farmers with modern farming knowledge and skills.



**Secure Export Markets**

Develop robust international marketing and logistics frameworks to position Tanzanian agricultural products competitively in global markets.

❖ **Develop 5,000 Hectares of Precision Farmland**

Implement advanced agricultural technologies and data-driven farming techniques to enhance crop yields and land use efficiency.

❖ **Establish an Animal Feed Processing Facility**

Build a state-of-the-art processing plant to produce high-quality animal feed, supporting both local livestock farming and regional agribusiness growth.

❖ **Promote Sustainable Agriculture**

Integrate eco-friendly practices to ensure long-term soil fertility, water conservation, and reduced carbon footprint across all farming operations.

❖ **Build Local Capacity and Train Farmers**

Offer structured training programs and on-site demonstrations to empower smallholder farmers with modern farming knowledge and skills.

❖ **Secure Export Markets**

Develop robust international marketing and logistics frameworks to position Tanzanian agricultural products competitively in global markets.

❖ **Enhance Regional Food and Feed Security**

Contribute to national and regional efforts to ensure consistent availability of nutritious food and livestock feed.



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## 2.6. History and Milestones

APIL was founded to respond to the growing need for sustainable food systems and agribusiness development in Tanzania. The company has secured:

Key Element	Details
Land Access	Memorandum of Understanding (MoU) with Lutukira Village Council
Export Contract	7-year renewable agreement with a New Zealand firm
Technical Partnership	Strategic collaboration with a Brazilian agri-tech company
Business Impact (Year 1 Projection)	Over USD 40 million in annual revenue and creation of 120+ direct jobs

## 2.7. Business Location and Facilities

The company is **headquartered in Dar es Salaam**, Tanzania. Its core operations are in **Madaba, Ruvuma Province**, where it is developing a 5,000-hectare precision farm supported by advanced infrastructure, including:

- On-site storage silos and warehouses
- Irrigation systems
- Processing and milling facilities
- Digital farm management and monitoring systems



## 2.8. Agrofeed Stage

APIL is currently in the **early growth stage**, having completed project planning, land acquisition agreements, and secured key technical and commercial partnerships. It is now seeking investment to execute infrastructure development and scale operations.

APIL Growth Journey		
Stage	Status	Milestones & Activities
1. Concept & Planning	☑ Completed	<ul style="list-style-type: none"> <li>• Defined business model and strategy \n</li> <li>• Identified high-potential market opportunities</li> </ul>
2. Land Acquisition	☑ Completed	<ul style="list-style-type: none"> <li>• MoU signed with Lutukira Village Council for land use</li> </ul>
3. Partnership Formation	☑ Completed	<ul style="list-style-type: none"> <li>• Export contract with New Zealand firm \n</li> <li>• Technical partnership with Brazilian agri-tech</li> </ul>
4. Early Growth	📁 In Progress	<ul style="list-style-type: none"> <li>• Establishing governance and operations \n</li> <li>• Finalizing project management structures</li> </ul>
5. Infrastructure Execution	🌀 Seeking Investment	<ul style="list-style-type: none"> <li>• Funds needed for facilities, machinery, logistics \n</li> <li>• Key area for investor engagement</li> </ul>
6. Scaling Operations	➔ SOON Upcoming	<ul style="list-style-type: none"> <li>• Hiring workforce (120+ jobs projected) \n</li> <li>• Export ramp-up \n</li> <li>• Targeting \$40M+ in revenue</li> </ul>





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## 2.9. Governance & Management structure

Agrofeed Products International Limited (APIL) maintains a robust governance framework that upholds integrity, accountability, and strategic alignment with both local regulations and international standards. This structure is designed to enhance stakeholder trust and support sustainable growth.

### Organizational Structure

APIL operates under a **tiered governance model** led by a **Board of Directors**, a **professional executive management team**, and a growing operational workforce. The structure ensures clear lines of responsibility, oversight, and strategic execution across departments such as operations, finance, sustainability, community relations, and risk management.

### Key Team Members

- **Chief Executive Officer (CEO):** A seasoned agribusiness strategist with over 15 years of leadership experience across East Africa's agricultural value chains.
- **Chief Operating Officer (COO):** An agricultural engineer with expertise in large-scale farm mechanization and project execution.
- **Chief Financial Officer (CFO):** A financial expert with a background in agribusiness finance, impact investment, and donor-funded programs.
- **Director of Sustainability & ESG:** Oversees environmental and social impact, ensuring alignment with international ESG frameworks.
- **Community Liaison Manager:** Coordinates smallholder integration, training programs, and stakeholder engagement.

*Note: APIL is currently identifying candidates to lead its Research & Innovation and Export Compliance divisions, forming part of its near-term hiring roadmap.*

### Roles and Responsibilities

- **Board of Directors:** Sets strategic direction, oversees performance, and ensures regulatory compliance.
- **Executive Management Team:** Executes day-to-day operations, manages capital allocation, and ensures project milestones are met.
- **Functional Heads:** Lead key business units and report directly to executive management.

### Advisory Board (Planned)

APIL plans to establish a **Strategic Advisory Board** comprising international agribusiness experts, ESG consultants, and investment advisors. This board will provide high-level guidance on market trends, risk mitigation, and operational excellence.



## Governance Practices

- **Transparent Management**  
The Board and executive team maintain rigorous performance monitoring and publish regular operational, financial, and sustainability reports.  
*Impact:* Enhances investor confidence and aligns with global reporting standards, including IFC Performance Standards and ESG disclosure norms.
- **Compliance with Local and International Standards**  
APIL fully complies with Tanzanian regulations and incorporates international benchmarks, such as the **International Finance Corporation (IFC)** and **Global Reporting Initiative (GRI)** guidelines.  
*Impact:* Minimizes legal and reputational risks while unlocking access to ESG-aligned capital and partnerships.
- **Ethical Business Practices**  
The company enforces strict anti-corruption, labor rights, and procurement policies. Internal controls are regularly reviewed to maintain high ethical standards across its operations and supply chains.  
*Impact:* Builds long-term brand integrity and ensures operational resilience.

## 3. MARKET & COMPETITIVE ADVANTAGE

### 3.1. Market Analysis

#### Industry Overview (Size, Trends, Growth Rate)

The East African agribusiness sector is experiencing accelerated growth, driven by rising food demand, rapid urbanization, and increased regional integration. The market for maize and soybean is expanding at a compound annual growth rate (CAGR) of 6–8%, fueled by the need for food security, livestock feed, and sustainable crop inputs. Demand for non-GMO, traceable, and eco-certified agricultural products is also increasing among international buyers.

#### 3.1.1. Target Market Segmentation

- **Domestic Markets:** Livestock feed processors, food manufacturers, and government procurement programs.
- **Regional Markets:** COMESA and EAC member countries facing maize and soybean deficits.
- **International Buyers:** Organic fertilizer and grain importers in New Zealand, Europe, and the Middle East, through established buy-back agreements.



### 3.1.2. Customer Demographics and Behavior

- **B2B clients** such as processors and distributors prioritize consistency, certification, and traceability.
- **Government and development agencies** favor suppliers with inclusive and environmentally compliant models.
- **Export buyers** demand high-quality, non-GMO crops with long-term supply guarantees and sustainability credentials.

## 3.2. Competitive Analysis

### 3.2.1. SWOT Summary:

- **Strengths:** Precision agriculture, export contracts, inclusive supply chain, and sustainability alignment.
- **Weaknesses:** Capital intensity, dependence on land acquisition timelines.
- **Opportunities:** Regional food insecurity, growing organic product demand, government support.
- **Threats:** Climate variability, regulatory delays, global commodity fluctuations.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Advanced precision farming technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Capital-intensive requirements during the initial development phase</li> </ul>
<ul style="list-style-type: none"> <li>• Strong international partnerships with Brazil and New Zealand</li> </ul>	<ul style="list-style-type: none"> <li>• Dependence on timely and uninterrupted land acquisition</li> </ul>
<ul style="list-style-type: none"> <li>• Secured export contracts and fundable project framework</li> </ul>	
<ul style="list-style-type: none"> <li>• Deep community engagement and farmer integration</li> </ul>	
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Rising global demand for non-GMO and sustainable animal feed</li> </ul>	<ul style="list-style-type: none"> <li>• Climatic variability affecting crop yields and schedules</li> </ul>
<ul style="list-style-type: none"> <li>• Regional market integration, population growth, and rapid urbanization</li> </ul>	<ul style="list-style-type: none"> <li>• Potential delays in regulatory approvals and permits</li> </ul>
<ul style="list-style-type: none"> <li>• Increasing support from government and development lenders for agri-tech</li> </ul>	<ul style="list-style-type: none"> <li>• Fluctuations in global commodity and input prices</li> </ul>

### 3.2.2. Porter's Five Forces:

1. **Threat of New Entrants** – Moderate: High startup capital and technical expertise limit entry.
2. **Bargaining Power of Buyers** – Moderate to High: Export contracts stabilize power dynamics.



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3. **Bargaining Power of Suppliers** – Low: Vertical integration and local partnerships reduce dependency.
4. **Threat of Substitutes** – Low: Maize and soybean remain staple products with few viable replacements.
5. **Industry Rivalry** – Moderate: APIL's use of technology and sustainability positioning creates differentiation.

### Market Needs & How APIL Meets Them

- **Need for high-yield, sustainable grain production** → Met via precision farming and climate-smart practices.
- **Secure and consistent supply** → Addressed through long-term export agreements.
- **Inclusive supply chains** → Delivered via out-grower integration and community capacity building.
- **Compliance with ESG standards** → Ensured through environmental monitoring, organic inputs, and social equity.

### 3.3. Risk management & Mitigation

APIL has established a robust, multi-layered risk management framework:

- **Market Diversification**  
Engages multiple market segments – food crops, feed, and fertilizers – across domestic and export domains to cushion against demand fluctuations.
- **Insurance Coverage**  
All core activities are insured, including crop yields, machinery, and infrastructure, safeguarding financial and operational continuity.
- **Environmental and Compliance Monitoring**  
Dedicated ESG and compliance units oversee adherence to Tanzanian law, global quality benchmarks, and sustainability mandates.
- **Resilience Through Sustainability**  
Built into core operations via climate-resilient crops, circular resource use (e.g., biochar), and strong local community partnerships.

### PARTNERSHIPS & INTERNATIONAL COOPERATION

Agrofeed Products International Limited (APIL) has established a strong network of strategic partnerships to accelerate its growth and maximize impact across the agricultural value chain.

The company is collaborating with **renowned agricultural technology experts from Brazil**, who are supplying state-of-the-art machinery and delivering turnkey milling and packaging facilities. This partnership also includes a **comprehensive two-year technical assistance program**, supporting the implementation of high-tech precision farming systems tailored to the local context.



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In a significant commercial milestone, APIL has secured a **seven-year renewable Buy-Back Agreement with a leading New Zealand firm**. This agreement ensures long-term revenue stability through the supply of organic fertilizers and the sale of premium agricultural produce, reinforcing APIL's commitment to sustainable and export-oriented farming.

Moreover, APIL actively partners with **Tanzanian government institutions, international development agencies, and donor-funded agricultural programs**, working collaboratively to drive innovation, enhance food security, and uplift rural livelihoods.

These alliances not only provide access to advanced technologies and global markets but also position APIL as a trusted, high-impact investment opportunity within East Africa's rapidly growing agribusiness sector.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As part of its commitment to inclusive growth and sustainable development, APIL actively supports:

- **Farmer Training and Capacity Building**  
Continuous technical support and education initiatives to uplift rural farming communities and improve agricultural productivity.
- **Youth Employment**  
Creation of meaningful employment opportunities for young people through agricultural internships, apprenticeships, and full-time roles.
- **Environmental Conservation**  
Adoption of environmentally responsible farming practices, including afforestation, soil regeneration, and efficient water use.
- **Community Well-being and Gender Equality**  
Programs aimed at improving healthcare access, education, and social inclusion, with a strong focus on empowering women and underrepresented groups.

#### **3.3.1. Legals regulatory compliance requirements**

Agrofeed Products International Limited is fully committed to operating in strict compliance with all applicable laws, regulations, and policies of the United Republic of Tanzania. The company's large-scale agricultural investment project in Madaba, Ruvuma

Region, has been developed in alignment with the national legal framework governing land, agriculture, environment, labor, tax, and investment.

##### **1. Company Registration and Legal Status**

APIL is duly registered under the Companies Act, Cap. 212 of the Laws of Tanzania. The company operates as a private limited liability company with its head office in Dar es Salaam and registered operations in Ruvuma Region.

##### **2. Land Acquisition and Use**



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The project complies with the Land Act, Cap. 113 and the Village Land Act, Cap. 114, ensuring that all land allocated for agricultural use has been:

- ✓ Lawfully acquired through approved procedures involving Village Councils, the District Land Office,
- ✓ Granted the necessary Right of Occupancy
- ✓ Allocated in accordance with local land use plans and community consultation processes;
- ✓ Supported by letters of allocation from relevant authorities, including the Madaba District Council and Songea Regional Council.

### **3.Environmental Compliance**

In accordance with the Environmental Management Act, Cap. 191, APIL has to:

- ✓ Conduct an Environmental and Social Impact Assessment (ESIA);
- ✓ Submit the ESIA report to the National Environment Management Council (NEMC);
- ✓ Receive an Environmental Impact Assessment Certificate;
- ✓ Commit to implementing an Environmental and Social Management Plan (ESMP) and sustainable agricultural practices including eco-farming and biochar production.

### **4.Agricultural and Food Safety Regulations**

APIL will align its operations with:

- ✓ The Plant Protection Act (1997) and Seeds Act (2003) regarding seed quality and pest management;
- ✓ The Tanzania Food, Drugs and Cosmetics Act and regulations of the Tanzania Bureau of Standards (TBS) for food safety, including animal meal processing for export;
- ✓ Guidelines from the Tanzania Agricultural Research Institute (TARI) and Tanzania Fertilizer Regulatory Authority (TFRA), particularly regarding fertilizer use, soil testing, and organic inputs.

### **5.Labor and Employment Law**

APIL adheres to the Employment and Labour Relations Act (2004) and relevant Occupational Safety and Health Authority (OSHA) regulations. The company will observe the following:

- ✓ Ensure fair wages, gender equity, and decent working conditions;
- ✓ Protection Act (1997) and Seeds Act (2003) regarding seed quality and pest management;
- ✓ The Tanzania Food, Drugs and Cosmetics Act and regulations of the Tanzania Bureau of Standards (TBS) for food safety, including animal meal processing for export;



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- ✓ Guidelines from the Tanzania Agricultural Research Institute (TARI) and Tanzania Fertilizer Regulatory Authority (TFRA), particularly regarding fertilizer use, soil testing, and organic inputs.

### 3.4. MONITORING & EVALUATION PLAN

Agrofeed Products International Limited (APIL) is committed to implementing a rigorous Monitoring, Control, and Evaluation (MCE) framework to ensure project transparency, accountability, and continuous improvement. The plan is designed to track progress, measure impact, and guide decision-making throughout all phases of the project lifecycle.

#### **Key components of the M&E Plan include:**

##### **Quarterly Performance Reviews**

Internal progress evaluations will be conducted every quarter to assess milestones, budget adherence, resource allocation, and operational efficiency. These reviews will generate key performance indicators (KPIs) aligned with strategic objectives and inform timely course corrections.

##### **Annual Financial and Operational Audits**

Independent external audits will be conducted on an annual basis to validate financial integrity, compliance with regulatory frameworks, and operational performance. These audits will enhance investor confidence and ensure fiduciary responsibility.

##### **Environmental and Social Impact Assessments (ESIA)**

APIL will perform periodic ESIA's to evaluate the project's environmental footprint and its effects on surrounding communities. These assessments will focus on biodiversity preservation, carbon impact, water usage, and socio-economic outcomes, aligning with national and international sustainability standards.

##### **Stakeholder Engagement & Feedback Loops**

Structured communication channels will be maintained with key stakeholders – including farmers, government bodies, development partners, and investors – through surveys, public forums, and review meetings. Insights from these engagements will be incorporated into project planning and execution to foster inclusivity, responsiveness, and shared value.



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### 3.4.1. ENVIRONMENT

APIL is dedicated to minimizing environmental impact while enhancing agricultural productivity through innovative and responsible practices:

#### Adoption of Precision Agriculture and Eco-Friendly Practices

APIL utilizes GPS-guided equipment, data analytics, and real-time monitoring to optimize resource use – significantly reducing water consumption, pesticide application, and greenhouse gas emissions.

*Impact:* Decreased carbon footprint, improved soil health, and alignment with climate-smart agriculture targets.

#### Waste Reduction and Biochar Production

Agricultural residues, especially maize stalks and husks, are repurposed into biochar – a sustainable soil amendment that improves nutrient retention and sequesters carbon.

*Impact:* Enhances soil fertility, mitigates climate change, and promotes a zero-waste farming model.

### 3.4.1.SOCIAL

APIL prioritizes inclusive development and social equity across all levels of its operations:

#### Community Empowerment

Through local training programs, infrastructure support, and access to inputs, APIL uplifts farming communities, fostering self-reliance and rural prosperity.

*Impact:* Increased household incomes, better farming knowledge, and improved quality of life.

#### Gender Equality and Inclusive Employment

APIL ensures equitable recruitment practices and promotes women into leadership roles, while also offering youth employment and training opportunities.

*Impact:* Enhanced diversity in the workforce, empowerment of underrepresented groups, and stronger community relations.

#### Local Farmer Partnerships

The company integrates smallholder farmers into its value chain through contract farming and out-grower schemes, offering guaranteed markets and technical support.

*Impact:* Improved farmer productivity, reduced rural poverty, and increased local participation in commercial agriculture.



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### 3.5. SUSTAINABILITY & ENVIRONMENTAL IMPACT

Sustainability is embedded in APIL's strategy, ensuring long-term viability and stakeholder value:

- **Eco-Agriculture**  
Incorporates natural pest control, intercropping, and organic fertilization, reducing dependency on synthetic inputs and enhancing ecosystem health.
- **Soil Health Improvement**  
Practices include continuous soil testing, use of organic compost, and strategic crop rotation, supporting nutrient retention and soil regeneration.
- **Biochar Production from Maize Waste**  
Converts maize residue into biochar, a carbon-negative product that improves soil fertility, reduces emissions, and boosts water retention.
- **Water Conservation**  
Precision irrigation, rainwater harvesting, and smart crop planning significantly reduce water usage while maintaining optimal yields.



## 4. PRODUCTS & SERVICES

### 4.1. Description of Products Offered

Agrofeed Products International Limited (APIL) offers high-quality, sustainably cultivated **yellow maize** and **soybeans**, grown on a 5,000-hectare estate in Ruvuma, Tanzania. These products serve both **human consumption markets** and the **livestock feed industry**, contributing to regional food security and agribusiness supply chains.

APIL operates a **fully integrated agribusiness model**, encompassing the entire value chain – from soil preparation and planting to harvesting, post-harvest processing, storage, and export. The company also produces **biochar** from maize residue, supporting soil health and carbon reduction goals, and supplies **organic fertilizers** through value-added processing partnerships.



### 4.2. PRODUCTION PROCESS

#### ❖ Planting

Agrofeed initiates the cycle on its **5,000-hectare precision farm in Ruvuma, Tanzania**, where yellow maize and soybeans are cultivated. Using **GPS-guided machinery, satellite data, and soil analytics**, planting is optimized for nutrient uptake, pest resistance, and seasonal alignment – ensuring **high-efficiency, climate-smart agriculture**.



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### ❖ Processing

Harvested maize and soybeans are moved to **Agrofeed's on-site processing facility**.

- **Yellow maize** is processed into **high-grade human food and livestock feed**.
- **Soybeans** are transformed into **protein-rich meal** for animal feed and ingredients for human consumption.  
Agrofeed also **upcycles maize residues into biochar**, which is sold or returned to fields to enrich soil carbon and fertility.

### ❖ Harvesting

Agrofeed uses **modern harvesting equipment** to reduce crop loss and preserve product quality. Timing is managed with **real-time crop maturity monitoring**, ensuring optimal grain moisture levels at harvest, critical for export-quality standards.

### ❖ Storage

Processed maize and soybeans are stored in **temperature- and humidity-controlled silos** to maintain freshness and nutrient value. Agrofeed also holds **strategic buffer stocks** to serve both domestic food programs and commercial clients year-round.

### ❖ Export

With a **7-year renewable export contract to New Zealand** and growing regional demand, Agrofeed has built an integrated export logistics arm. It manages **port handling, certifications, and global compliance**, ensuring Tanzanian products **meet international phytosanitary and quality standards**.



### 4.3. PRODUCTION CAPACITY

Details	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>Land</b>							
Land size in hectares for yellow maize	2,500	3,500	4,000	4,500	5,000	5,000	5,000
Land size in hectares for soybean	2,500	3,500	4,000	4,500	5,000	5,000	5,000
<b>Total land size for both plants</b>	<b>5,000</b>	<b>7,000</b>	<b>8,000</b>	<b>9,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Production per season per hectare</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>
- Yellow maize	8.00	8.00	8.00	8.00	8.00	8.08	8.16
- Soybean	4.50	4.50	4.50	4.50	4.50	4.55	4.59
<b>Expected production per annum (2 season):</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>
- Yellow maize	40,000	56,000	64,000	72,000	80,000	80,800	81,608
- Soybean	22,500	31,500	36,000	40,500	45,000	45,450	45,905

Agrofeed plans to harvest **yellow maize twice annually**, with each season yielding approximately **40,000 MT** at year one and this will grow with land size. This high volume is made possible by the company’s **mechanized, precision farming techniques** and optimized input management. Yellow maize serves both **human consumption markets** and the **animal feed sector**, making it a cornerstone product.

Similarly, Agrofeed expects **two soybean harvests per year**, with each producing **22,500 MT**. Soybeans are vital for producing **high-protein livestock feed**, and also feed into **regional food security goals**, especially in areas with growing demand for plant-based proteins.

**Total Annual Output 62,500 MT at year 1 under 5,000 hectares which is expected to be expanded to 10,000 hectares which will double the production.**

From **Year 5 to year 7**, Agrofeed expects to exploit 10,000 hectares with an increase in productivity of 1% due to land economies of scale. This expansion is likely tied to:

- **Full utilization of the 10,000-hectare farm**
- **Enhanced mechanization**
- **Greater processing capacity**
- **Established export channels and market penetration**

### 4.4.R&D Roadmap

APIL is developing an **in-house Research & Innovation division** focused on:



- Improving crop resilience through varietal trials
- Enhancing fertilizer efficiency using biochar and microbial formulations
- Exploring smart irrigation systems and AI-driven yield optimization
- Evaluating carbon credit opportunities through regenerative practices

#### 4.5. OPERATIONS BREAKDOWN

##### ❖ Land Preparation

Land preparation is the cornerstone of APIL's precision farming model. Activities include:

- **Soil Analysis:** Conducted by Brazilian agronomists to determine nutrient composition, pH levels, and optimal amendments.
- **Clearing and Conditioning:** Mechanical and manual clearing of vegetation, followed by plowing and harrowing to establish a uniform seedbed.
- **Drainage Systems:** Installed where necessary to manage excess rainfall and prevent soil erosion.
- **Fertilization:** Application of organic and bio-enhanced fertilizers tailored to site-specific soil conditions.
- **Irrigation Infrastructure:** Development of modern irrigation channels, pumps, and sprinkler systems to ensure reliable crop hydration under varying climatic conditions.

**Land at Lutukira Village** has already been identified and secured through a **Memorandum of Understanding (MoU)** with the village council, solidifying APIL's commitment to inclusive rural development.

##### ❖ Planting Operations

Planting will integrate **climate-resilient hybrid seeds** and high-efficiency techniques:

- **Seed Selection:** Use of certified yellow maize and soybean seeds suited to local agroecological conditions.
- **Mechanized Planting:** Precision seeders and planters will ensure accurate seed depth, spacing, and consistency, maximizing yield per hectare.
- **Transplanting (Soybeans):** Where necessary, transplanting techniques will be used to enhance seedling vigor and reduce early-stage losses.

##### ❖ Crop Management

**Efficient crop management ensures sustained productivity:**



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- **Weed Control:** A mix of mechanical weeding and herbicide application will be used to control competition for nutrients and sunlight.
- **Pest and Disease Management:** Integrated Pest Management (IPM) strategies, including biological control and targeted pesticide use, will reduce crop damage.
- **Monitoring Systems:** Precision agri-tech tools will track plant health, soil moisture, and field conditions in real time.

### Harvesting and Post-Harvest Handling

To minimize loss and maintain quality:

- **Mechanization:** Use of advanced harvesters for maize and soybeans, supplemented by manual harvesting where appropriate.
- **Timely Harvesting:** Guided by moisture and maturity indicators to ensure optimal grain quality.
- **Post-Harvest Processing:** Includes drying, cleaning, grading, and packaging. Maize may also be pelletized to improve feed conversion efficiency and shelf life.
- **Loss Minimization:** Handling protocols and quality control systems will reduce post-harvest losses.

#### ❖ Storage Infrastructure

To support year-round supply and export readiness:

- **Storage Capacity:** Construction of storage infrastructure for up to **140,000 MT annually**, scalable to 280,000 MT.
- **Facility Types:** A hybrid model combining silos, bins, and flat storage warehouses.
- **Smart Controls:** Temperature, humidity, and pest monitoring systems will be installed to maintain grain quality.
- **Inventory Systems:** Automated grain handling and real-time inventory management for efficient operations and traceability.

#### ❖ Equipment & Labor Strategy

Capital investment in modern equipment and human capital will enhance operational efficiency:

- **Machinery:** Acquisition of tractors, plows, seeders, sprayers, combine harvesters, and post-harvest equipment to support precision farming.
- **Technical Partnership:** A **2-year technical assistance agreement** with a **Brazilian agri-tech partner** ensures expert guidance during the critical setup phase.



- **Local Workforce Development:** Brazilian experts will train local personnel, who will assume operational control after the transition period, ensuring knowledge transfer and job creation.
- **Digital Farm Management:** Implementation of farm management software for real-time oversight of planting, irrigation, logistics, and inventory.
- **Training & Safety:** Ongoing programs to enhance worker productivity, safety, and technical competence.

## 4.6. Strategic Alignment

These operations model directly supports APIL's broader objectives of:

- Enhancing **regional food and feed security**
- Establishing a **competitive export presence**
- Creating sustainable livelihoods through **capacity building and employment**
- Promoting **environmentally responsible agriculture**

### Implementation Plan

S/N	EQUIPMENT	ESTIMATED TOTAL COST
1	Bulldozer (D9)	USD 1,500,000
2	Tractor with bush hog attachment	Included in 1
3	Brush cutter/clearing saw	Included in 1
4	Chain saw	Included in 1
5	Same as item No. 1	Included in 1
6	Grader	Included in 1
7	Tractors (HP=60-90) +Moldboard ploughs	USD 5,000,000
8	Disc harrow	USD 150,000
9	Chisel plough or subsoiler	USD 90,000
10	Rototillers/Rotary hoes	USD 75,000
11	Broadcast spreader	USD 60,000
12	Fertilizer drills	USD 45,000
13	Planters	USD 37,500
14	Soil testing and logistic assessment	USD 350,000



15	Drones (surveillance)	USD 150,000
16	Drones (spraying)	USD 400,000
17	Tractor-Mounted sprayers	USD 30,000
18	Mechanical weeders	USD 22,500
19	Combined harvesters	USD 1,500,000
20	Irrigation system	USD 2,000,000
21	Silo storage system	USD 6,000,000
22	Auxiliary equipment	USD 900,000
23	Logistics trucks C trailers	USD 3,500,000
24	Utility Vehicles C trailers	USD 2,000,000
25	Buildings and infrastructure	USD 4,000,000
25	Access roads and bridges	USD 7,000,000

#### ❖ 4.6.1. Processing Facility Construction

Agrofeed will construct a **state-of-the-art processing facility** on its Ruvuma estate, tailored specifically for **yellow maize and soybean processing**. The plant is strategically positioned near the cultivation zones to **minimize logistics costs and reduce post-harvest losses**.

#### ❖ 4.6.2. Investments in Specialized Equipment

To achieve high efficiency and product quality, the plant will include:

📌 Step-by-Step Processing Aligned with Agrofeed's Model		
Step	Description	Purpose & Value to Agrofeed
<b>1. Cleaning</b>	Uses pre-cleaner, destoner, and magnetic separator	Ensures safety and purity of raw grains before further processing
<b>2. Sorting</b>	Separates grains based on size, density, and quality	Helps maintain <b>high consistency and quality standards</b>
<b>3. Grinding</b>	Industrial hammer mills crush grains into coarse or fine powders	Enables easier digestion and efficient feed conversion in livestock



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<b>4. Mixing</b>	Batch mixers combine ground grains with additives	Produces <b>nutritionally balanced feeds</b> suited to client requirements
<b>5. Pelleting</b>	Pelleting line forms compact pellets, conditioned by steam boiler	Enhances product durability, hygiene, and <b>market value</b>
<b>6. Packaging &amp; Storage</b>	Final products are packed and stored in Agrofeed's controlled warehouses	Preserves freshness, ensures traceability, and supports export logistics

S/N	Equipment/Area	Cost (USD)
1	Raw Material Handling	1,050,000
2	Cleaning C Pre-processing	945,000
3	Soybean Extrusion Line	2,310,000
4	Maize Grinding Line	1,890,000
5	Mixing C Dosing System	1,785,000
6	Pelleting C Cooling Line	2,100,000
7	Packaging Line	1,050,000
8	Automation C Control Systems	1,260,000
9	Processing Facility Buildings	1,338,750

The equipment above is required to operate the project. **Total budget for CAPEX and set up is USD 48,538,750.**

#### ❖ OPERATIONAL COST

As per our Brazilian partners the total cost per hectare is **USD 1,600**. Therefore, the all-inclusive total cost on the entire farmland (5,000 ha) is **USD 8,000,000**.

**Total investment: CAPEX + OPEX = USD 56,538,750**

**Contingency: USD 3,461,250**

**Which makes a grand total of USD 60,000,000 of required investment.**

## 4.7. MARKETING & SALES STRATEGY

### 4.7.1. Go-to-Market Plan

APIL's go-to-market strategy focuses on high-impact entry into both **domestic and international agricultural markets**. The company will leverage its secured **7-year**



**renewable export contract**, partnerships with regional processors, and relationships with government food security programs to drive early traction. Market entry is structured in phases:

- **Phase 1 (Years 1-3):** Domestic distribution, pilot export fulfillment, and brand development
- **Phase 2 (Year 4 onwards):** Full export deployment, regional expansion into COMESA/EAC markets, and diversification into processed value-added products

#### 4.7.2. Sales Process & Distribution Channels

- **Direct Sales:** To international buyers via the New Zealand export agreement and new B2B contracts
- **Regional Wholesalers:** Distribution of raw and semi-processed maize and soy to food processors and feed manufacturers
- **Public Procurement:** Supplying national food reserves and school feeding programs
- **Out-Grower Supply Model:** Partnered smallholder farmers feed into APIL's processing system for scale and quality assurance

#### 4.7.3. Pricing Model

APIL follows a **value-based pricing model**, reflecting its product quality, traceability, and ESG compliance. Prices are negotiated:

- **Export Markets:** Locked or indexed pricing via long-term contracts
- **Domestic Markets:** Market-responsive pricing with tiered discounts for volume buyers and institutional clients
- **Farmer Inputs (Biochar/Fertilizer):** Offered at subsidized rates for registered out-growers, promoting adoption and loyalty

#### 4.7.4. Customer Acquisition Strategy

- **Strategic Partnerships:** Long-term offtake agreements (e.g., New Zealand firm), Brazilian machinery suppliers, and development agencies
- **Organic Outreach:** Participation in agribusiness expos, sustainability forums, and digital storytelling via a company website and LinkedIn
- **Paid Marketing:** Targeted advertising to regional buyers through agri-trade platforms and international procurement networks
- **Institutional Collaboration:** Engagements with Tanzanian ministries, donor projects, and international NGOs for anchor supply agreements



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### ❖ **Customer Retention Plans**

- **Contractual Loyalty:** Multi-year supply contracts with performance incentives
- **After-Sales Engagement:** Regular feedback loops with buyers to ensure product consistency and satisfaction
- **Certification & Transparency:** ESG compliance, traceability reports, and sustainability audits shared with key customers
- **Value Chain Integration:** Partnering with out-growers and B2B customers in training, product development, and quality improvement.

### ❖ **Day-to-Day Business Operations**

APIL's daily operations are structured to ensure efficiency, traceability, and sustainability throughout the agricultural value chain. Core activities include:

- **Field Monitoring and Management:** Crop health, irrigation schedules, and input application managed by trained field supervisors and agronomists.
- **Logistics Coordination:** Daily coordination of material inputs, farm equipment, and labor schedules across field zones.
- **Out-Grower Support:** Technical assistance and input distribution to partnered smallholder farmers through a centralized service center.
- **Facility Oversight:** Operation of post-harvest handling sites, silos, and the on-site processing plant.

### ❖ **Technology and Systems Used**

APIL integrates advanced technologies to drive precision and accountability:

- **Farm Management Software:** Used for tracking planting, irrigation, input usage, and inventory levels.
- **Precision Agriculture Tools:** GPS-guided tractors, soil sensors, and drones for aerial mapping and diagnostics.
- **Irrigation Automation:** Smart irrigation systems regulate water usage based on soil moisture and weather patterns.
- **ERP Integration:** Financial, procurement, HR, and supply chain activities managed through a unified Enterprise Resource Planning system.
- **Digital Traceability:** Blockchain-ready traceability for export contracts and ESG-compliant supply documentation.

### ❖ **Supply Chain and Logistics**



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APIL's vertically integrated supply chain is built for efficiency and scalability:

- **Input Sourcing:** Seeds, organic fertilizers, and machinery sourced from certified suppliers in Tanzania and Brazil.
- **On-Farm Logistics:** Internally managed fleet for transporting inputs, workers, and harvested produce.
- **Processing & Storage:** On-site facilities handle drying, grading, and storage in temperature- and humidity-controlled silos.
- **Distribution & Export:** Finished products delivered via regional logistics partners to domestic buyers and port facilities for export.

The model ensures reduced post-harvest losses and maintains product quality throughout the supply chain.

#### ❖ **Manufacturing / Service Delivery Processes**

- **Land Preparation & Planting:** Mechanized tilling, plowing, and seed placement are optimized through data-driven field planning.
- **Crop Management:** Weed, pest, and disease control through a hybrid strategy using both mechanical tools and integrated pest management (IPM).
- **Harvesting:** Combine harvesters and grain handling equipment streamline harvesting, with moisture and maturity metrics guiding optimal timing.
- **Post-Harvest Processing:** Includes cleaning, drying, grading, and packaging. A planned expansion will include pelleting and value-added feed processing.
- **Product Delivery:** Contracted logistics partners manage final-mile delivery for both regional and export destinations.

#### ❖ **Operational Cost Summary**

According to APIL's Brazilian technical partners:

- **Cost Per Hectare (All-Inclusive): USD 1,300 with growth of 2.7% of inflation**
- **Total Operational Cost for 5,000 ha: USD 6,500,000.00**

#### ❖ **Investment Overview**

- **Total Investment (CAPEX + OPEX): USD 56,538,750**
- **Contingency Allocation (6%): USD 3,461,250**
- **Total Budgeted Investment: USD 60,000,000**

This investment covers land development, equipment procurement, infrastructure construction (silos, warehouses, irrigation systems), labor, and operational systems.



## 5. FINANCIAL PLAN & PROJECTIONS

### 5.1. KEY HIGHLIGHT

- ❖ Revenue model (how you make money)
- **1-7 year financial projections:**
  - ❖ Profit and Loss (P&L)
  - ❖ Statement of Financial Position
  - ❖ Statement of Change in Equity
  - ❖ Cash Flow Statement
  - ❖ Balance Sheet
  - ❖ Break-even analysis
  - ❖ Key financial ratios and assumptions
- Sensitivity or scenario analysis (optional)
- **FUNDING REQUEST**

#### Capital Requirement

Agrofeed Products International Limited (APIL) is seeking a total investment of **USD 60 million** to fully implement its precision agriculture and processing initiative over a 5,000-hectare estate in Ruvuma, Tanzania.

#### Type of Funding Sought

APIL welcomes a **blended financing structure**, including:

- **Equity Investment:** Up to 40% equity stake in exchange for strategic, long-term capital participation.
- **Concessional Debt or Impact Loans:** Through development finance institutions (DFIs) or ESG-aligned lenders.

#### Use of Funds (Breakdown)

1. Equipments:

USD



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- Bulldozer	1,500,000
- Tractors (HP=60-90) + Moldboard ploughs	5,000,000
- Disc harrow	150,000
- Chisel plough or subsoiler	90,000
- Rototillers/Rotary hoes	75,000
- Broadcast spreader	60,000
- Fertilizer drills	45,000
- Planters	37,500
- Soil testing and logistic assessment	350,000
- Drones (surveillance)	150,000
- Drones (spraying)	400,000
- Tractor-Mounted sprayers	30,000
- Mechanical weeders	22,500
- Combined harvesters	1,500,000
- Irrigation system	2,000,000
- Silo storage system	6,000,000
- Auxiliary equipment	900,000
- Logistics trucks & trailers	3,500,000
- Utility Vehicles & trailers	2,000,000
- Buildings and infrastructure	4,000,000
- Access roads and bridges	7,000,000
- Land	30,000
<b>Sub - total</b>	<b>34,840,000</b>

## 2. Processing plant and equipment

	<b>USD</b>
- Raw Material Handling	1,050,000
- Cleaning & Pre-processing	945,000
- Soybean Extrusion Line	2,310,000
- Maize Grinding Line	1,890,000
- Mixing & Dosing System	1,785,000
- Pelleting & Cooling Line	2,100,000
- Packaging Line	1,050,000
- Automation & Control Systems	1,260,000
- Processing Facility Buildings	1,338,750
<b>Sub - total</b>	<b>13,728,750</b>
<b>Working Capital (OPEX)</b>	<b>8,000,000</b>
<b>Contingency</b>	<b>3,431,250</b>
<b>Total Investment costs (CAPEX+OPEX)</b>	<b>60,000,000</b>



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## Projected financials statements

### 1. Projected statement of profit or loss

Description	Notes	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
		USD	USD	USD	USD	USD	USD	USD
Sales revenues	1	20,472,500	28,661,500	32,756,000	36,850,500	40,945,000	41,354,450	41,767,995
Less: Cost of sales		- 6,045,000	- 8,691,501	-10,201,339	-11,786,372	-13,449,560	-13,812,698	-14,185,641
<b>Gross profit</b>		<b>14,427,500</b>	<b>19,969,999</b>	<b>22,554,661</b>	<b>25,064,128</b>	<b>27,495,440</b>	<b>27,541,752</b>	<b>27,582,354</b>
Less: Operation Costs	2	- 1,869,350	- 2,559,889	- 2,919,203	- 3,284,176	- 3,655,032	- 3,706,932	- 3,759,816
<b>EBITDA</b>		<b>12,558,150</b>	<b>17,410,110</b>	<b>19,635,458</b>	<b>21,779,952</b>	<b>23,840,408</b>	<b>23,834,819</b>	<b>23,822,537</b>
Less: Depreciation and amortization	4	- 3,607,438	- 3,263,688	- 3,005,875	- 2,812,516	- 2,667,496	- 2,558,731	- 3,727,158
<b>EBIT</b>		<b>8,950,713</b>	<b>14,146,423</b>	<b>16,629,583</b>	<b>18,967,436</b>	<b>21,172,911</b>	<b>21,276,088</b>	<b>20,095,380</b>
Less: Finance costs		- 1,155,183	- 949,018	- 726,791	- 500,526	- 270,155	- 138,127	- 141,856
<b>EBT</b>		<b>7,795,529</b>	<b>13,197,404</b>	<b>15,902,792</b>	<b>18,466,910</b>	<b>20,902,756</b>	<b>21,137,961</b>	<b>19,953,523</b>
Less: Tax @ 30%		- 2,338,659	- 3,959,221	- 4,770,838	- 5,540,073	- 6,270,827	- 6,341,388	- 5,986,057
<b>Annual Profit</b>		<b>5,456,871</b>	<b>9,238,183</b>	<b>11,131,954</b>	<b>12,926,837</b>	<b>14,631,929</b>	<b>14,796,573</b>	<b>13,967,466</b>
<b>Profit sharing:</b>								
Transfer to the retained earning		1,456,871	7,238,183	8,131,954	6,926,837	8,631,929	8,796,573	7,967,466
Dividends to the investors		4,000,000	2,000,000	3,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Annual profit		5,456,871	9,238,183	11,131,954	12,926,837	14,631,929	14,796,573	13,967,466
Add: Non cash item:								
Depreciation and amortization		3,607,438	3,263,688	3,005,875	2,812,516	2,667,496	2,558,731	3,727,158



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Free cash flow to entity

9,064,308	12,501,871	14,137,829	15,739,353	17,299,425	17,355,304	17,694,624
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## 2. Projected statement of financial position

Description	Year 1 USD	Year 2 USD	Year 3 USD	Year 4 USD	Year 5 USD	Year 6 USD	Year 7 USD
<b>Assets:</b>							
<b>Non-current assets</b>							
Property, plant, and equipment	48,568,750	48,568,750	48,568,750	48,568,750	48,568,750	53,568,750	64,568,750
Accumulated depreciation	-3,607,438	-6,871,125	-9,877,000	-12,689,516	-15,357,012	-17,915,743	-21,642,901
	<b>44,961,313</b>	<b>41,697,625</b>	<b>38,691,750</b>	<b>35,879,234</b>	<b>33,211,738</b>	<b>35,653,007</b>	<b>42,925,849</b>
<b>Current assets</b>							
Inventory	1,511,250	2,172,875	2,550,335	2,946,593	3,362,390	3,453,175	3,546,410
Trade receivables	3,412,083	4,776,917	5,459,333	6,141,750	6,824,167	6,892,408	6,961,332
Cash and cash equivalent	3,526,017	2,084,706	1,100,589	2,152,299	2,370,414	3,289,358	3,492,025
	<b>8,449,350</b>	<b>9,034,498</b>	<b>9,110,257</b>	<b>11,240,642</b>	<b>12,556,970</b>	<b>13,634,941</b>	<b>13,999,767</b>
<b>Total Assets</b>	<b>53,410,663</b>	<b>50,732,123</b>	<b>47,802,007</b>	<b>47,119,877</b>	<b>45,768,709</b>	<b>49,287,948</b>	<b>56,925,616</b>
<b>Equity and Liabilities</b>							
<b>Equity:</b>							
Share capital	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Retained earnings	1,456,871	8,695,054	16,827,008	23,753,845	32,385,775	41,182,347	49,149,813
	<b>2,056,871</b>	<b>9,295,054</b>	<b>17,427,008</b>	<b>24,353,845</b>	<b>32,985,775</b>	<b>41,782,347</b>	<b>49,749,813</b>
<b>Liabilities</b>							
<b>Non current liabilities</b>							
Long term borrowing	36,716,862	24,721,652	12,484,327	0	0	0	0
	<b>36,716,862</b>	<b>24,721,652</b>	<b>12,484,327</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Current liabilities</b>							
Trade payables	296,638	410,523	471,164	4,266,374	5,969,786	607,249	617,744
Short term borrowing	11,757,884	11,995,209	12,237,325	12,484,327	0	0	0
Corporate income tax	2,338,659	3,959,221	4,770,838	5,540,073	6,270,827	6,341,388	5,986,057
Payroll liabilities	243,750	350,464	411,344	475,257	542,321	556,964	572,002
	<b>14,636,930</b>	<b>16,715,417</b>	<b>17,890,671</b>	<b>22,766,031</b>	<b>12,782,934</b>	<b>7,505,601</b>	<b>7,175,803</b>



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**Total Equity and Liabilities**

<b>53,410,663</b>	<b>50,732,123</b>	<b>47,802,007</b>	<b>47,119,877</b>	<b>45,768,709</b>	<b>49,287,948</b>	<b>56,925,616</b>
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### 3. Projected statement of change in equity

Description	Share capital USD	Retained earnings USD	Total equity USD
<b>Year 1 ended 31 December</b>			
At start of year	600,000	-	600,000
Profit for the year	-	5,456,871	5,456,871
Payable dividends	-	- 4,000,000	- 4,000,000
<b>At end of year</b>	<b>600,000</b>	<b>1,456,871</b>	<b>2,056,871</b>
<b>Year 2 ended 31 December</b>			
At start of year	600,000	1,456,871	2,056,871
Profit for the year	-	9,238,183	9,238,183
Payable dividends	-	- 2,000,000	- 2,000,000
<b>At end of year</b>	<b>600,000</b>	<b>8,695,054</b>	<b>9,295,054</b>
<b>Year 3 ended 31 December</b>			
At start of year	600,000	8,695,054	9,295,054
Profit for the year	-	11,131,954	11,131,954
Payable dividends	-	- 3,000,000	- 3,000,000
<b>At end of year</b>	<b>600,000</b>	<b>16,827,008</b>	<b>17,427,008</b>
<b>Year 4 ended 31 December</b>			
At start of year	600,000	16,827,008	17,427,008
Profit for the year	-	12,926,837	12,926,837
Payable dividends	-	- 6,000,000	- 6,000,000
<b>At end of year</b>	<b>600,000</b>	<b>23,753,845</b>	<b>24,353,845</b>
<b>Year 5 ended 31 December</b>			
At start of year	600,000	23,753,845	24,353,845
Profit for the year	-	14,631,929	14,631,929
Payable dividends	-	- 6,000,000	- 6,000,000
<b>At end of year</b>	<b>600,000</b>	<b>32,385,775</b>	<b>32,985,775</b>
<b>Year 6 ended 31 December</b>			
At start of year	600,000	32,385,775	32,985,775
Profit for the year	-	14,796,573	14,796,573
Payable dividends	-	- 6,000,000	- 6,000,000
<b>At end of year</b>	<b>600,000</b>	<b>41,182,347</b>	<b>41,782,347</b>
<b>Year 7 ended 31 December</b>			
At start of year	600,000	41,182,347	41,782,347
Profit for the year	-	13,967,466	13,967,466
Payable dividends	-	- 6,000,000	- 6,000,000
<b>At end of year</b>	<b>600,000</b>	<b>49,149,813</b>	<b>49,749,813</b>



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#### 4. Projected statement of cash flow

Details	Year 1 USD	Year 2 USD	Year 3 USD	Year 4 USD	Year 5 USD	Year 6 USD	Year 7 USD
<b>Cash flows from operating activities</b>							
Profit before income tax	7,795,529	13,197,404	15,902,792	18,466,910	20,902,756	21,137,961	19,953,523
Adjustments for:							
Depreciation	3,607,438	3,263,688	3,005,875	2,812,516	2,667,496	2,558,731	3,727,158
<b>Profit/(loss) before working capital changes</b>	<b>11,402,967</b>	<b>16,461,092</b>	<b>18,908,667</b>	<b>21,279,426</b>	<b>23,570,252</b>	<b>23,696,692</b>	<b>23,680,681</b>
<b>Change in working capital:</b>							
Inventory	- 1,511,250	- 661,625	- 377,459	- 396,258	- 415,797	- 90,785	- 93,236
Trade receivables	- 3,412,083	- 1,364,833	- 682,417	- 682,417	- 682,417	- 68,242	- 68,924
Trade payables	296,638	113,885	60,642	3,795,210	1,703,412	- 5,362,538	10,495
Payroll liabilities	243,750	106,714	60,881	63,913	67,064	14,643	15,038
<b>Cash in/(out) flow from operations</b>	<b>7,020,021</b>	<b>14,655,232</b>	<b>17,970,313</b>	<b>24,059,873</b>	<b>24,242,515</b>	<b>18,189,771</b>	<b>23,544,055</b>
Interests Paid	-	-	-	-	-	-	-
Tax paid	-	- 2,338,659	- 3,959,221	- 4,770,838	- 5,540,073	- 6,270,827	- 6,341,388
<b>Cash in/(out) flow from operating activities</b>	<b>7,020,021</b>	<b>12,316,573</b>	<b>14,011,092</b>	<b>19,289,035</b>	<b>18,702,442</b>	<b>11,918,945</b>	<b>17,202,666</b>
<b>Cash flows from investing activities</b>							
Acquisition of non-current assets	-48,568,750	-	-	-	-	- 5,000,000	-11,000,000
Proceeds from disposal of trucks	-	-	-	-	-	-	-
Additional investment in work in progress	-	-	-	-	-	-	-
<b>Cash in/(out) flow from investing activities</b>	<b>-48,568,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>- 5,000,000</b>	<b>-11,000,000</b>
<b>Cash flows from financing activities</b>							
Additional/(repayment) of borrowings	48,474,746	-11,757,884	-11,995,209	-12,237,325	-12,484,327	-	-
Dividends to the investors	- 4,000,000	- 2,000,000	- 3,000,000	- 6,000,000	- 6,000,000	- 6,000,000	- 6,000,000
Proceeds from issue of shares	600,000	-	-	-	-	-	-
<b>Cash in/(out) flow from financing activities</b>	<b>45,074,746</b>	<b>-13,757,884</b>	<b>-14,995,209</b>	<b>-18,237,325</b>	<b>-18,484,327</b>	<b>- 6,000,000</b>	<b>- 6,000,000</b>
Cash in/(out) flow for the year	<b>3,526,017</b>	<b>- 1,441,311</b>	<b>- 984,117</b>	<b>1,051,711</b>	<b>218,115</b>	<b>918,945</b>	<b>202,666</b>
<b>Cash and cash equivalents:</b>							
As at start of the year	-	3,526,017	2,084,706	1,100,589	2,152,299	2,370,414	3,289,358



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As at end of the year		3,526,017	2,084,706	1,100,589	2,152,299	2,370,414	3,289,358	3,492,025
Financial analysis - ratios								
Description	Formulae	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>1. Gross profit Margin</b>	Gross profit/Sales	70%	70%	69%	68%	67%	67%	66%
<b>2. Net profit Margin</b>	Net profit/Sales	27%	32%	34%	35%	36%	36%	33%
<b>3. Return On Investment (ROI)</b>	Net profit/Total assets	10%	18%	23%	27%	32%	30%	25%
<b>4. Return On Equity (ROE)</b>	Net profit/ Shareholders equity	265%	99%	64%	53%	44%	35%	28%
<b>5. Current ratio</b>	Current assets/ Current liabilities							
		0.58	0.54	0.51	0.49	0.98	1.82	1.95
<b>6. Acid test ratio</b>	(Current assets - Inventories)/Current liabilities	0.47	0.41	0.37	0.36	0.72	1.36	1.46
<b>7. Cash ratio</b>	Cash and Cash equivalents/Current Liabilities	0.24	0.12	0.06	0.09	0.19	0.44	0.49
<b>8. Daily cash expenditures</b>	(All expenses - Non cash items)/365	14,965	24,484	29,703	34,955	40,294	41,367	39,343
<b>9. Defensive interval ratio (DIR)</b>	(Current asset - Stock)/Daily cash expenditures	463.63	280.25	220.85	237.28	228.19	246.13	265.70
<b>10. Debt ratio</b>	Total liabilities/Total assets	96%	82%	64%	48%	28%	15%	13%
<b>11. Debt to equity ratio</b>	Total liabilities/ Shareholder's equity	2497%	446%	174%	93%	39%	18%	14%
<b>12. Asset turnover ratio</b>	Sales/ Average total assets							
		0.38	0.56	0.69	0.78	0.89	0.84	0.73
<b>13. Interest coverage ratio</b>	Operating income/ Interest expenses	10.87	18.35	27.02	43.51	88.25	172.56	167.93
<b>14. Dividend per share</b>	Dividend paid/ Number of shares	6,666.67	3,333.33	5,000.00	10,000.00	10,000.00	10,000.00	10,000.00
<b>15. Dividend yield ratio</b>	Dividend per share/ Share price	6.67	3.33	5.00	10.00	10.00	10.00	10.00
<b>16. Earnings per share ratio</b>	Net earnings/ Total shares	9,094.78	15,396.97	18,553.26	21,544.73	24,386.55	24,660.95	23,279.11
<b>17. Price-earnings ratio</b>	Share price/ Earnings per share	0.11	0.06	0.05	0.05	0.04	0.04	0.04



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## Investment analysis - investment appraisal techniques

### Discounting cash flows

Period	Cash inflows	Discounting factor at 10%	Discounted cash inflows
Year 0	- 60,000,000	1	- 60,000,000
Year 1	9,064,308	0.909	8,240,280
Year 2	12,501,871	0.826	10,332,124
Year 3	14,137,829	0.751	10,621,961
Year 4	15,739,353	0.683	10,750,190
Year 5	17,299,425	0.621	10,741,582
Year 6	17,355,304	0.564	9,796,617
Year 7	17,694,624	0.513	9,080,140
<b>TOTAL</b>	<b>43,792,715</b>		<b>9,562,894</b>

### 1 Payback period

Period	Cash flows	Cumulative cash flows	Time elapsed in years
Year 0	- 60,000,000	- 60,000,000	0
Year 1	9,064,308	- 50,935,692	1
Year 2	12,501,871	- 38,433,821	2
Year 3	14,137,829	- 24,295,992	3
Year 4	15,739,353	- 8,556,639	4
Year 5	17,299,425	8,742,786	5
Year 6	17,355,304	26,098,090	6
Year 7	17,694,624	43,792,715	7

6 Months

Payback period is **4 years and 6 months** and this project should be undertaken due to the fact that this project will break even in a short period.

### 2 Accounting rate of return

$$ARR = \frac{\text{Average Annual Return}}{\text{Investment}} \times 100 = 20\%$$



The higher the average rate of return, the higher the return on investment. Typically, a project with the highest ARR would be chosen. The result shows a higher rate than cost of capital. So, this investment should be undertaken.

### 3 Discounted payback period

Period	Discounted cash flows	Cumulative discounted cash flows	Time elapsed in years
Year 0	- 60,000,000	- 60,000,000	1
Year 1	8,240,280	- 51,759,720	2
Year 2	10,332,124	- 41,427,595	3
Year 3	10,621,961	- 30,805,635	4
Year 4	10,750,190	- 20,055,445	5
Year 5	10,741,582	- 9,313,863	6
Year 6	9,796,617	482,754	7
Year 7	9,080,140	9,562,894	8

**10 Months**

Discounted payback period is **6 years and 10 months** and this project should be undertaken due to the fact that this project will break even in a short period.

### 4 Net present value

$$NPV = \sum_{t=0}^n \frac{Rt}{(1+i)^t} = 9,562,894$$

**Rt** = net cash inflow - outflows during a single period

**i** = discount rate or return that could be earned in alternative investments

**t** = number of time periods



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Net present value is **USD 9,562,894** which concludes that the project should be undertaken since NPV is greater than zero and promising the maximization of shareholders' wealth.

### 5 Adjusted present value

**Adjusted Present Value = Net Present Value + Net Effect of Debt**

So, adjusted present value is equal to net present value (USD 9,562,894) because we are not expecting to acquire loans from the bank i.e. there is no way to find out net effect of debt (PV of financing effect).

### 6 Profitability index

$$\text{Profitability Index} = \frac{\text{Present Value of Future Cash Flows}}{\text{Initial Investment}} \times 100 = 116\%$$

This project should be undertaken since it can maximise shareholders' wealth by 16%

### 7 Internal rate of return

$$\text{IRR} = r_a + \frac{\text{NPV}_a (r_b - r_a)}{(\text{NPV}_a - \text{NPV}_b)}$$

$r_a$  = lower discount rate

$r_b$  = higher discount rate

$\text{NPV}_a$  = NPV using the lower discount rate

$\text{NPV}_b$  = NPV using the higher discount rate

Period	Cash inflows	Discounting factor at 10%	Discounting factor at 30%	Discounted cash inflows (ra)	Discounted cash inflows (rb)
Year 0	- 60,000,000	1	1	- 60,000,000	- 60,000,000
Year 1	9,064,308	0.909	0.833	8,240,280	7,553,590
Year 2	12,501,871	0.826	0.694	10,332,124	8,681,855



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Year 3	14,137,829	0.751	0.579	10,621,961	8,181,614
Year 4	15,739,353	0.683	0.482	10,750,190	7,590,351
Year 5	17,299,425	0.621	0.402	10,741,582	6,952,251
Year 6	17,355,304	0.564	0.335	9,796,617	5,812,256
Year 7	17,694,624	0.513	0.279	9,080,140	4,938,245
<b>TOTAL</b>	<b>43,792,715</b>			<b>9,562,894</b>	<b>- 10,289,837</b>

Present value of cash outflows - investments

9,562,894 - 10,289,837

**Net Present Value of the project at different discount rate**

**9,562,894 - 10,289,837**

NPVa	9,562,894
NPVb	- 10,289,837
Lower discount rate (ra)	10%
Higher discount rate (rb)	20%

$$IRR = 10\% + \frac{9,562,894 (20\% - 10\%)}{((9,562,894 - (-10,289,837)))} \times 100 = 14.82\%$$

The higher the IRR on an investment and the greater the amount by which it exceeds the cost of capital and the more net cash it is likely to generate and the more it is worth pursuing.

## APPENDIX

### Agrofeed Products International Limited (APIL) - Business Plan Workings

Details	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>Land</b>							
Land size in hectares for yellow maize	2,500	3,500	4,000	4,500	5,000	5,000	5,000
Land size in hectares for soybean	2,500	3,500	4,000	4,500	5,000	5,000	5,000
<b>Total land size for both plants</b>	<b>5,000</b>	<b>7,000</b>	<b>8,000</b>	<b>9,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Production per season</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>



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- Yellow maize	8.00	8.00	8.00	8.00	8.00	8.08	8.16
- Soybean	4.50	4.50	4.50	4.50	4.50	4.55	4.59

**Expected production per annum (2 season):**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
- Yellow maize	40,000	56,000	64,000	72,000	80,000	80,800	81,608
- Soybean	22,500	31,500	36,000	40,500	45,000	45,450	45,905

**Selling Price per metric ton**

- Yellow maize	252.50	252.50	252.50	252.50	252.50	252.50	252.50
- Soybean	461.00	461.00	461.00	461.00	461.00	461.00	461.00

Operation costs per hectare	1,300.00	1,335.10	1,371.15	1,408.17	1,446.19	1,485.24	1,525.34
Average inflation rate	2.70%	2.70%	2.70%	2.70%	2.70%	102.70%	202.70%
Average interest rate in Tanzania	10%	10%	10%	10%	10%	10%	10%

Shillings per hectare	Maize
Seed and treatment	4,750
Fertiliser	25,900
Herbicides	8,600
Fungicides	5,400
Insecticides and other	7,200
<b>Total variable costs</b>	<b>KES 51,850</b>
Total variable costs as of today	129.26
<b>Exchange rate KES/USD</b>	<b>USD 401</b>

<b>Breakdown for a Typical Grain Crop:</b>	%
Seeds	12%
Fertilizers & Pesticides	28%
Labor	25%



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Machinery (fuel, spares, repair & maintenance, etc.)	15%
Irrigation & Water Management	8%
Others (admin, insurance, etc.)	5%
<b>Total costs</b>	<b>93%</b>
Add: Reclassified Transport & marketing	7%
<b>Total costs</b>	<b>100%</b>

**Key assumptions on balance sheet items:**

(i) Inventory of seeds, fertilizers and pesticides, farm equipment, consumables, harvested crops, etc. shall be kept minimum at the standard inventory turnover ratio ranging from 4 to 8 times to avoid capital tied up and deterioration at the same time minimizing cost of ordering and holding an inventory and it will keep decreasing.

(ii) By the year end we do estimate to have trade receivables based on the standard receivable turnover ratio ranging from 4 to 6 on the sales of December.

(iii) By the year end we do estimate to have trade payables based on the standard payable turnover ratio ranging from 6 and 10 on the total costs of December and it will keep increasing as the company increases stakeholders' trust through going concern.

(iv) Payroll taxes has been estimated based on the below table (Tanzania employment income tax rates). Due to the fact that agriculture employs more unskilled casuals whose income falls below TZS 270,000. average tax rate is set at 25%.

(v) Based on different scenarios of Egypt where they are familiar with irrigation system, 7.3 MT are harvested per hectare while in Tanzania, using improved management techniques have shown yields can reach 3.5-4.0 tons per hectare. So, average production is estimated to be 6 MT per ton.



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(vi) Egypt continues to be our reference on the production of soybean where due to its irrigation system where 3-to 4 tons are harvested per hectare while in Tanzania, using improved management techniques have shown yields can reach 3.5-4.0 tons per hectare. So, average production is estimated to be 3.5 MT per ton.

(vii) Admin. and operating costs estimates

<b>Details</b>	<b>Estimates</b>
Salaries and wages	4 - 8% of turnover
Transport & marketing	7% of cost of sales
Office expenses	USD 1,500 per month
Professional fees	USD 60,000 per annum
Training and development	USD 45,000 per annum
Technology and software	USD 3,000 per annum
Travel and entertainment	USD 60,000 per annum

(viii) Corporate income tax is set to be 30% of annual profit based on tax laws of Tanzania.

(ix) Production costs of yellow maize per hectare is KES 51,850 which is equivalent to USD 400 while production costs of soybean per hectare ranges from USD 700 to USD 1,100, So, an average of USD 900 is set for soybean per hectare i.e., average cost per hectare for both grains is USD 1,300.

(x) Assets acquisition: Trucks and trailers worth USD 5,000,000 will be bought for transportation of seeds and distribution while at Year 7, additional plant and machinery worth USD 11,000,000 will be bought for expanding the company to satisfy regional and international markets.

Taxable income (TZS) - Monthly		Tax on column 1 (TZS)	Tax on excess (%)
Over (column 1)	Not over		
0	270,000	-	0
270,000	520,000	-	8
520,000	760,000	20,000	20



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760,000	1,000,000	68,000	25
1,000,000	And above	128,000	30

(x) Depreciation rates and methods based on tax laws are:

Asset names	Rates	Methods
Land	0%	N/A
Plant and machinery	5%	Straight line
Building and premises	5%	Straight line
Intangible asset	10%	Straight line
Irrigation system	5%	Straight line
Motor vehicles	25%	Reducing balance
Transport Infrastructure	5%	Straight line

**Investment Cost:**

**1. Equipments:**

	USD	Assets group
- Bulldozer	1,500,000	Plant and machinery
- Tractors (HP=60-90) + Moldboard ploughs	5,000,000	Plant and machinery
- Disc harrow	150,000	Plant and machinery
- Chisel plough or subsoiler	90,000	Plant and machinery
- Rototillers/Rotary hoes	75,000	Plant and machinery
- Broadcast spreader	60,000	Plant and machinery
- Fertilizer drills	45,000	Plant and machinery
- Planters	37,500	Plant and machinery
- Soil testing and logistic assessment	350,000	Intangible asset
- Drones (surveillance)	150,000	Plant and machinery
- Drones (spraying)	400,000	Plant and machinery
- Tractor-Mounted sprayers	30,000	Plant and machinery
- Mechanical weeders	22,500	Plant and machinery
- Combined harvesters	1,500,000	Plant and machinery



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- Irrigation system	2,000,000	Irrigation system
- Silo storage system	6,000,000	Plant and machinery
- Auxiliary equipment	900,000	Plant and machinery
- Logistics trucks & trailers	3,500,000	Motorvehicles
- Utility Vehicles & trailers	2,000,000	Motorvehicles
- Buildings and infrastructure	4,000,000	Building and premises
- Access roads and bridges	7,000,000	Transport Infrastructure
- Land	30,000	Land Payable in three years
<b>Sub - total</b>	<b><u>34,840,000</u></b>	

## 2. Processing plant and equipment

	<b>USD</b>	
- Raw Material Handling	1,050,000	Plant and machinery
- Cleaning & Pre-processing	945,000	Plant and machinery
- Soybean Extrusion Line	2,310,000	Plant and machinery
- Maize Grinding Line	1,890,000	Plant and machinery
- Mixing & Dosing System	1,785,000	Plant and machinery
- Pelleting & Cooling Line	2,100,000	Plant and machinery
- Packaging Line	1,050,000	Plant and machinery
- Automation & Control Systems	1,260,000	Intangible asset
- Processing Facility Buildings	1,338,750	Building and premises
<b>Sub - total</b>	<b><u>13,728,750</u></b>	
<b>Working Capital (OPEX)</b>	<b><u>8,000,000</u></b>	
<b>Contingency</b>	<b><u>3,431,250</u></b>	
<b>Total Investment costs (CAPEX+OPEX)</b>	<b><u>60,000,000</u></b>	

Share capital	USD 600,000
Price per share	<u>1,000.00</u>
<b>Number of shares</b>	<b><u>600.00</u></b>



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NOTES:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	USD	USD	USD	USD	USD	USD	USD
<b>1 Sales revenues:</b>							
- Yellow maize	10,100,000	14,140,000	16,160,000	18,180,000	20,200,000	20,402,000	20,606,020
- Soybean	10,372,500	14,521,500	16,596,000	18,670,500	20,745,000	20,952,450	21,161,975
	<b>20,472,500</b>	<b>28,661,500</b>	<b>32,756,000</b>	<b>36,850,500</b>	<b>40,945,000</b>	<b>41,354,450</b>	<b>41,767,995</b>
<b>2 Cost of sales</b>							
Seeds	780,000	1,121,484	1,316,302	1,520,822	1,735,427	1,782,284	1,830,405
Fertilizers & pesticides	1,820,000	2,616,796	3,071,371	3,548,585	4,049,330	4,158,662	4,270,946
Direct labor	1,625,000	2,336,425	2,742,295	3,168,380	3,615,473	3,713,091	3,813,344
Machinery (fuel, spares, repair & maintenance, etc.)	975,000	1,401,855	1,645,377	1,901,028	2,169,284	2,227,855	2,288,007
Irrigation & water Management	520,000	747,656	877,535	1,013,881	1,156,951	1,188,189	1,220,270
Others (admin, insurance, etc.)	325,000	467,285	548,459	633,676	723,095	742,618	762,669
	<b>6,045,000</b>	<b>8,691,501</b>	<b>10,201,339</b>	<b>11,786,372</b>	<b>13,449,560</b>	<b>13,812,698</b>	<b>14,185,641</b>
<b>3 Admin and operating costs:</b>							
Salaries and wages	1,228,350	1,719,690	1,965,360	2,211,030	2,456,700	2,481,267	2,506,080
Transport & Marketing	455,000	654,199	767,843	887,146	1,012,332	1,039,665	1,067,736
Office expenses	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Professional fees	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Training and development	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Technology and software	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Travel and entertainment	60,000	60,000	60,000	60,000	60,000	60,000	60,000
	<b>1,869,350</b>	<b>2,559,889</b>	<b>2,919,203</b>	<b>3,284,176</b>	<b>3,655,032</b>	<b>3,706,932</b>	<b>3,759,816</b>
<b>4 Finance costs</b>							
Interests on loans	1,094,733	862,103	624,778	382,662	135,660	-	-
Exchange losses and bank charges	60,450	86,915	102,013	117,864	134,496	138,127	141,856



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1,155,183	949,018	726,791	500,526	270,155	138,127	141,856
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#### 4 Property, Plant, and Equipment

	Land 0%	Plant and machinery 5%	Building and premises 5%	Intangible asset 10%	Irrigation system 5%	Motor vehicles 25%	Transport Infrastructure 5%	Total
<b>YEAR 1</b>								
At start of year	30,000	27,090,000	5,338,750	1,610,000	2,000,000	5,500,000	7,000,000	48,568,750
Additions	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-
<b>At end of year</b>	<b>30,000</b>	<b>27,090,000</b>	<b>5,338,750</b>	<b>1,610,000</b>	<b>2,000,000</b>	<b>5,500,000</b>	<b>7,000,000</b>	<b>48,568,750</b>
At start of year	-	-	-	-	-	-	-	-
Annual depreciation	-	1,354,500	266,938	161,000	100,000	1,375,000	350,000	3,607,438
Disposal	-	-	-	-	-	-	-	-
At the end of the year	-	<b>1,354,500</b>	<b>266,938</b>	<b>161,000</b>	<b>100,000</b>	<b>1,375,000</b>	<b>350,000</b>	<b>3,607,438</b>
<b>Net book value at year</b>	<b>30,000</b>	<b>25,735,500</b>	<b>5,071,813</b>	<b>1,449,000</b>	<b>1,900,000</b>	<b>4,125,000</b>	<b>6,650,000</b>	<b>44,961,313</b>
<b>YEAR 2</b>								
At start of year	30,000	27,090,000	5,338,750	1,610,000	2,000,000	5,500,000	7,000,000	48,568,750
Additions	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-
<b>At end of year</b>	<b>30,000</b>	<b>27,090,000</b>	<b>5,338,750</b>	<b>1,610,000</b>	<b>2,000,000</b>	<b>5,500,000</b>	<b>7,000,000</b>	<b>48,568,750</b>
At start of year	-	1,354,500	266,938	161,000	100,000	1,375,000	350,000	3,607,438



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Annual depreciation	-	1,354,500	266,938	161,000	100,000	1,031,250	350,000	3,263,688
Disposal	-	-	-	-	-	-	-	-
At the end of the year	-	<b>2,709,000</b>	<b>533,875</b>	<b>322,000</b>	<b>200,000</b>	<b>2,406,250</b>	<b>700,000</b>	<b>6,871,125</b>
<b>Net book value at year</b>	<b>30,000</b>	<b>24,381,000</b>	<b>4,804,875</b>	<b>1,288,000</b>	<b>1,800,000</b>	<b>3,093,750</b>	<b>6,300,000</b>	<b>41,697,625</b>

### YEAR 3

At start of year	30,000	27,090,000	5,338,750	1,610,000	2,000,000	5,500,000	7,000,000	48,568,750
Additions	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-
<b>At end of year</b>	<b>30,000</b>	<b>27,090,000</b>	<b>5,338,750</b>	<b>1,610,000</b>	<b>2,000,000</b>	<b>5,500,000</b>	<b>7,000,000</b>	<b>48,568,750</b>

At start of year	-	2,709,000	533,875	322,000	200,000	2,406,250	700,000	6,871,125
Annual depreciation	-	1,354,500	266,938	161,000	100,000	773,438	350,000	3,005,875
Disposal	-	-	-	-	-	-	-	-
At the end of the year	-	<b>4,063,500</b>	<b>800,813</b>	<b>483,000</b>	<b>300,000</b>	<b>3,179,688</b>	<b>1,050,000</b>	<b>9,877,000</b>
<b>Net book value at year</b>	<b>30,000</b>	<b>23,026,500</b>	<b>4,537,938</b>	<b>1,127,000</b>	<b>1,700,000</b>	<b>2,320,313</b>	<b>5,950,000</b>	<b>38,691,750</b>

### YEAR 4

At start of year	30,000	27,090,000	5,338,750	1,610,000	2,000,000	5,500,000	7,000,000	48,568,750
Additions	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-
<b>At end of year</b>	<b>30,000</b>	<b>27,090,000</b>	<b>5,338,750</b>	<b>1,610,000</b>	<b>2,000,000</b>	<b>5,500,000</b>	<b>7,000,000</b>	<b>48,568,750</b>



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At start of year	-	4,063,500	800,813	483,000	300,000	3,179,688	1,050,000	9,877,000
Annual depreciation	-	1,354,500	266,938	161,000	100,000	580,078	350,000	2,812,516
Disposal	-	-	-	-	-	-	-	-
At the end of the year	-	<b>5,418,000</b>	<b>1,067,750</b>	<b>644,000</b>	<b>400,000</b>	<b>3,759,766</b>	<b>1,400,000</b>	<b>12,689,516</b>
<b>Net book value at year</b>	<b>30,000</b>	<b>21,672,000</b>	<b>4,271,000</b>	<b>966,000</b>	<b>1,600,000</b>	<b>1,740,234</b>	<b>5,600,000</b>	<b>35,879,234</b>

#### YEAR 5

At start of year	30,000	27,090,000	5,338,750	1,610,000	2,000,000	5,500,000	7,000,000	48,568,750
Additions	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-
<b>At end of year</b>	<b>30,000</b>	<b>27,090,000</b>	<b>5,338,750</b>	<b>1,610,000</b>	<b>2,000,000</b>	<b>5,500,000</b>	<b>7,000,000</b>	<b>48,568,750</b>

At start of year	-	5,418,000	1,067,750	644,000	400,000	3,759,766	1,400,000	12,689,516
Annual depreciation	-	1,354,500	266,938	161,000	100,000	435,059	350,000	2,667,496
Disposal	-	-	-	-	-	-	-	-
At the end of the year	-	<b>6,772,500</b>	<b>1,334,688</b>	<b>805,000</b>	<b>500,000</b>	<b>4,194,824</b>	<b>1,750,000</b>	<b>15,357,012</b>
<b>Net book value at year</b>	<b>30,000</b>	<b>20,317,500</b>	<b>4,004,063</b>	<b>805,000</b>	<b>1,500,000</b>	<b>1,305,176</b>	<b>5,250,000</b>	<b>33,211,738</b>

#### YEAR 6

At start of year	30,000	27,090,000	5,338,750	1,610,000	2,000,000	5,500,000	7,000,000	48,568,750
Additions	-	-	-	-	-	5,000,000	-	5,000,000
Disposal	-	-	-	-	-	-	-	-



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<b>At end of year</b>	<b>30,000</b>	<b>27,090,000</b>	<b>5,338,750</b>	<b>1,610,000</b>	<b>2,000,000</b>	<b>10,500,000</b>	<b>7,000,000</b>	<b>53,568,750</b>
At start of year	-	6,772,500	1,334,688	805,000	500,000	4,194,824	1,750,000	15,357,012
Annual depreciation	-	1,354,500	266,938	161,000	100,000	326,294	350,000	2,558,731
Disposal	-	-	-	-	-	-	-	-
At the end of the year	-	<b>8,127,000</b>	<b>1,601,625</b>	<b>966,000</b>	<b>600,000</b>	<b>4,521,118</b>	<b>2,100,000</b>	<b>17,915,743</b>
<b>Net book value at year</b>	<b>30,000</b>	<b>18,963,000</b>	<b>3,737,125</b>	<b>644,000</b>	<b>1,400,000</b>	<b>5,978,882</b>	<b>4,900,000</b>	<b>35,653,007</b>
<b>YEAR 7</b>								
At start of year	30,000	27,090,000	5,338,750	1,610,000	2,000,000	10,500,000	7,000,000	53,568,750
Additions	-	11,000,000	-	-	-	-	-	11,000,000
Disposal	-	-	-	-	-	-	-	-
<b>At end of year</b>	<b>30,000</b>	<b>38,090,000</b>	<b>5,338,750</b>	<b>1,610,000</b>	<b>2,000,000</b>	<b>10,500,000</b>	<b>7,000,000</b>	<b>64,568,750</b>
At start of year	-	8,127,000	1,601,625	966,000	600,000	4,521,118	2,100,000	17,915,743
Annual depreciation	-	1,354,500	266,938	161,000	100,000	1,494,720	350,000	3,727,158
Disposal	-	-	-	-	-	-	-	-
At the end of the year	-	<b>9,481,500</b>	<b>1,868,563</b>	<b>1,127,000</b>	<b>700,000</b>	<b>6,015,839</b>	<b>2,450,000</b>	<b>21,642,901</b>
<b>Net book value at year</b>	<b>30,000</b>	<b>28,608,500</b>	<b>3,470,188</b>	<b>483,000</b>	<b>1,300,000</b>	<b>4,484,161</b>	<b>4,550,000</b>	<b>42,925,849</b>

#### Loan Amortization Schedule



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**Values:**

Loan amount	60,000,000
Annual interest rate	2%
Loan period in years	5
Number of payments per year	12
Start date of loan	28/12/2025
Optional extra payments	

**Loan summary:**

Scheduled payment	1,051,666
Scheduled number of payments	60
Actual number of payments	60
Total early payments	-
Total interest	3,099,936

Lender name: **Company Shareholders**

Pmt. No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	28/01/2026	60,000,000	1,051,666	-	1,051,666	951,666	100,000	59,048,334	100,000
2	28/02/2026	59,048,334	1,051,666	-	1,051,666	953,252	98,414	58,095,083	198,414
3	28/03/2026	58,095,083	1,051,666	-	1,051,666	954,840	96,825	57,140,242	295,239
4	28/04/2026	57,140,242	1,051,666	-	1,051,666	956,432	95,234	56,183,810	390,473
5	28/05/2026	56,183,810	1,051,666	-	1,051,666	958,026	93,640	55,225,784	484,112
6	28/06/2026	55,225,784	1,051,666	-	1,051,666	959,623	92,043	54,266,162	576,155
7	28/07/2026	54,266,162	1,051,666	-	1,051,666	961,222	90,444	53,304,940	666,599
8	28/08/2026	53,304,940	1,051,666	-	1,051,666	962,824	88,842	52,342,116	755,441
9	28/09/2026	52,342,116	1,051,666	-	1,051,666	964,429	87,237	51,377,687	842,677
10	28/10/2026	51,377,687	1,051,666	-	1,051,666	966,036	85,629	50,411,651	928,307
11	28/11/2026	50,411,651	1,051,666	-	1,051,666	967,646	84,019	49,444,005	1,012,326
12	28/12/2026	49,444,005	1,051,666	-	1,051,666	969,259	82,407	48,474,746	1,094,733
13	28/01/2027	48,474,746	1,051,666	-	1,051,666	970,874	80,791	47,503,871	1,175,524
14	28/02/2027	47,503,871	1,051,666	-	1,051,666	972,492	79,173	46,531,379	1,254,697
15	28/03/2027	46,531,379	1,051,666	-	1,051,666	974,113	77,552	45,557,266	1,332,250
16	28/04/2027	45,557,266	1,051,666	-	1,051,666	975,737	75,929	44,581,529	1,408,178

Year 1

Year 2



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17	28/05/2027	44,581,529	1,051,666	-	1,051,666	977,363	74,303	43,604,166	1,482,481
18	28/06/2027	43,604,166	1,051,666	-	1,051,666	978,992	72,674	42,625,174	1,555,155
19	28/07/2027	42,625,174	1,051,666	-	1,051,666	980,624	71,042	41,644,550	1,626,197
20	28/08/2027	41,644,550	1,051,666	-	1,051,666	982,258	69,408	40,662,292	1,695,604
21	28/09/2027	40,662,292	1,051,666	-	1,051,666	983,895	67,770	39,678,397	1,763,375
22	28/10/2027	39,678,397	1,051,666	-	1,051,666	985,535	66,131	38,692,862	1,829,505
23	28/11/2027	38,692,862	1,051,666	-	1,051,666	987,177	64,488	37,705,685	1,893,993
24	28/12/2027	37,705,685	1,051,666	-	1,051,666	988,823	62,843	36,716,862	1,956,836
25	28/01/2028	36,716,862	1,051,666	-	1,051,666	990,471	61,195	35,726,391	2,018,031
26	28/02/2028	35,726,391	1,051,666	-	1,051,666	992,122	59,544	34,734,269	2,077,575
27	28/03/2028	34,734,269	1,051,666	-	1,051,666	993,775	57,890	33,740,494	2,135,465
28	28/04/2028	33,740,494	1,051,666	-	1,051,666	995,431	56,234	32,745,063	2,191,700
29	28/05/2028	32,745,063	1,051,666	-	1,051,666	997,090	54,575	31,747,972	2,246,275
30	28/06/2028	31,747,972	1,051,666	-	1,051,666	998,752	52,913	30,749,220	2,299,188
31	28/07/2028	30,749,220	1,051,666	-	1,051,666	1,000,417	51,249	29,748,803	2,350,437
32	28/08/2028	29,748,803	1,051,666	-	1,051,666	1,002,084	49,581	28,746,719	2,400,018
33	28/09/2028	28,746,719	1,051,666	-	1,051,666	1,003,754	47,911	27,742,964	2,447,929
34	28/10/2028	27,742,964	1,051,666	-	1,051,666	1,005,427	46,238	26,737,537	2,494,167
35	28/11/2028	26,737,537	1,051,666	-	1,051,666	1,007,103	44,563	25,730,434	2,538,730
36	28/12/2028	25,730,434	1,051,666	-	1,051,666	1,008,782	42,884	24,721,652	2,581,614
37	28/01/2029	24,721,652	1,051,666	-	1,051,666	1,010,463	41,203	23,711,190	2,622,817
38	28/02/2029	23,711,190	1,051,666	-	1,051,666	1,012,147	39,519	22,699,043	2,662,335
39	28/03/2029	22,699,043	1,051,666	-	1,051,666	1,013,834	37,832	21,685,209	2,700,167
40	28/04/2029	21,685,209	1,051,666	-	1,051,666	1,015,524	36,142	20,669,685	2,736,309
41	28/05/2029	20,669,685	1,051,666	-	1,051,666	1,017,216	34,449	19,652,469	2,770,759
42	28/06/2029	19,652,469	1,051,666	-	1,051,666	1,018,911	32,754	18,633,558	2,803,513
43	28/07/2029	18,633,558	1,051,666	-	1,051,666	1,020,610	31,056	17,612,948	2,834,569
44	28/08/2029	17,612,948	1,051,666	-	1,051,666	1,022,311	29,355	16,590,637	2,863,924

Year 3

Year 4



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45	28/09/2029	16,590,637	1,051,666	-	1,051,666	1,024,015	27,651	15,566,623	2,891,575
46	28/10/2029	15,566,623	1,051,666	-	1,051,666	1,025,721	25,944	14,540,901	2,917,519
47	28/11/2029	14,540,901	1,051,666	-	1,051,666	1,027,431	24,235	13,513,471	2,941,754
48	28/12/2029	13,513,471	1,051,666	-	1,051,666	1,029,143	22,522	12,484,327	2,964,276
49	28/01/2030	12,484,327	1,051,666	-	1,051,666	1,030,858	20,807	11,453,469	2,985,084
50	28/02/2030	11,453,469	1,051,666	-	1,051,666	1,032,576	19,089	10,420,893	3,004,173
51	28/03/2030	10,420,893	1,051,666	-	1,051,666	1,034,297	17,368	9,386,595	3,021,541
52	28/04/2030	9,386,595	1,051,666	-	1,051,666	1,036,021	15,644	8,350,574	3,037,185
53	28/05/2030	8,350,574	1,051,666	-	1,051,666	1,037,748	13,918	7,312,826	3,051,103
54	28/06/2030	7,312,826	1,051,666	-	1,051,666	1,039,478	12,188	6,273,348	3,063,291
55	28/07/2030	6,273,348	1,051,666	-	1,051,666	1,041,210	10,456	5,232,138	3,073,746
56	28/08/2030	5,232,138	1,051,666	-	1,051,666	1,042,945	8,720	4,189,193	3,082,467
57	28/09/2030	4,189,193	1,051,666	-	1,051,666	1,044,684	6,982	3,144,509	3,089,449
58	28/10/2030	3,144,509	1,051,666	-	1,051,666	1,046,425	5,241	2,098,085	3,094,690
59	28/11/2030	2,098,085	1,051,666	-	1,051,666	1,048,169	3,497	1,049,916	3,098,186
60	28/12/2030	1,049,916	1,051,666	-	1,049,916	1,048,166	1,750	-	3,099,936

Year 5