

**Irvines Tanzania  
P.O. Box 39997  
Dar Es Salaam  
Tanzania**

**Certificate of Incentive No. 202522546**

**POULTRY FEED MANUFACTURING PLANT PROJECT**

---

**FIRST PROGRESS REPORT.**

---

**1. Planned Activities for the period.**

The project aims to establish a modern feed mill facility to support the poultry industry by providing reliable, high-quality feed. Over the past six months, the project team has focused on laying the groundwork necessary for the commencement of construction and eventual commissioning of the facility.

- a. The teams efforts have been directed towards four primary tasks:
- **Securing the land** to ensure a suitable site is available for development.
  - **Design and definition of the bill of materials** required to meet the project scope for civil work.
  - **Finalization of contracts with the Feed Mill supplier** to ensure timely supply and installation of the mill equipment.
  - **Commissioning of an Environmental Impact Assessment (EIA)**, which has already commenced to ensure compliance with regulatory and sustainability requirements.
- b. Achievement so far include;
- **Land Acquisition:** The project land has been secured, and the transfer of ownership is in progress pending final documentation.
  - **Civil Works:** The civil engineering requirements have been fully planned. A reputable Tanzanian civil engineering company has been awarded the contract to carry out the construction phase.

- **Feed Mill Procurement:** Negotiations with the feed mill supplier have been successfully concluded. The first payment has been made to secure the supply and manufacturing of the feed mill equipment.
- **Environmental Impact Assessment:** The EIA process is **80% complete** and is on track for timely finalization.

## 2. Project Financial Expenditure to date:

Category	Foreign	Local	In TZS
Land & Buildings		X	1.9 Billion
Plant and Machinery	X		2.5 Billion
Vehicles		X	135 Million
Laboratory equipment		X	86 Million
Engineering Costs	X		108 Million
Project Management		X	90 Million
Grand Total			4.9 Billion

## 3. Project Financing.

The financing structure for the feed mill project in Zinga has been designed to balance investor commitment with sustainable debt funding. The project is being financed through a **blend of equity and loan facilities** from local Tanzanian financial institutions.

- **Equity Contribution:**  
Investors have provided 65% equity financing, demonstrating a strong commitment to the project and ensuring a solid financial base. This equity portion covers the majority of project costs, including land acquisition, regulatory approvals, construction works, and early operational expenses.
- **Loan Financing:**  
The remaining 35% of project costs are being funded through loan arrangements with Tanzanian banks. These facilities are structured to complement the equity investment, providing additional liquidity to support construction and initial working capital once the feed mill becomes operational. Partnering with local banks ensures integration into the Tanzanian financial system while leveraging lenders' knowledge of the local business environment.
- **Rationale for Structure:**  
This financing mix provides a conservative and stable capital structure. The high equity contribution reduces financial risk and debt servicing pressure, while the modest loan component maintains engagement

with local financial institutions. This balanced approach positions the project for sustainable growth and strong long-term returns.

- **Outlook:**  
The financing structure is expected to provide resilience throughout the project lifecycle, ensuring that both construction and operational phases are well supported. The equity commitment has already been secured, while loan disbursements will be drawn in line with project milestones.
- **Breakdown of project funding:**

Equity Contribution	Foreign (65%)	USD 8.1 Million
Loan Financing	Local (35%)	USD 4.4 million

#### 4. Problems and Solution.

The principal challenge experienced to date, and the cause of delay to the project timeline, has been the **lengthy process of finalizing the land sale agreement**. Although the project financing structure and preparatory activities are well advanced, the inability to secure legal ownership of the land has prevented physical construction from commencing.

To **mitigate this risk and accelerate completion**, the project team engaged a reputable **local lawyer** who is actively handling the transaction. The lawyer is working to his best ability to ensure that all legal and procedural requirements are met while pushing for a timely resolution of the outstanding issues.

While this delay has temporarily slowed progress, it is considered a necessary step to safeguard the project's legal foundation and prevent potential disputes in the future. Once the land acquisition is finalized, construction can begin without further encumbrance.

#### 5. Future Plans.

Over the coming months, several critical activities will be undertaken to ensure timely progress of the feed mill project:

- **Completion of the Land Transfer Process**  
Finalization of the land sale and transfer remains the immediate priority. This step is essential to secure legal ownership and allow commencement of on-site construction works without further delay.
- **Mobilization of the Civil Engineering Contractor**  
Once land transfer is concluded, the appointed civil engineering contractor will be mobilized to site. Initial activities will include ground preparation, site clearing, and foundational works necessary for subsequent construction phases.

- **Monitoring of Equipment Production and Preparation for Shipment**  
Equipment manufacturing is currently underway. The project team will closely monitor production progress, carry out necessary quality checks, and coordinate logistics to ensure timely shipment to Tanzania in line with the construction schedule.
- **Continued Coordination with Stakeholders**  
Ongoing engagement with all stakeholders—including financiers, regulatory bodies, contractors, and community representatives—will be maintained. This will ensure alignment across all parties and smooth implementation throughout the project lifecycle.

## 6. Recommendations /Comments.

*NIL*