

# **EA FOODS LIMITED**



## **BUSINESS PLAN**

**FOR**

**RICE MILL PROJECT AT NDALAMBO, MOMBA DISTRICT,  
SONGWE REGION, TANZANIA**

**PROJECT PERIOD: FIVE YEARS**

**FROM 2026-2030**

**FEBRUARY, 2026**

## **CORPORATE INFORMATION**

**Registration Number** : 103228  
**Registration date** : 21<sup>st</sup> September,2022  
**Business Activity** : Commercial rice processing, packaging and marketing.

### **Shareholders:**

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6	FINCA INTERNATIONAL, INC.	P.O. Box 1634, Dar Es Salaam.	35,500
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## 1.0 EXECUTIVE SUMMARY

**EA Foods Limited** is a leading agribusiness enterprise committed to strengthening food security, promoting agricultural value addition, and creating sustainable market linkages for smallholder farmers across Africa. As part of its growth strategy, EA Foods Limited proposes to establish a modern rice milling plant designed to enhance domestic rice processing capacity and reduce reliance on imported rice products. The proposed Rice Mill Plant will incorporate optimized processing capacity, advanced milling technologies, energy-efficient systems, and environmentally sustainable infrastructure. The facility is designed to meet international food safety and quality standards while supporting inclusive growth within Tanzania's agricultural sector.

The project scope includes:

- ❖ Land development and site preparation to ensure efficient operational layout and logistics flow;
- ❖ Construction of the main rice milling facility in compliance with global food safety, quality, and occupational standards;
- ❖ Installation and commissioning of advanced rice milling machinery;
- ❖ Development of supporting infrastructure, including administrative offices, bulk storage warehouses, staff accommodation, internal access roads, water and power supply systems, and waste management facilities;
- ❖ Establishment of structured farmer sourcing and aggregation systems within the project catchment areas.

Upon completion, the facility will operate as a regional rice processing hub, generating direct and indirect employment, improving incomes for smallholder farmers through structured sourcing arrangements, and contributing to Tanzania's agricultural value chain development and export potential.

The company requires a total **investment capital of Tanzania Shillings Ten Billion (TZS 10 billion)** that will be used to purchase agricultural machinery and equipment, land and buildings, and raw materials, including seeds and fertilizers, at the beginning of the project. The financial analysis indicates the feasibility of the project as the company will be able to recover all the invested capital within the first two years of operations and start making substantial profits from the third year onwards. The project is expected to be financed by 20% of equity contribution; 30% external capital, and 50% debt financing through a commercial

loan. The project expects to employ directly about 500 employees across operations, quality control, logistics, administration, and management functions. Most of the manpower shall be for locals, while foreign employment shall be limited to short-term technical specialists for machinery installation, commissioning, and staff training. Similarly, the project expects to create more than 1,000 indirect jobs through sales and commissioning agreements with local traders. The facility is designed to process approximately 40,000 metric tons of paddy rice per annum, translating into approximately 24,800 metric tons of milled rice annually, subject to paddy quality and milling recovery rates.

## **1.1 Vision, Mission, and Core Values**

### **Vision**

Our vision is to emerge as the best practitioner in the production, processing, and distribution of agricultural products for the local and foreign markets.

### **Mission**

Our mission is to provide professional commercial farming and processing through modern facilities and a clean environment for the production of high-quality rice and related products.

### **Core Values**

**Quality** – We strive to perform at an excellent level in everything we do. We are reliable. We are committed to producing and delivering products to the highest standard possible every time.

**Teamwork** - We work together collectively to achieve our common vision and goals.

**Honesty & Integrity** - We are truthful, and our actions are consistent with our words. We are honest and direct in all of our communications.

**Respect & Dignity** - We demonstrate respect for and appropriate loyalty towards our customers, colleagues, and suppliers.

**Innovation & Improvement** -We drive change and challenge the status quo to exceed our customers' expectations.

**Safety** – We are committed to the safety, wellbeing and security of the business, facilities, people whom we serve, and our employees.

## **1.2 Project Location**

The rice milling facility will be established on Plot Number 93, Block B, Situated at Ndalambo area in Kakozi village within Ndalambo Ward in Momba District in Songwe Region.

The project areas are accessible by road with direct access to electricity and water necessary for the project to operate. The facilities have been approved by the government for the kind of project we want to establish, and it is easily accessible and we are deliberate about that to facilitate easy movement of raw materials and final products.

## **1.3 Implementation Period**

The project is expected to commence commercial operations in July, 2026, following completion of construction, machinery installation, testing, and commissioning. The project shall be implemented in two phases. Phase one shall include preliminary stages such as farm preparations, construction, office installation, and procurement of farm machinery and equipment. Phase two shall include activities for project expansion, such as construction of additional production facilities, new equipment purchases, and installation. The installation of machinery and equipment and the start of production are described in the following Table.

**Table 1: Implementation Schedule**

DESCRIPTION		PHASE ONE			PHASE TWO
No.	Activities	July-Sept, 2026	Oct-Dec, 2026	Jan-Dec. 2027	Jan 2028-Apr.2030
1	Resource Mobilisation, farm preparations, procurement of farm machinery and equipment.				
2	Ploughing & Sowing				
3	Farm Management				
4	Procurement and installation of processing plant, machinery and equipment.				
5	Harvesting & Storage				
6	Processing, Packaging & Selling				

#### 1.4 Project Objectives

The overall objective of the project is to establish a modern, fully integrated rice milling and processing facility that enhances value addition, improves supply chain efficiency, and strengthens Tanzania's agricultural value chain. The products are expected to be sold within the domestic and foreign markets.

Specifically, the project aims to develop a strategically designed processing hub comprising land development, construction of a state-of-the-art rice milling plant, installation of advanced milling machinery, and establishment of supporting infrastructure to ensure efficient, safe, and sustainable operations. The project further seeks to create a structured farmer sourcing and aggregation system within the catchment areas to guarantee consistent raw material supply, improve smallholder farmers' incomes, and promote inclusive agricultural commercialization.

Upon completion, the facility will function as a regional rice processing hub, contributing to employment creation, enhanced food security, increased domestic value addition, and

expanded export opportunities, thereby supporting Tanzania’s broader industrialization and agricultural transformation agenda.

### 1.5. Project components and costs

The project is still at the initial stages; require some investments in terms of fixed assets, labour and materials. The Project has already obtained the required documentation to allow its implementation. Some preliminary costs, such as land acquisition and grounds for farms, have started. The details of the requirements are explained in Table 2 below.

**Table 2: Project Requirements (in TZS)**

Type of Investment	Qty	Price (TZS 000)	Value (TZS 000)
<b>Land &amp; Buildings</b>			
Land	300	1,214	364,218
Land Preparations	Lampsum		50,000
Buildings	Lampsum		450,000
Warehouse for bulk storage facilities	3	400,000	1,200,000
<b>Sub-total</b>			<b>2,064,218</b>
<b>Plant, Equipment and Machineries</b>			
Paddy cleaners and destoners	5	70,000	350,000
Mechanical paddy dryers	10	105,000	1,050,000
Tractors	5	70,000	350,000
Husking and whitening machines	5	95,000	475,000
Rice graders and optical sorters	5	55,000	275,000
Packaging and weighing machines	10	55,000	550,000
Silky Polisher (Mist Polisher)	5	50,000	250,000
Rice Blending System	2	125,000	250,000
Water Pumps	5	10,000	50,000
Irrigation system materials	Lampsum		350,000
Combined harvester for rice	3	80,000	240,000
Bucket Elevators	2	80,000	160,000
Screw Conveyors	2	70,000	140,000
Rice Bran Collection System	2	150,000	300,000
Husk Handling and Storage System	2	150,000	300,000
Power and Utility System	2	250,000	500,000
<b>Sub-total</b>			<b>5,590,000</b>
Furniture & Fittings (several pcs)	1		50,000
<b>Sub-total</b>			<b>50,000</b>

Type of Investment	Qty	Price (TZS 000)	Value (TZS 000)
<b>Motor vehicles</b>			
Pick Up-Double Cabin	3	150,000	450,000
<b>Sub-total</b>			<b>450,000</b>
<b>Working Capital</b>			
Purchases (Beginning stock)	1,364	990	1,350,000
Pre-Operational Expenses			495,782
<b>Sub-total</b>			<b>1,845,782</b>
<b>Total Cost</b>			<b>10,000,000</b>

## 2.0 BUSINESS DESCRIPTION

The project entails the development and operation of a modern, medium-to-large-scale rice milling factory with integrated sourcing, processing, storage, and distribution functions. Core activities include structured procurement of paddy rice from smallholder farmers and aggregators, mechanical drying, milling, grading, sorting, packaging, warehousing, and distribution of finished rice products to domestic and regional markets. In addition, the project will support farmers through quality assurance systems, transparent pricing mechanisms, post-harvest loss reduction interventions, and basic agronomic and post-harvest handling guidance delivered through existing extension structures and partnerships.

The products are expected to meet the rising demand in Dar es Salaam, other regions and nearby countries such as Kenya, Comoro and Madagascar islands. We are also in business to make profits and at the same time to give our customers value for their money; we want to give people and businesses who patronize us the opportunity to be part of the success story of our business.

### **3.0 BUSINESS ENVIRONMENT**

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

*Economically*, Tanzania is now experiencing economic growth whereby the purchasing power of people is increasing, and people's interactions is increasing as trade grows in the East Africa and SADC regions. The country is highly improving business environment to encourage investors in various sectors, where agriculture is one of the leading sectors that attracts the attention of the government in reducing post-harvest loss and improve livelihood of local farmers. The burning issue currently is the rate of inflation and the continuous fall in domestic currency this would lead to increased cost of production as the price of fuels are rising. Issues like the Common Market for the East Community are opening up business performance and later opportunities for exportation, which necessitate expansion of production.

*Politically*, the political environment is conducive to the business operations. The current government regime is in support of industries. There have been adequate policies to support agricultural and industrial sectors, as echoed in the National Development Vision 2050 (VISION 2050), which recognizes the leading role of the industrial sector in the process of transforming Tanzania's economy to a self-sustainable and industrialized economy.

*Social-Cultural*: The social aspect focuses on the forces within the society. Family, friends, colleagues, neighbours and the media are social factors. These factors can affect our attitudes, opinions and interests. So, it can impact sales of products and revenues earned. There is no doubt that society is continually changing. The tastes and preferences are a great example of this change for the Tanzanian culture. Most of Tanzanians are currently willing to pay a premium price for a product that satisfies their expectations. Demographically, the country is increasing in population, with the country is estimated population of over 59 million people. The increase in population necessitates an increase in products and services.

*Technological factors*: Technological factors are variables that are used for evaluating available alternatives with respect to technological capabilities. Our company considers it as

an important tool for improving operations and functions. Technological factors are one of various external environment factors that affect businesses greatly and are also an integral component of the PESTLE analysis.

In the present scenario, utmost dependence on equipment, technological factors can have more effect on business operation and success globally than ever before. Furthermore, the development of technology has also introduced digital marketing strategies through which companies are able to sell their products and services. Even the research and development R&D divisions in companies have changed their way of functioning, and more advanced techniques in the development of products and services have been introduced only through technological advancements. *EA FOODS LIMITED* is constantly looking for development and updates within the technological environment. In this way, we not only improve our operations but, we will also be well aware of the business transformational phase. We will derive ground-breaking strategies to grow exponentially.

#### **4.0 MARKET ANALYSIS**

There is a growing demand for agricultural products in the country and foreign markets. Reports show that, the Tanzania grains market registered a CAGR of 4.2% for the period between 2020-2025. Agriculture in Tanzania is the source of livelihood for the majority of the population, employing around 68% of the total employed population while contributing to 34% of total GDP.

This project will utilise the prevailing opportunities and utilise modern farming techniques to ensure high yield and quality of products that meet the market demands. This section determines the demand level and whether the company will be able to capture some of the market share. Also, the project shall determine methods of production, market size, pricing methods and competitors' analysis. Key stakeholders in the food industry market is focusing on product differentiation by offering innovative, better quality and affordable products. *EA FOODS LIMITED* is aware of all the market forces that surround the agricultural products. We will utilise all reasonable means to ensure that our products meet the required standards and be able to sustain competition.

#### **4.1 TARGET MARKETS AND THEIR CHARACTERISTICS**

When it comes to marketing of rice, there is indeed a wide range of available customers. In essence, our target market can't be restricted to just a group of people or organization, but all those who reside in our target market locations. In view of that, we have conducted our market research and we have ideas of what our target market is expecting from us.

We are engaged in the production and wholesale distribution of rice products targeting a broad range of market segments, including:

- Local traders and wholesalers within Tanzania and neighboring countries for resale and regional distribution;
- Large organizations and bulk buyers that procure rice for storage, redistribution, and supply to their established networks;
- Supermarkets and retail chains, both domestic and regional, requiring consistent quality and branded packaged rice;
- Food processing companies that use rice as a raw material for further value-added products;

- Hotels, restaurants, catering services, and hospitality institutions with regular demand for high-quality rice supplies;
- Non-Governmental Organizations (NGOs) and humanitarian agencies involved in food distribution and relief programs;
- Export markets within the East African Community (EAC), SADC region, and other international markets seeking competitively priced, quality rice;
- Agro-dealers and distribution agents operating in rural and peri-urban markets.
- Government institutions and public agencies, including schools, hospitals, prisons, and food reserve authorities.

#### 4.2 Market Size

Our feasibility field survey indicates that the market is poised to keep on growing as the population grows. The highest demand comes from local traders. The production is expected to be done each month after harvesting starts. The projects expect to purchase paddy from local producers, amounting to 40,000 metric tons per annum with an estimated price of TZS 990,000 per metric ton.

The expected revenue is based on the approximately 50% finished product from the quantity purchased. Thus, the estimated 40,000 tons of paddy results in a recovery of 24,800 tons of milled rice per annum. From the average price of rice at TZS 2,000,000 per ton, the revenue per annum is estimated to be TZS 52,800,000,000. Table 4.1 below summarises the revenue projection for the business during the first year of the project.

**Table 4.1: Revenue projection**

Descriptions	Units	Qty/year	Price per unit (TZS 000)	Sales per year (TZS 000)
Rice	MT	24,800	2,000	49,600,000
Rice bran	MT	4,000	500	2,000,000
Rice husks	MT	10,000	120	1,200,000
<b>Total</b>				<b>52,800,000</b>

### **4.3 SWOT ANALYSIS**

**EA FOODS LIMITED** conducted a thorough SWOT analysis that will help us achieve our business goals and objectives. This is the summary of the SWOT analysis that was conducted. The analysis is carried out to assess the strength that the business can leverage on, and then assess its weaknesses that need to be improved. In this part also potential opportunities are identified and how the business can utilize these opportunities. Lastly, the business has identified potential threats and challenges that are likely to face and the workable mitigation plans.

#### **Strengths**

- Strong raw material base: Tanzania is a major rice-producing country with reliable paddy supply from multiple regions.
- Large processing capacity (40,000 MT annually): Enables economies of scale and competitive pricing.
- Value addition opportunity: Converts raw paddy into higher-value milled rice and by-products.
- Diversified market base: Targets traders, supermarkets, institutions, exporters, NGOs, and bulk buyers.
- By-product revenue streams: Rice bran (animal feed, oil extraction) and husk (biomass energy).

#### **Weakness**

- High initial capital investment: Land development, milling machinery, storage, and infrastructure require substantial funding.
- Dependence on seasonal supply: Paddy availability may fluctuate due to weather conditions.
- Working capital intensity: Large volumes of paddy procurement require strong cash flow management.
- Power and infrastructure challenges: Unreliable electricity supply may affect production efficiency.
- Post-harvest losses risk: Poor handling or storage may affect quality.

## Opportunities

- Growing domestic demand: Rising population and urbanization increase rice consumption.
- Regional export markets: EAC, SADC, and AfCFTA provide access to broader markets.
- Government support for agro-processing: Alignment with Tanzania's industrialization and agricultural value chain policies.
- Premium and branded rice segments: Increasing demand for high-quality packaged rice.
- Institutional buyers: Schools, hospitals, food reserve agencies, and humanitarian organizations.
- Value-added expansion: Fortified rice, rice flour, bran oil extraction, and biomass energy production.
- Import substitution: Opportunity to compete with imported Asian rice.

## Threats

- Price volatility: Fluctuations in paddy and rice prices may affect margins.
- Competition: Established millers and imported rice brands.
- Climate risks: Droughts or floods affecting paddy production.
- Regulatory changes: Export bans, taxes, or trade restrictions.
- Currency fluctuations: Affect cost of imported machinery and spare parts.
- Storage and pest risks: Quality deterioration if not properly managed.

## 4.4 Marketing, Distribution and Communication Strategy

Various methods of marketing mix will be used to cover the existing and potential weaknesses and challenges/threats while utilizing the arising opportunities and leveraging on the key strengths of the company.

**Pricing:** The objectives of price strategy depend on a number of factors such as business economic and marketing objectives. Price setting can be based on cost or market-based. With demand and competition orientation concepts, a fair price can be set that customers are willing to pay at the same time covers operational costs with some profit margin. Our products will be competitively priced in relation to the dictates of the market. Due to the introductory nature of our products, we intend to implement a penetration pricing strategy which will ensure that potential customers are not frightened away by our prices, up until our products

are appreciated and fully operational. In this case, our products will be priced a bit cheaper. However, this will dictate that our costs are prudently kept so as to ensure our financial goals come to fruition.

**Distribution:** The company has arranged to start operations by looking at the most convenient market segment. The main targeted market is selling the products to identified wholesalers in all selected regions. This helps to save time and the cost of establishing shops at the start. After production expansion, distribution shall be done through company vehicles distributed monthly and regular follow-up shall be made. While for other customer segments, online marketing shall be fully applied to contact potential customers and make orders online.

**Promotion:** Word of mouth has been the major promotion strategy for the business. This strategy is cheap and the product can effectively describe itself as it is clean and self-sufficient. The company shall make use of the trade fair and exhibitions in the country that will help to promote the products. The company will also be printing t-shirts and fliers as a communication strategy and promotional tools. The official website/ blog will be launched and maintained by outsourcing IT technicians. This strategy will help to promote the company in the foreign market.

## 5.0 OPERATIONAL PLAN

### 5.1 Long-Term Operation Plan

The project is expected to be operated through the finance and administration on one hand; and operation and marketing on the other. The Finance and Administration department is responsible for all administrative and personnel issues; while the operation and production department, under the farm manager, is responsible for field operations and technical aspects of the business and marketing activities. The farm manager is a skilled salaried employee who works day to day to achieve the company's targets. On the other hand, the Finance and Administrative Manager will lead the strategic plans and make sure they correspond to the available operational environment. The operational plan is associated with production costs as well as materials required as inputs in the production process.

### 5.3 Labour Requirements

Labour is one of the most important inputs in any industrial enterprise. The proposed plant will require both skilled and unskilled labour, who will be Tanzanians. Table 5.1 indicates labour required amounts to TZS 138,600,000 per month, which is TZS 1,663,200,000 per year.

**Table 5.1: Labour Requirement (TZS 000)**

Description	Qty	Unit cost	Monthly Salary	Annual Salary
		TZS 000	TZS 000	TZS 000
Managing Director	1	3,500	3,500	42,000
<b>Operations</b>				
Farm Manager	1	2,500	2,500	30,000
Machine Operators	30	500	15,000	180,000
Section Supervisors	30	700	21,000	252,000
Casual labourers	400	200	80,000	960,000
<b>Maintenance Department</b>				
Mechanic	2	500	1,000	12,000
Electrician	2	500	1,000	12,000
<b>Finance &amp; Administration Department</b>				
Human Resources Officer	1	700	700	8,400
Accountant	2	700	1,400	16,800
Store Keeper	2	600	1,200	14,400
Personal Secretary	1	500	500	6,000
Drivers	12	500	6,000	72,000
Security Officer	10	300	3,000	36,000
<b>Marketing Department</b>				
Sales Officers	6	300	1,800	21,600

<b>Total</b>	<b>500</b>	<b>138,600</b>	<b>1,663,200</b>
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#### 5.4 Raw Materials Requirements

The project requires raw materials that will be sourced within the country; locally produced paddy rice sourced from smallholder farmers and aggregators within the project's catchment areas. The project intends to procure about 40,000 metric tons of paddy per annum at the price of TZS 990,000 per ton. The annual material requirements amount to TZS 39,600,000,000.

**Table 5.2: Raw Materials Requirements per Month**

Type of raw materials	Qty	Price/ton	Amount per year (TZS 000)
Paddy	40,000	990,000	39,600,000
<b>Total Purchases</b>	<b>40,000</b>	<b>990,000</b>	<b>39,600,000</b>

#### 5.5 Production Overheads

Production overheads cover costs such as utilities for water and electricity, postage and telephone, maintenance and other costs directly associated with production. Table 5.3 shows production overheads amounting to TZS 32,550,000 per month that is TZS 390,600,000 per year.

**Table 5.3: Production Overheads**

Item	Monthly Expenses (TZS 000)	Estimated Annual Costs (TZS 000)
Postage & Telephone	500	6,000
Electricity	5,500	66,000
Water bills	550	6,600
Maintenance Costs	10000	120,000
Rent	5,500	66,000
Others	10,500	126,000
<b>Total Costs</b>	<b>32,550</b>	<b>390,600</b>

## 5.6 Total production Cos

The estimated total production cost is TZS **41,653,800,000** per annum as shown in Table 5.4 below.

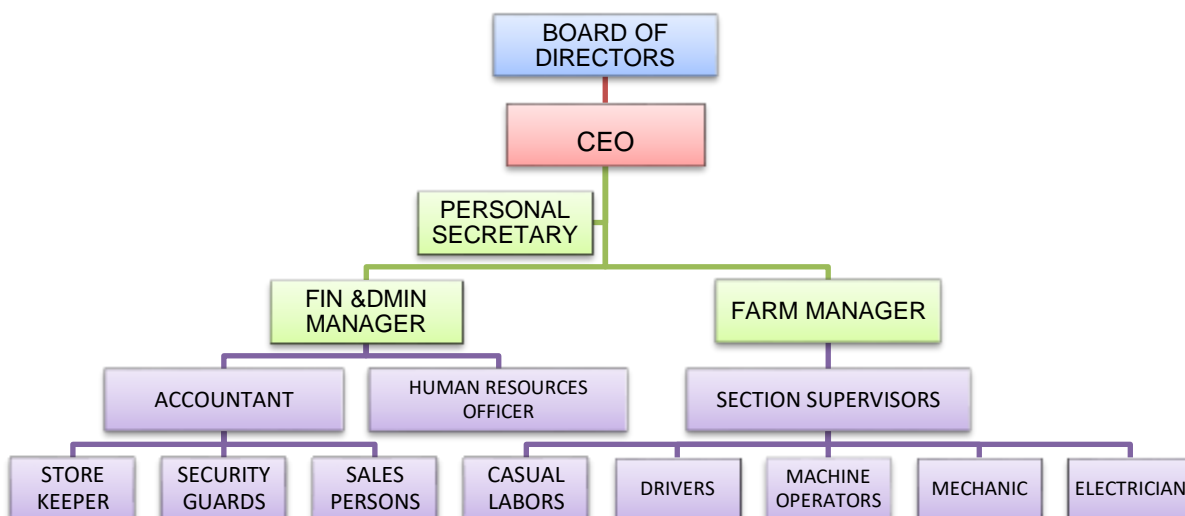
**Table 5.4: Total Production Cost**

Item	Expenses/month	Annual Cost (TZS 000)
Raw materials	3,300,000	39,600,000
Direct labour	138,600	1,663,200
Production Overheads	32,550	390,600
<b>Total Costs</b>	<b>3,471,150</b>	<b>41,653,800</b>

## 6.0 MANAGEMENT PLAN

The management structure will be headed by the Managing Director, who shall be overseeing all the company's operations daily. The Farm Manager shall be responsible for day-to-day production and operations and manage all staff under his/her line. The Finance and Administrative Manager shall be responsible for all administrative duties and finances and supervises all personnel under his/her line; The section supervisors shall be responsible for daily operations and engaging casual workers at different levels when needed. The mechanic and electrician shall be responsible for technical issues of the plant, equipment and machinery. The following figure illustrates the organisation structure of the company.

**Figure 6.1: Organization Chart**



## **7.0 FINANCIAL PLAN**

### **7.1 Financial Assumption**

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

- (i) The focus market shall be the domestic market through wholesalers, retailers, direct sales and later to other countries through exports.
- (ii) All sales will take place throughout the month and billing will be done at the end of the month.
- (iii) The annual sales is projected to grow by 15% per annum;
- (iv) Depreciation will be charged on straight line method to allocate the cost of each value over its estimated useful life. The rates to be used are as follows;

(a) Buildings	5%
(b) Furniture & Fittings	10%
(c) Equipment	10%
(d) Motor vehicles	20%

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

- We assume a strong economy without a major recession.
- We assume, of course, that there are no unforeseen changes in economic policy to make our service immediately obsolete or unwanted.
- We assume an inflation rate of 5% yearly.
- Maintenance costs 5% of Property, Plant and Equipment
- Corporate tax is 30% of Net Income

## 7.2 Sources of Funds

The project financing shall come from both owners' equity and external financing as well as bank loans. The owners have already committed some funds to the project, used for land acquisition and preliminary costs of the project. The project financing shall be in the structure shown in Table 7.1 as follows: owners' equity (20%); external capital fund (30%) and debt financing (50%). The owners have already committed some funds into the project for land acquisition and preliminary costs of the project.

**Table 7.1: Sources of Funds**

S/N	Source of fund	Percentage (%)	Amount (TZS '000')
1	Equity	50	5,000,000
2	Loan	50	5,000,000
<b>TOTAL</b>		<b>100</b>	<b>10,000,000</b>

## 7.2 The Projected Income Statements

The projected income statements for five years indicate that the project shall be able to generate substantial amounts of profits as detailed below.

**Table 7.2 Projected Income Statements for Five Years**

Description	YEAR 1 (TZS '000')	YEAR 2 (TZS '000')	YEAR 3 (TZS '000')	YEAR 4 (TZS '000')	YEAR 5 (TZS '000')
Revenue	52,800,000	55,440,000	58,212,000	61,122,600	64,178,730
Less: Cost of sales	41,653,800	43,736,490	45,923,315	48,219,480	50,630,454
<b>Operating Profit</b>	<b>11,146,200</b>	<b>11,703,510</b>	<b>12,288,686</b>	<b>12,903,120</b>	<b>13,548,276</b>
<i>Less: Op. expenses</i>	<i>8,456,700</i>	<i>8,879,535</i>	<i>9,323,512</i>	<i>9,789,687</i>	<i>10,279,172</i>
Earnings Before Interest and Tax	2,689,500	2,823,975	2,965,174	3,113,432	3,269,104
Less: Charges					
Interest	750,000	600,000	450,000	300,000	150,000
<b>Earnings Before Tax</b>	<b>1,939,500</b>	<b>2,223,975</b>	<b>2,515,174</b>	<b>2,813,432</b>	<b>3,119,104</b>
<i>Corporate Tax (30%)</i>	<i>581,850</i>	<i>667,193</i>	<i>754,552</i>	<i>844,030</i>	<i>935,731</i>
<b>Earnings After Tax (Loss)</b>	<b>1,357,650</b>	<b>1,556,783</b>	<b>1,760,622</b>	<b>1,969,403</b>	<b>2,183,373</b>
<i>Dividends (30%)</i>	<i>407,295</i>	<i>467,035</i>	<i>528,186</i>	<i>590,821</i>	<i>655,012</i>

<b>Retained Earnings</b>	<b>950,355</b>	<b>1,089,748</b>	<b>1,232,435</b>	<b>1,378,582</b>	<b>1,528,361</b>
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### 7.3 Projected Balance Sheet

The Projected balance sheet for five years indicates the capacity of the project to finance its operations throughout the projected period as shown in Table 7.4.

**Table 7.3 Projected Balance Sheet for Five Years**

<b>DESCRIPTIONS</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
	<b>TZS '000'</b>	<b>TZS '000'</b>	<b>TZS '000'</b>	<b>TZS '000'</b>	<b>TZS '000'</b>
<b>NON-CURRENT ASSETS</b>					
Land & Buildings	1,960,000	1,917,500	1,875,000	1,832,500	1,790,000
Machinery & Equipment	5,076,000	4,232,000	3,388,000	2,544,000	1,700,000
Motor vehicles	360,000	339,000	318,000	297,000	276,000
<b>Total Non-Current Assets</b>	<b>7,396,000</b>	<b>6,488,500</b>	<b>5,581,000</b>	<b>4,673,500</b>	<b>3,766,000</b>
Stocks	3,238,968	2,965,606	2,738,246	2,522,500	1,533,100
Debtors & Prepayments	847,827	658,744	1,742,756	2,581,861	3,560,593
Cash and Bank balance	506,389	357,534	395,185	368,389	421,220
<b>Total Current Assets</b>	<b>4,593,184</b>	<b>3,981,885</b>	<b>4,876,187</b>	<b>5,472,750</b>	<b>5,514,913</b>
<b>TOTAL ASSETS</b>	<b>11,989,184</b>	<b>10,470,385</b>	<b>10,457,187</b>	<b>10,146,250</b>	<b>9,280,913</b>
Equity Capital	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Retained Earnings	950,355	1,089,748	1,232,435	1,378,582	1,528,361
<b>Total Equity</b>	<b>5,950,355</b>	<b>6,089,748</b>	<b>6,232,435</b>	<b>6,378,582</b>	<b>6,528,361</b>
Bank loan	5,000,000	4,000,000	3,000,000	2,000,000	1,000,000
<b>Total Non-Current Liability</b>	<b>5,000,000</b>	<b>4,000,000</b>	<b>3,000,000</b>	<b>2,000,000</b>	<b>1,000,000</b>
Trade Creditors and Accruals	981,324	278,229	1,118,482	1,627,043	1,556,618
Taxation	57,505	102,408	106,269	140,624	195,934
<b>Total Current Liabilities</b>	<b>1,038,829</b>	<b>380,637</b>	<b>1,224,751</b>	<b>1,767,668</b>	<b>1,752,552</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>11,989,184</b>	<b>10,470,385</b>	<b>10,457,187</b>	<b>10,146,250</b>	<b>9,280,913</b>

## 7.6 Projected Cash Flows

The projected cash flows for five years indicates that the project shall be able to maintain sufficient cash required to meet all operational needs as shown in Table 7.5.

**Table 7.5 Cash Flow Projections for Five Year**

<b>DESCRIPTIONS</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
	<b><u>US\$</u></b>	<b><u>US\$</u></b>	<b><u>US\$</u></b>	<b><u>US\$</u></b>	<b><u>US\$</u></b>
<b>Receipts:</b>					
Sales	52,800,000	55,440,000	58,212,000	61,122,600	64,178,730
<b>Capital fund</b>	5,000,000	-	-	-	-
Bank Loan	5,000,000	-	-	-	-
<b>Total Receipts:</b>	<b>62,800,000</b>	<b>55,440,000</b>	<b>58,212,000</b>	<b>61,122,600</b>	<b>64,178,730</b>
Less: Payments					
Cost of sales	41,653,800	43,736,490	45,923,315	48,219,480	50,630,454
Operating Expenses	8,456,700	8,879,535	9,323,512	9,789,687	10,279,172
Tax Payments	581,850	667,193	754,552	844,030	935,731
Dividends	407,295	467,035	528,186	590,821	655,012
Purchase of assets	10,171,016	1,324,508	1,385,129	1,372,752	1,558,832
Other purchases	1,022,950	514,095	259,655	332,626	66,698
<b>Total Payments</b>	<b>62,293,611</b>	<b>55,588,855</b>	<b>58,174,349</b>	<b>61,149,396</b>	<b>64,125,899</b>
<i>Beginning Cash Balance</i>	-	506,389	357,534	395,185	368,389
<i>Ending Cash Balance</i>	<b>506,389</b>	<b>357,534</b>	<b>395,185</b>	<b>368,389</b>	<b>421,220</b>

## 7.7 Loan Repayment Plan

As indicated, the financing of the project shall come from both equity and debt financing through bank loans. The project shall ensure that the repayments of loans are usually made in periodic payments that include some principal and interest as indicated in Table 7.6 below:

**Table 7.6: Loan Repayment Schedule**

<b>Loan amount (TZS '000')</b>	5,000,000				
<b>Interest rate per annum</b>	15%				
<b>Annual Instalments</b>	12				
<b>Loan Duration (Years)</b>	5				
<b>Years</b>	<b>Principal Payment</b>	<b>Balance</b>	<b>Interest</b>	<b>Total Repayment</b>	<b>Total Repayment Per Month</b>
<b>Year 1</b>	1,000,000	4,000,000	750,000	<b>1,750,000</b>	<b>145,833</b>
<b>Year 2</b>	1,000,000	3,000,000	600,000	<b>1,600,000</b>	<b>133,333</b>
<b>Year 3</b>	1,000,000	2,000,000	450,000	<b>1,450,000</b>	<b>120,833</b>
<b>Year 4</b>	1,000,000	1,000,000	300,000	<b>1,300,000</b>	<b>108,333</b>
<b>Year 5</b>	1,000,000	0	150,000	<b>1,150,000</b>	<b>95,833</b>
<b>TOTAL</b>	<b>5,000,000</b>	-	<b>2,250,000</b>	<b>7,250,000</b>	<b>604,167</b>

## **8.0 ECONOMIC ASPECTS**

### **8.1 National economic and social Benefits**

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

#### **(i) Direct economic impact**

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

- (a) Tax payments to the government
- (b) Foreign currency savings,
- (c) Employment opportunities generation; 500 direct jobs expected to be created.
- (d) Technology transfer.

#### **(ii) Indirect economic (job creation)**

In addition to the direct employment opportunities that the proposed project is expected to generate, its operations are expected to boost the operations of their distributors and suppliers of goods/services that the project will need to sustain its operations. With the increase in the activities of these suppliers, there is a great likelihood that the increase will create additional employment opportunities in their businesses.

#### **(iii) Corporate Social Responsibility**

The project is also expected to operate as a responsible corporate citizen by fulfilling some of its corporate responsibilities, such as assisting some of the disadvantaged communities by way of donations, starting from the communities living near the project.

## **9.0 CONCLUSION**

The financial analysis presented in this plan demonstrates strong growth prospects and confirms the project's ability to recover its initial investment while generating substantial profits in subsequent years of operation. The projected financial performance indicates that the stated objectives are achievable, making the project a viable and commercially sound investment. Beyond its financial returns, the project is expected to generate significant socio-economic benefits. The host community will benefit from direct employment opportunities created during construction and operations, as well as indirect employment across the supply chain, including farmers, traders, transporters, distributors, and other stakeholders involved in the purchase and sale of the company's products. Additionally, the availability of locally produced products at competitive prices will support market stability and enhance accessibility for consumers.

The project will also contribute positively to society through structured Corporate Social Responsibility (CSR) initiatives, aimed at supporting community development, education, and social welfare programs. Importantly, the government will benefit from increased tax revenues and statutory contributions, thereby supporting national economic growth and industrialization strategies.

Overall, the project demonstrates strong potential to meet both domestic demand and export market opportunities. Its implementation will contribute meaningfully to employment creation, income generation, and increased economic activity within the country. We therefore call upon stakeholders from both the public and private sectors to support this initiative in any capacity that will facilitate its successful implementation and long-term sustainability.