

BUSINESS PLAN

FOR

UPC DEVELOPMENT LIMITED

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1. Executive Summary

Business Name: UPC DEVELOPMENT LIMITED

Location: Kisarawe, Coast Region, Tanzania.

UPC Development Limited is a Tanzanian-based Agribusiness company established in 2025. The company is registered as a private limited entity under Tanzanian laws and it is owned by three parties, through a joint venture agreement. The parties are highly experienced to carry out agricultural farming, processing of agricultural products, and to sell agricultural products. In the same vein, UPC Development Limited shall perform crop farming and agro processing, in the coast region and other cashew nuts growing regions such as Mtwara and Lindi.

The instant company shall utilize the business opportunity in cashew nuts production, processing and distribution where it shall directly carry out cashew farming, support of small and medium level cashew farmers who shall be willing to supply cashew nuts to the UPC Development Limited, bulk purchasing of cashew nuts from growers in Coast region, Lindi and Mtwara, and running a cashew nuts processing plant in Kisarawe district. The said business is meant to make profit for shareholders and to have a positive contribution towards the Tanzania nation's economy.

UPC Development Limited has ventured into this business because most of the raw cashew nuts that contribute up to 15% of the Tanzania's GDP are processed in foreign countries. It is only 10% of all cashew nuts produced in TANZANIA which are processed locally and the rest is processed outside TANZANIA. Thus, there is a very high demand for cashew nuts processing plants to add value on raw cashew nuts for exportation and for the local markets.

Further to that, cashew nuts are a high value, globally traded commodity which offers substantial economic benefits through foreign exchange earnings. The cashew industry is a

source of employment especially in rural areas of the Coast region, Lindi and Mtwara regions where vast majority of the populations reside. Also, the UPC development company realizes that selling processed product worth multiple times the cost of raw nuts, hence creating more income than selling raw unprocessed cashew nuts.

Furthermore, the global cashew nuts demand is not fully satisfied due to high population growth and increasing affluence. The present company has identified the reliable cashew nuts market locally, regionally and, internationally particularly in Europe and Asia.

Preferred Projects (Business Goals):

- To grow cashew directly from farms owned or leased by the UPC Development Limited or indirectly by providing a financial, technical and operational support to small and medium scale farmers willing to sell their raw cashew nuts to the UPC Development Limited
- To process the clients' (growers or purchasers) raw cashew nuts, and raw cashew nuts produced or purchased by the UPC Development Limited for resale.
- General Organic farming.

Specific Business Objectives:

- Installing plant machinery and improvement of premises at the cashew nut processing site at Kisarawe district.
- Annual processing of 1,740 tons of Raw Cashew nuts (RCN) for 2026/27, 2027/28, 2028/29, 2029/30, 2030/31 from clients for each of the said years.
- To sell approximately 4 tons of the processed cashew nuts locally, regionally and internationally.
- To attain break Even point in 2026/27 business year

2. Market Analysis

Target Market:

- Geographical Focus: the primary cashew nuts focus market shall be the domestic market through the Company's selling and distribution centres.
- Selling cashew nuts in European and Asian countries such as Spain, Italy and China markets
- Selling cashew nuts to neighboring SADC and EAC states

Customer Needs:

- Efficient and Reliable services rendered from the processing plant
- Affordable pricing for the company's products and services as compared to our competitors
- Convenient access and delivery to the Tanzania's largest commercial city (Dar es salaam)

Competitor Analysis:

- Key competitors: There is no a significant competitor in the Coast region against the envisaged project since there is no a processing machinery available in the Coast region that matches the one recently acquired by the UPC development limited.
- Our Competitive Advantage:
 - Efficient production rate of the plant machinery,
 - The directors and shareholders of UPC development limited are highly skilled and experienced in running cashew nuts related business, cashew nut processing technology, products quality, and product marketing.
 - The company shall produce raw cashew nuts and support other cashew nuts growers, and process the said cashew nuts, thus the products shall be more affordable as compared to competitors' products in the market.

Local and international market Trends:

- Demand for the processed cashew nuts is higher than its supply i.e. supply of cashew nuts is inadequate globally
- Increased investment in cashew farming that calls for higher cashew nuts processing demand
- Government and banks advancement of loans to farmers and to agricultural related processing business
- Youth and women driven cashew nut farming, distribution and enterprising.

3. Promotion and Sales Strategy

Quantity of clients' cashew nuts to be processed by the processing plan

- Annual processing of 1,740 tons of processed cashew nuts for 2026/27, 2027/28, 2028/29, 2029/30, 2030/31 from clients

Marketing Goals for Processed Cashew nuts:

- Annual sales of 4 tons of processed cashew nuts for 2026/27, 2027/28, 2028/29, 2029/30, 2030/31

Promotion strategy and channels for products:

- Visiting and hold meetings with concerned agents (e.g. TCB), government authorities (including local authorities & MPs), and directly with products dealers in the intended countries.
- International advertising websites such as Alibaba.com and yahoo.com
- Radio (Clouds FM, Radio One, TBC Taifa)
- Agricultural exhibitions (Nanenane, Dar Trade Expo)

- Social media (Facebook Ads, Instagram Ads, YouTube Ads, Amazon Ads and WhatsApp broadcast lists)
- Print: Flyers, Banners, and Brochures

Sales Strategy:

- Direct sales through wholesale and retail outlets in potential market areas in Tanzania.
- Transporting and delivering processed cashew to bulk purchasers locally and internationally.
- Creating multiple distribution centres in the region

Customer Retention:

- Timely and reliable supply of goods and services
- Reasonable prices (with respect to plant processing charges and selling of the processed cashew nuts)
- Discounts on bulk purchase of the processed cashew nuts

4. Organization and Management

Ownership Structure:

- **LYDIA GADI JACOB** (4,600 shares)
- **CHURA M&P LLC** (4,900 shares)
- **VINNICK GLOBAL SERVICES TANZANIA LIMITED** (500 shares)

Management Team:

- Chief Executive Officer (**LIDIA GADI JACOB**): 30 years' experience in Food processing management and quality control, 25 years' experience in Live Stock production, and a considerable experience in agricultural processing and supplies chain logistics management.

- Director (**NGOIE DITDJIMA PADO**): 20 years' experience in international trade, production management, and management of plant machinery that employs state of the art technology.
- Chief Administrative Officer (CAO): 10 years' experience in Human Resources Management and financial budgeting who possess ability to drive company's efficiency, capable of aligning departments will goals, and lead teams.
- General Manager: The overseer of the daily operations, manages budgets, and leads staff to achieve business goals like profitability and growth, who acts a crucial link between executive leadership and day to day activities by handling finance, Human resources, marketing and operations, ensuring efficiency, compliance and strong stake holder relations
- 3 supervisors

5. Products;

- Raw cashew nuts from farms
- Processed Cashew nuts from the processing plant

6. Operational Plan

Location and Infrastructure:

- The address of the processing plant, warehouses and other essential business infrastructure is located at Plot No. 20, Block D, Maneromango Road, **Kisarawe** Coast region, Tanzania.

Supplies:

- Supplies with regard to plant processing shall involve the following materials:
 - i. Raw Cashew nuts
 - ii. Packaging materials

Technology:

- Robust plant machinery which utilizes state of the art technology to process cashew nuts with a daily processing capacity of 7 tons and annual production capacity of 2,555 tons.

Logistics:

- Vehicles for transporting factory inputs and outputs from suppliers and to purchase centres respectively.
- Tractors and other farm equipment to aid cashew farming.

7. Planned Activities**a) This planned activities are subdivided into two phases as follows:****i. Development Phase**

- This phase shall take the first 3 months (December 2025 to 28th February 2026).

ii. Operations phase

- This shall take 15 years, divided into 3 equal phases of 5 years each.
- The instant business plan shall cover the first five years (phase 1)

b) Activities in Each Phase**i. DEVELOPMENT PHASE (December 2025 to February 2026)**

- Hiring of employees for project start up.
- Preparation of bidding documents, tendering and contract signing for acquisition of goods and services
- Procurements of goods and services for construction purpose
- Electricity supply to the site

- Hydrological and well drilling works to secure reliable water supply from underground source
- Clearance of consignment and installation of the machinery at the site in Kisarawe
- Training of machine operators (Maintenance and running operations)
- Hiring of manual laborers to perform production duties
- Purchase of vehicles and other machines

c) 1st March 2026 to 28th February 2031

Operations phase

8. Employment Information:

Year 2026/2027

- Hiring 20 permanent employees (Chief Executive Officer, Operations Director, General manager, Chief Administrative Officer, accountant, 10 Machine operators, 2 security guards, 3 marketing and sale officers
- Hiring 15 temporary employees including manual laborers

Year 2027/2028

- Retaining the employees hired in 2026/27 business year and additional 2 employees.
Total estimate of 32 employees

Year 2028/2029

- Retaining the employees hired in 2027/28 business year and additional 2 employees.
Total estimate of 34 employees

Year 2030/2031

- Retaining the employees hired in 2028/29 business year and additional 2 employees.
Total estimate of 36 employees

Year 2030/2031

- Retaining the employees hired in 2030/31 business year and additional 2 employees.
Total estimate of 38 employees

9. Start-Up Capital: TZS 253,542,500 equivalent to **USD 101,417.00** for Development (initial investment cost) and Working capital which constitutes of the following:

- a. Rented business premise for 15 years at a tune of Tshs **126,000,000/=**
(Tshs 700,000 monthly)
- b. Purchased plant Machinery USD 35,017 i.e. Tshs **87,542,500/=**
- c. Working Capital at bank **40,000,000/=**

Funding Structure:

- 100% Equity (**TZS 253,542,500** equivalent to **USD 101,417.00**)

10. Annual Sales Projections & Return on Investment with Respect to the Products:

| S/ N | Year | Revenue from the Processing plant | Revenue from Cashew nuts sales | Total Revenue | Total Cost | Annual Profit |
|---------|-----------------------------------|--|---|-------------------|-----------------------|--|
| 1 | 1/12/ 2025 To 2/2026 | NIL | NIL | NIL | NIL | NIL |
| 2 | 2026/27 | 2,088,000,00 0 | 80,000,000 | 2,168,000,00 0 | 307,459,084.75 | 1,860,540,915.25 (break even) |
| 3 | 2028/29 | 2,088,000,00 0 | 80,000,000 | 2,168,000,00 0 | 289,459,084.75 | 1,860,540,915.25 |
| 4 | 2028 | 2,088,000,00 0 | 80,000,000 | 2,168,000,00 0 | 289,459,084.75 | 1,860,540,915.25 |
| 5 | 2029/30 | 2,088,000,00 0 | 80,000,000 | 2,168,000,00 0 | 289,459,084.75 | 1,860,540,915.25 |
| 6 | 2030/31 | 2,088,000,00 0 | 80,000,000 | 2,168,000,00 0 | 289,459,084.75 | 1,860,540,915.25 |

Note:

- The revenue from the processing plant, revenue from cashew nuts sales and total costs are cited from Table 1, 2 & 3 below.
- The breakeven point of the project is expected to be realized in 2026/27 business year since the expected profit shall exceed all costs including the capital.

11. Local economy benefit & foreign currency to be earned

- Source of foreign currency due to exportation of products to the neighboring states and abroad
- Shall create jobs for Tanzanians

- Shall use raw materials grown in Tanzania, thus the rural farmers' income will be enhanced.

TABLES

Table 1: Expenses Per Annum (2026/27)

| S/N | Description | Quantity | Unit Amount | # of Month | Total |
|-----|--|----------|---------------|------------|-----------------------|
| 1 | Annual Depreciation | 1 | 5,839,084.75 | - | 5,839,084.75 |
| 2 | Salary & Wages | | | | |
| | (i) Chief Executive Officer | 1 | 1,200,000.00 | 12 | 14,400,000.00 |
| | (ii) Operations Director | 1 | 1,000,000.00 | 12 | 12,000,000.00 |
| | (iii) General Manager | 1 | 900,000.00 | 12 | 10,800,000.00 |
| | (iv) Chief Administrative Officer | 1 | 900,000.00 | 12 | 10,800,000.00 |
| | (v) Accountant | 1 | 800,000.00 | 12 | 9,600,000.00 |
| | (vi) Machine Operator | 10 | 600,000.00 | 12 | 72,000,000.00 |
| | (vii) Security Guard | 2 | 400,000.00 | 12 | 9,600,000.00 |
| | (viii) Marketing Officer | 3 | 500,000.00 | 12 | 18,000,000.00 |
| | (ix) Manual Laborer | 10 | 300,000.00 | 12 | 36,000,000.00 |
| 3 | Rent | 1 | 700,000.00 | 12 | 8,400,000.00 |
| 4 | Electricity (Tshs 90,000 per dayx348 days) | 348 | 90,000.00 | - | 31,320,000.00 |
| 5 | Maintenance of Machinery | 1 | 500,000.00 | 12 | 6,000,000.00 |
| 6 | Raw Cashew purchase (4000kgs) | 4000 | 12,500.00 | - | 50,000,000.00 |
| 7 | Packaging (for 4000 kgs, 200 pcs @3500) | 200 | 3,500.00 | - | 700,000.00 |
| 8 | Transport cost | 1 | 12,000,000.00 | - | 12,000,000.00 |
| | Grand Total | | | | 307,459,084.70 |

Note:

1. The purchase price for the plant machinery is USD 35,017
2. The purchase price for the plant machinery is Tshs 87,542,500 i.e. 1 USD = Tshs 2,500
3. The lifespan of the machinery is 15 years;thus, the depreciation rate is 6.67 percent
4. The annual depreciation expenses isTshs 87,542,500 x 0.0667 = Tshs 5,839,084.75

Table 2: Revenue Generation from the Processing

| Year | Clients' Cashew Nuts Quantity Per Annum for Processing (Kg) | Processing Price Per Kilogram | Total Revenue (TShs) |
|---------|---|-------------------------------|-------------------------|
| 2026/27 | 1,740,000.00 | 1,200.00 | 2,088,000,000.00 |
| 2027/28 | 1,740,000.00 | 1,200.00 | 2,088,000,000.00 |
| 2028/29 | 1,740,000.00 | 1,200.00 | 2,088,000,000.00 |
| 2029/30 | 1,740,000.00 | 1,200.00 | 2,088,000,000.00 |
| 2030/31 | 1,740,000.00 | 1,200.00 | 2,088,000,000.00 |

Note

1. The number of working days per annum is 348 i.e. 365 - 17 (public holidays)
2. The estimated clients' raw coconut to be processed per day is 5,000 kg
3. Annual total raw Coconut to be processed is 5,000 kgs x 348 = 1,740,000.00 Kgs

Table 3: Revenue to be generated from the purchased Raw cashewnuts

| Year | Cash Available to Buy Raw Cashew Nuts | Quantity (Kgs) | Unit Price (Tshs) | Total Purchase Quantity | Unit Selling Price | Total Annual Revenues (Tshs) |
|---------|---------------------------------------|----------------|-------------------|-------------------------|--------------------|------------------------------|
| 2026/27 | 50,000,000 | 5 | 12,500.00 | 4,000.00 | 20,000 | 80,000,000.00 |
| 2027/28 | 50,000,000 | 5 | 12,500.00 | 4,000.00 | 20,000 | 80,000,000.00 |
| 2028/29 | 50,000,000 | 5 | 12,500.00 | 4,000.00 | 20,000 | 80,000,000.00 |
| 2029/30 | 50,000,000 | 5 | 12,500.00 | 4,000.00 | 20,000 | 80,000,000.00 |
| 2030/31 | 50,000,000 | 5 | 12,500.00 | 4,000.00 | 20,000 | 80,000,000.00 |

Note:

- 5 Kilograms of Raw Cashew Nuts (RCN) produces 1 kg of processed Cashewnuts (Kernel)