FIRST SEED GROUP COMPANY LIMITED

BUSINESS PLAN

In the Respect of the Business of
Mbangara Agricultural Production, Processing and Export Investment

Submitted to:
Masasi District Council
P.O. Box 60, MASASI

Prepared By:
First Seed Group Company Limited
P.O. Box 40774, DAR ES SALAAM.

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1. Executive Summary

First Seed Group Company Limited is embarking on an ambitious agribusiness project focused on the cultivation, value-added processing, and export of cashew nuts, groundnuts (peanuts), and sesame. Situated in Mbangara Village, Lupaso Ward, Masasi District, Mtwara region in Tanzania. This initiative leverages cutting-edge Chinese technology to develop a modern processing facility to produce high-quality nut products.

The project seeks to diversify Tanzania's agricultural exports, enhance rural employment and skills development, and generate sustainable income for local communities. By producing processed and branded products, the company aims to access lucrative global markets including the United States, Europe, China, and the Middle East.

This business plan details the strategic advantages of value-added processing, market penetration strategies, compliance with international quality standards, operational frameworks, financial forecasts, and risk mitigation measures. The successful implementation of this project will establish **First Seed Group Company Limited** as a leading agribusiness exporter in East Africa.

2. Company Description

2.1. Full Legal Name

First Seed Group Company Limited

2.2. Registered Address

Plot No. 34B, Block No. 41, Manara Street, Ada Estate Road,
Postal Code 14110, Kinondoni Ward, Kinondoni District,
Dar es Salaam, Tanzania
P.O. Box 40774, Dar es Salaam

2.3. Contact Person

Mr. Quanzhong Li
Executive Director
Mobile: +255 621 669 999
Email: awzhongguo@126.com

2.4. Country of Registration

Tanzania

2.5. Type of Registration

Private Company Limited by Shares

2.6. Local Representation

Mr. Quanzhong Li serves as the Executive Director and local representative **for First Seed Group Company Limited** in Tanzania. He can be contacted via the details above.

2.7. Company Background and Experience

First Seed Group Company Limited is a newly established company and is undertaking its inaugural agribusiness and agro-processing operation in Tanzania. Despite being a new entrant in the Tanzanian market, the company benefits from the extensive agribusiness experience of its sister company based in China. The sister company, owned by the same shareholders and directors, has over 20 years of operational experience in agribusiness and agricultural processing. It has successfully conducted business across two Asian countries and three African countries (excluding Tanzania), providing a strong foundation of expertise and knowledge that will be leveraged for the success of **First Seed Group Company Limited.**

3. Project Details

3.1. Project Location

The project is located in Mbangara Village, Lupaso Ward, Chiungutwa Division, Masasi District, Mtwara region, Tanzania.

3.2. Land Size and Ownership

The total land area allocated for the project covers approximately 1,881.2 hectares. The land is owned by the village authorities, providing a secure basis for long-term agricultural development and investment.

3.3. Project Objectives

The **First Seed Group Company Limited** has set clear and ambitious objectives to ensure sustainable growth, value addition, and community involvement in the project. The key objectives include:

a. **Land Development**

To acquire and develop 500 hectares of agricultural land within the first 12 months for cashew nut cultivation as the primary crop. Intercropping of sesame and groundnuts will be practised to maximise land utilisation and enhance farm productivity.

b. **Timber Milling and Wood Utilisation**
In the first year, the project will establish a small-scale timber milling and wood drying operation. This initiative utilises trees legally cleared from the project area, adding value to natural resources, reducing waste, and generating initial income to support ongoing farm development.

c. **Sustainable Intercropping System**
To implement an environmentally sustainable intercropping system that allows sesame and groundnuts to be cultivated during the rainy season. This system supports effective weed control, optimises land use, and contributes positively to the development and health of the cashew plantations.

d. **Cashew Production Targets**
Achieve an annual raw cashew nut production of 5,000 tonnes by the fifth year through the cultivation and maintenance of high-yield cashew plantations. Supplementary production from sesame and groundnuts will complement cashew output, increasing overall farm revenue.

e. **Agro-Processing Facility Development**
To construct and commission a modern agro-processing facility within two years, with a minimum processing capacity of 5,000 tonnes of cashew nuts annually. The facility will also include value-added processing lines for sesame and groundnuts, enabling product diversification and enhanced profitability.

f. **Secondary Product Manufacturing**
Produce secondary products such as cashew nut shell liquid (CNSL oil), peanut butter, sesame oil, and oilseed cakes for animal feed or biofuel. This value addition will increase revenue streams and support sustainable utilisation of agricultural by-products.

g. **Employment Creation**
Create at least 100 direct and 120 indirect employment opportunities for local residents by the end of the second year. The project will prioritise youth and women empowerment to promote inclusive socio-economic development.

h. **Market Development and Export**
Develop long-term trading partnerships with local and international buyers.

Secure necessary export licenses for processed products by the end of the third year to ensure access to global markets.

i. **Outgrower Farmer Engagement**
By the fifth year, engage a minimum of 300 local outgrower farmers to supply part of the raw materials for processing. This approach fosters inclusive growth, supports local livelihoods, and integrates the project with community-based agricultural practices.

j. **Financial Targets**
Achieve operational profitability by the end of the third year, with a target Return on Investment (ROI) of at least 15% by the fifth year.

k. **Environmental Sustainability**
Adopt and maintain environmentally friendly farming and processing practices from year one. These include integrated pest management, utilisation of organic fertilisers, and recycling of processing by-products to minimise waste and environmental impact.

l. **Capacity Building**
Conduct bi-annual training sessions for employees and outgrower farmers on best agricultural and post-harvest handling practices. This will ensure skills transfer, improve productivity, and build local capacity.

m. **Infrastructure Collaboration**
Work closely with local government authorities to support the development of critical infrastructure such as feeder roads and electrification in the project area and surrounding villages over a five-year timeframe.

n. **Cashew Farming Plan**
The entire 1,881.2 hectares will be cultivated with improved hybrid cashew varieties, including AC4, AZA1, and AZA2. These varieties are recommended by the Tanzania Agricultural Research Institute (TARI) Naliendele and have demonstrated superior yield potential, early maturity, and resistance to pests and diseases in Southern Tanzania. The project will implement modern agronomic practices to optimise productivity and ensure high-quality harvests.

o. **Cashew Processing Factory**

A central agro-processing factory will be established within the 1,881.2-hectare estate to serve as the hub for value addition. The factory will process not only the company's own production but also raw materials sourced from surrounding smallholder farmers. This inclusive approach promotes community participation and enhances the economic impact of the project. The factory's processing capacity will be designed for a minimum throughput of 5,000 tonnes of cashew nuts per annum, complemented by processing lines for sesame and groundnuts. The integration of processing for multiple crops will maximise resource utilisation and increase overall profitability.

3.4. Proposed Procéssing Capacity

a. **Estate production**

Based on projected average yields of 1.2 tonnes/ha in early years and up to 2.7 tonnes/ha at peak maturity (by year 5), the estate is expected to generate approximately 5,000 tonnes of raw cashew nuts per year at full production.

b. **Community contribution**

With planned engagement of local growers, the factory will also absorb an additional estimated 1,000 – 2,000 tonnes of raw cashew nuts annually from contracted or independent smallholder farmers, especially from the same ward and neighbouring villages.

c. **Planned capacity**

The factory will be built with an initial processing capacity of 6,000 tonnes per annum, with provision for scalable expansion up to 8,000 tonnes per annum as supply increases.

3.5. Factory Size and Facilities

The facility will be constructed on a dedicated plot within the estate, and will occupy approximately 4,000 to 6,000 square metres. It will include:

a. Modern semi-automated shelling and peeling units
b. Grading, roasting, and packaging line
c. Storage and drying areas for raw and processed produce
d. Cashew Nut Shell Liquid (CNSL) extraction unit
e. Groundnut and sesame oil processing line
f. Animal feed production unit using press cakes and husks
g. Laboratory for quality testing and food safety

h. Cold storage and export preparation section

3.6. Inclusive Growth Model

This factory is not only an internal processing hub for the estate but also a catalyst for inclusive economic development, ensuring that:

a. Local farmers have a ready and reliable market for their cashew, sesame, and groundnut harvests.
b. Farmers receive training and agricultural extension support to improve yields and quality.
c. Price incentives and long-term purchase agreements are considered to encourage consistent supply.

3.7. Product Range and Market Orientation

Processed outputs will include:

a. Export-grade cashew kernels (W180, W240, W320, etc.)
b. Roasted and flavoured cashew nuts for local and international markets
c. Cashew nut shell liquid (CNSL) – a high-value industrial input
d. Peanut butter and sesame oil
e. Animal feed products from organic by-products

This integrated processing facility is positioned to become a regional agro-industrial hub, contributing to rural employment, value addition, export earnings, and technology transfer

3.8. Contribution of the Project to the Local and National Economy

The proposed agricultural and agro-processing investment is expected to make significant contributions to both the local community and the national economy of Tanzania through direct production, value addition, employment creation, infrastructure development, and inclusive rural transformation.

a. **Agricultural Commercialisation and Rural Development**
   The project will convert over 1,880 hectares of underutilised land into productive agricultural estates primarily focused on cashew nuts, groundnuts, and sesame, with potential for intercropping and rotational planting. This will significantly boost local agricultural productivity, introduce modern farming practices, and reduce poverty through improved livelihoods.
b. **Capacity Building and Agricultural Extension**
   The investor is committed to delivering free and practical agricultural training to local farmers, especially in modern cultivation techniques for cashew, sesame, and groundnuts. This will improve the skills, yields, and incomes of local households, contributing to long-term food security and economic self-reliance in the region.

c. **Inputs Support and Contract Farming**

The project will provide subsidised or credit-based access to farm inputs (seeds, fertilisers, agro-chemicals) and offer contract farming opportunities, allowing villagers to benefit from mechanised land preparation, planting, and harvesting services. Farmers will receive a fair share of the produce under pre-agreed terms, promoting inclusive growth and shared prosperity.

d. **Market Access and Value Addition**

Through the establishment of a local processing facility, the investor will serve as a guaranteed off-taker of farm produce, purchasing crops at competitive market rates. This not only stabilises rural incomes but also reduces post-harvest losses and improves the overall efficiency of agricultural value chains in the area.

e. **Local Employment Generation**

The project will prioritise local recruitment for both skilled and unskilled jobs across its farming, processing, logistics, and service operations. Hundreds of community members are expected to gain formal and seasonal employment, reducing rural unemployment and increasing household incomes.

f. **Infrastructure Development and Social Services**

In alignment with the community-investor agreement, the project will invest in key local infrastructure and services, including:

- Rural road upgrades, improving transport and access to markets and services.
- Solar-powered water systems, providing safe and accessible drinking water.
- Clean solar electricity for community use.
- Health infrastructure, supporting access to reliable medical services.
- Education facilities, enhancing the quality of learning environments for village children.

g. **Economic Multiplier Effects**

By integrating smallholder farmers into commercial value chains, facilitating market linkages, and creating downstream industries (such as oil pressing and animal feed production), the project will stimulate the local private sector and support microenterprise development, especially for women and youth.

h. **Contribution to National Export and Industrial Goals**

At full capacity, the project is expected to produce and process over 5,000 tonnes of raw cashew nuts annually, contributing to Tanzania's cashew export targets, industrialisation ambitions, and foreign exchange earnings. It also supports national goals on agro-processing, import substitution, and job creation as outlined in the Five-Year Development Plan (FYDP III).

In summary, this project embodies a model of responsible agribusiness that directly contributes to national economic growth while also ensuring that local communities benefit equitably through employment, income generation, capacity building, infrastructure, and essential services.

4. Market and Production Data

Estimated cashew production per hectare per year: The project aims to achieve an average yield of 2.7 tonnes of raw cashew nuts per hectare per year, starting from the third year of operation. At full maturity (from year 5 onwards), productivity is expected to stabilise at this rate or slightly higher depending on soil conditions, tree management practices, and rainfall reliability.

4.1. Demand for Cashew (Raw and Processed) in the Local and International Market

a. **International Market Demand**

The global demand for cashew nuts, both raw and processed, has been steadily rising, driven by growing awareness of their health benefits, increasing demand for plant-based protein, and use in snack foods, dairy alternatives, and confectionery.

Global consumption of cashew kernels is estimated to exceed 900,000 tonnes per year, with consistent annual growth of 4 – 6%. The largest importers of processed cashew kernels include:

- China
- United States
- European Union (especially Germany, Netherlands, and France)
- United Arab Emirates
- India (as a re-exporter and domestic consumer)

Consumers in these countries are shifting from traditional salted snacks to natural, organic, roasted, and flavored cashew products. There is also high demand for raw cashew nuts (RCN) from India and Vietnam, which process and re-export kernels

globally. Tanzania is among the top 10 global producers of raw cashew and is well-positioned to serve this market, especially in East and Southern Africa.

b. African Context & Tanzania's Opportunity

Africa produces over 50% of the world's raw cashew nuts, but less than 15% is processed locally. This presents a strong opportunity for value addition and import substitution. Tanzania exports most of its RCN to India and Vietnam, but there is a growing push by the government to promote local processing and export of kernels.

Buyers prefer Tanzanian cashew because of its:

- Superior taste.
- Larger nut size.
- Lower aflatoxin levels compared to West African nuts.

c. Domestic Market Demand

Domestic consumption of processed cashew in Tanzania is still modest but growing, especially among middle-class urban populations and tourists. As awareness of nutrition improves, cashew is increasingly used in:

- Snacks
- Pastries and confectionery
- Export-standard organic food retail outlets
- Agro-processing and retail packaging businesses (e.g., supermarkets, online food platforms)

d. By-products Demand

There is growing demand for cashew by-products, especially:

- Cashew nut shells, for extraction of CNSL (Cashew Nut Shell Liquid), used in industrial resins and paints.
- Cashew apple, for juice and animal feed (though highly perishable).
- Cashew testa, as animal feed or fertilizer.

There is a strong and growing demand for both raw and processed cashew nuts in local and international markets. With 1,881.2 hectares under production and a projected yield of 5,000 tonnes per year, this project is well-positioned to:

- Supply high-quality raw cashew to Asia-based processors.
- Export value-added kernels to premium markets in the EU and US.
- Develop a branded, traceable product line for domestic consumers.

- Create rural industrialization by leveraging by-products and inclusive contract farming models

4.2. Demand for Groundnuts (Peanuts) in the Local and International Market

a. International Market Demand

Global groundnut consumption is steadily increasing, with the largest demand from China, India, EU, Indonesia, and the USA.

Groundnuts are used in:

- Peanut butter.
- Roasted snack nuts.
- Oil production (peanut oil).
- Confectionery and bakery products.
- Animal feed (from cake residues).

China alone consumes over 17 million tonnes annually and is the world's biggest importer and processor of groundnuts. The demand is highest for:

- High-oil content varieties for crushing.
- Large kernel sizes for snack roasting.
- Aflatoxin-free nuts for EU markets.

There is increasing preference for African-origin groundnuts that are organically produced, aflatoxin-controlled, and fairly traded.

b. African & Tanzanian Market Opportunity

Tanzania is among top 10 African producers of groundnuts, mainly grown in southern and central regions. Current exports are limited due to challenges in:

- Quality control (aflatoxin contamination).
- Poor post-harvest handling.
- Lack of structured markets.

However, well-processed, hygienic, and traceable groundnuts have a strong export potential, especially to niche Asia, European, Middle Eastern, and America markets.

c. Domestic Market Demand

High demand in:

- Local oil pressing industries.
- Snack producers.
- Peanut butter producers.
- Local food vendors.

- Groundnuts are a staple protein source in Tanzanian households.
- Value-added forms (e.g., peanut paste, roasted & salted packs) are gaining popularity in urban supermarkets.

d. By-products

- Groundnut shells – used as biofuel and compost
- Peanut cake – used as livestock feed due to its high protein content

4.3. Demand for Sesame in the Local and International Market

a. International Market Demand

Sesame is one of the most demanded oilseeds globally. Annual global demand exceeds 6 million tonnes, led by:

- China (world's top importer and processor).
- Japan
- South Korea
- Turkey
- Middle East (especially UAE and Israel).
- EU and USA (for organic and gourmet food markets).

There is strong demand for white, clean, organic, and machine-dried sesame seeds.
Uses include:

- Sesame oil.
- Tahini (Middle Eastern paste).
- Bakery toppings (buns, biscuits).
- Snacks and sauces

b. Tanzania's Opportunity

Tanzania ranks among Africa's top 5 producers of sesame seeds, mostly grown in southern and eastern regions. Tanzanian sesame is favored for:

- High oil content.
- Light color.
- Pesticide-free cultivation (in many areas).

However, bulk is exported raw, processing for oil and branded sesame snacks is still a major opportunity.

c. **Domestic Market Demand**

Rising use in:

- Local oil pressing mills.
- Traditional medicines and nutritional supplements.
- Bakery and food production industries.

d. **By-products**

- Sesame cake, a valuable high-protein livestock feed.
- Sesame oil, used in cosmetics and pharmaceuticals.

Conclusion:

This project is well-positioned to tap into fast-growing local and global markets for cashew, sesame, and groundnuts. Through strategic investments in quality control, traceability, local processing, and fair farmer engagement, the venture can become a regional hub for high-quality export-grade agricultural products.

4.4. Average market prices for raw and processed nuts (domestic and export market).

a. **Cashew (Raw) – Tanzania, 2024**

- Domestic wholesale price: TZS 1,500–2,500/kg.
- Export (auction) average: Approx. TZS 3,200/kg.
- Global raw nut prices from West Africa range USD 1.02–1.10/kg.

b. **Groundnuts (Peanuts) – Tanzania, 2024**

- Retail price in Dar es Salaam/Mwanza/Arusha/Zanzibar: TZS 1,766–8,241/kg.
- Wholesale/export price: USD 790–820 per tonne.
- Global average import price for in-shell peanuts: USD 1,223/tonne.

c. **Sesame – Tanzania, 2024**

- Local price range: USD 1.14/kg.
- Export FOB (2023): USD 1.46/kg.
- Import market range: USD 0.81–1.91/kg.
- Global farmgate range: USD 0.00–4.49/kg.

Interpretation for Our Plan

- **Cashew:** The large gap between domestic and export prices highlights high potential in processing and exporting kernels rather than selling raw nuts.
- **Groundnuts:** Local demand varies, but global wholesale indicates opportunity for bulk processing and export, especially if aflatoxin is managed.

- **Sesame:** Strong global demand signals clear value in scaling production, adding value (oil, packaging), and pursuing premium international markets.

4.5. Existing competitors in the area and nationwide.

Regional Competitor Overview: Masasi & Neighbouring Districts

a. In Masasi District

- Masasi High Quality Farmers' Products Ltd.
  Operating two small-scale cashew processing units, sourced from local smallholders and the company's plantation.
- Micronix Systems Ltd.
  Licensed cashew warehouse in Masasi District, supporting both storage and processing logistics.

b. In Newala & Tandahimba Districts

- Tandahimba–Newala Cooperative Union (TANECU).
  One plant with 3,500 tpa capacity, plus additional processing factories in Newala and Tandahimba approved for operation by 2025.
- Agrofocus Ltd (Newala)
  Another licensed warehouse, though detailed processing capacity is not publicly available

c. In Mtwara District (Mtwara Rural/Municipal)

- Olam Tanzania Limited.
  Processing capacity of less than 500 tonnes per annum.
- Korosho Africa.
  Processes across Tunduru, Newala, and Mtwara with 2,500 tpa capacity
- Cashewnuts Co. (2005) Ltd.
  Licensed facility in Mtwara Municipal, likely involved in processing or value-addition

d. In Nachingwea & Kilwa Districts

- Nachingwea Cashewnut Processors / Lindi Farmers Ltd.
  Processors in Nachingwea with moderate capacity; licensed warehouse presence.
- RUNALI Cooperative (Ruangwa, Nachingwea, Liwale).
  Newly established oilseed processing facility including cashew.

e. **In Tunduru District**

- Korosho Africa (Tunduru Unit)
  Part of its overall 2,500 tpa capacity.
- Tunduru Agricultural Marketing Cooperative Union (TAMCU)
  Planned processing facility in Tunduru under government initiative for completion by 2025/26.

f. **Analysis & Implications**

The overview defines that:

- Moderate Regional Processing Capacity: Total active capacity in Masasi region is approximately 4,200–5,000 tpa, excluding planned expansions.
- Upcoming Cooperative Factories: TANECU and TAMCU are actively establishing facilities to boost local processing capacity, 2025/26 is a critical timeline.
- Market Opportunity for Masasi Project: With a planned capacity of 6,000–8,000 tpa, our factory would become the largest standalone processor in Masasi district, positioning us strongly in regional supply chains.
- Collaboration Potential: Numerous warehouses and cooperatives offer opportunities for strategic partnerships, such as sourcing raw materials, joint grading, or shared logistics.
- Alignment with National Strategy: Our project's scale aligns with the government's push to raise local processing, as seen in the Kilimohasa initiative targeting 60% processing by 2025.

Conclusion

There are several small-to-mid scale processors in Masasi and adjacent districts, most under cooperative management or small private operations. None match the projected 6,000–8,000 tpa capacity of our proposed plant. This gap presents strong competitive and development opportunity, to lead the region's transformation towards local value addition and rural industrialisation.

5. Technical and Administrative Plans

Technologies to be used in farming and processing.

5.1. Farming Technologies (Cashew, Sesame, Groundnuts)

Given the need for improved productivity, consistency, and quality in raw materials, the project will adopt modern, efficient and climate-resilient farming technologies, particularly those readily available from China:

a. **Mechanised Land Preparation and Planting**
   - Chinese-made rotary tillers, subsoilers, and precision seeders will be used to reduce manual labour and ensure uniform planting depth and spacing.
   - GPS-enabled tractors may be introduced gradually to support scalable farming blocks.

b. **Water-Saving Irrigation Technologies**
   While most cashew and sesame are rain-fed, selected demonstration blocks will adopt Chinese drip or micro-sprinkler irrigation systems to stabilise production during dry spells.

c. **Soil Testing and Smart Fertilisation**
   - Use of portable Chinese soil testing kits to tailor nutrient application and avoid wastage.
   - Application of biofertilisers and organic treatments from Chinese agro-tech companies (e.g., Sino-Agri) will be piloted for sustainability and organic certification purposes.

d. **Pest and Disease Control**
   Adoption of integrated pest management (IPM) combining:
   - Low-toxicity Chinese pesticides (registered in Tanzania).
   - Biological controls (e.g., neem-based formulations).
   - Modern solar-powered traps and drones for scouting and surveillance.

e. **Digital Extension & Monitoring Tools**
   Introduction of Chinese farm monitoring apps and handheld devices for data collection, crop forecasting, and traceability—aligned with international market requirements.

5.2. Processing Technologies

The processing section will prioritise semi-automated and fully automated machinery sourced from reputable Chinese manufacturers with a strong export record in Africa.

a. **Cashew Nut Processing**
   Turnkey cashew processing lines from China, capable of handling 6,000–8,000 tonnes annually. Key units:
   - Steam cookers or boiler systems (for softening),
   - Automated shelling machines (high output, >90% recovery),
   - Dryers and peeling machines (double vacuum peeling lines),

- Grading machines (size and quality based),
- Nitrogen-sealing packaging units for export.

b. Groundnut Processing

Chinese shelling and blanching units, integrated with:

- Aflatoxin sorting (optical sorters),
- Roasting and grinding machinery (for peanut butter/oil),
- Cold-press oil extraction machines.

c. Sesame Processing

Technologies will include:

- Sesame dehulling machines (wet and dry types),
- Optical colour sorters for export-grade quality,
- Oil pressing and filtration lines (cold or hot press),
- Packaging lines for both seeds and oil.

d. Energy Efficiency and Waste Management

The factory will be equipped with Chinese biomass boilers using cashew shells as fuel to reduce energy costs. Waste shells, husks, and peelings will be repurposed into:

- Biochar or organic fertiliser,
- Animal feed or biomass briquettes (with Chinese pelletising technology).

e. Capacity & Local Adaptation

- All Chinese machines will be customised to suit Tanzanian climate, power supply standards, and labour skill levels.
- Training programmes will be provided for local technicians and operators by Chinese engineers during installation and commissioning, promoting technology transfer.
- Spare parts and technical backup will be secured via a regional dealership or local warehouse to ensure reliability.

This project will deploy proven Chinese farming and agro-processing technologies adapted to local Tanzanian conditions. These technologies are not only cost-effective and scalable, but also aligned with the government's goal of industrialising agriculture through value addition, job creation, and export growth. The approach ensures high processing efficiency, farmer support, environmental care, and product quality fit for both local and international markets.

5.3. Human Resources Required for the Project

The implementation of this large-scale agricultural and processing project covering 1,881.2 hectares and involving cashew, sesame, and groundnut production, alongside a modern processing factory, will require a well-structured and phased human resource strategy. The workforce will be composed of both local personnel (from Masasi and nearby areas) and international experts, particularly from China during the establishment and training phases.

While the project will start with a minimum of 100 direct employees (including management, machine operators, field workers and factory staff) and create over 120 indirect jobs (including contract farmers, local service providers, and seasonal workers), the employment potential is expected to expand significantly within 3 – 5 years as production and processing operations scale up.

Given the commitment in the investment agreement to contribute to education, health, and infrastructure, the project will also support:

- Community Liaison Officers: Coordinate CSR activities and local stakeholder engagement.
- Health and Safety Officer: Ensure safe working conditions and environmental protection in factory and fields.
- Extension Officers: Train farmers in improved agronomic and post-harvest practices.

Human Resource Development and Technology Transfer

- All Chinese experts will operate under technology transfer arrangements, aiming to build local capacity.
- Within 3 - 5 years, most operations will be fully Tanzanian-led, with limited foreign supervision.
- Partnerships may be formed with local vocational training institutes (NACTVET-registered centres) for long-term workforce development.

6. Expected partnerships

The project is designed as a collaborative and inclusive agricultural and agro-processing initiative. A number of strategic partnerships are anticipated to ensure its success and long-term sustainability. These include:

a. Local Farmers and Outgrowers

- The investors will engage local farmers through contract farming, providing them with improved seeds, training, access to inputs, and assured markets.

- This model aims to expand agricultural production beyond the project farm and create inclusive growth opportunities.

b. Village Governments

- The investor has signed an agreement with the Mbangara village, which outlines mutual responsibilities in employment, local infrastructure, water, electricity, education, and health services.
- Continuous dialogue with the Village Council and other local leadership structures will be maintained.

c. Tanzania Agricultural Research Institute (TARI – Naliendele)

TARI will guide the adoption of improved cashew varieties and offer training on best agricultural practices for cashew, sesame, and groundnuts.

d. Tanzania Forest Services Agency (TFS)

TFS will be engaged where forestland transitions to agricultural use, ensuring environmental compliance, sustainable land use, and possible integration of agroforestry systems.

e. Mtwara and Masasi Cooperative Union (MAMCU)

MAMCU's involvement will support farmer mobilisation, quality assurance, bulk marketing, and linkage to government-supported value chain systems.

f. Ministry of Agriculture

The project will align with national priorities and may benefit from technical support, input subsidy schemes, and public-private agricultural development programmes.

g. Ministry of Industry and Trade

Engagement will focus on facilitating crops processing investments, meeting product standards, market access (including export promotion), and industrial development incentives.

h. Occupational Safety and Health Authority (OSHA)

- OSHA will be a strategic partner to ensure that all farm and factory operations adhere to national workplace safety and health standards.
- Collaboration will include inspection, certification, worker safety training, and environmental health compliance for all employees and operators.

i. **Labour Unions for Agricultural and Industrial Workers**

The project will seek formal working relationships with relevant trade unions, such as:

- Tanzania Plantation and Agricultural Workers Union (TPAWU)
- Tanzania Union of Industrial and Commercial Workers (TUICO)

This will help promote fair labour practices, establish structured dialogue platforms, and protect workers' rights in both farm and factory settings.

j. **Other Potential Stakeholders**

- Collaboration is also expected with NGOs, educational institutions, and regional development partners to support youth and women's empowerment, internships, and farmer capacity-building.
- Engagement with academic institutions for internship or research partnerships.

These partnerships are central to the project's inclusive approach. They ensure compliance with national regulations, create strong linkages within the community and government systems, and foster a safe, productive, and rights-based working environment for all involved.

7. Financial Information

7.1. Investment projections

The total initial capital investment registered by the company with BRELA stands at TZS 1,000,000,000, contributed in cash by the shareholders. While the project is still in its early stages and full cost breakdowns are under refinement, the estimated investment will be distributed across key phases as follows:

a. **Land Acquisition and Legal Formalities**

- This phase involved acquiring usage rights for 1,881.2 hectares through formal agreements with Mbangara village, legal documentation, government verification, and initial land preparation.
- It also included stakeholder engagement, community benefits planning, and legal compliance costs.

b. **Plantation Establishment**

A significant portion of the investment will go into developing cashew, sesame, and groundnut farms, including:

- Clearing and preparing land.
- Purchasing improved seedlings (especially for cashew).
- Labour for planting, weeding, and early maintenance.
- Farm roads and basic irrigation infrastructure.

c. **Factory Construction**
   - The project will involve setting up a cashew processing factory capable of handling at least 5,000 tonnes of raw cashew nuts annually by Year 5.
   - Construction will include buildings for shelling, drying, grading, storage, packaging, staff facilities, and quality control units.

d. **Machinery and Equipment**

   Investors will procure modern processing machinery, primarily from China, including:
   - Cashew shellers and dryers.
   - Grading and packaging machines.
   - Oil extractors (for by-products).
   - Sesame and groundnut processing units.
   - Solar and auxiliary power systems.

e. **Labour and Human Resources**

   Funds will also support the recruitment and salaries for:
   - Agricultural experts.
   - Factory engineers and operators.
   - Administrative and field supervisors.
   - Local farmers under contract farming.
   - Support staff for health, safety, and security.

f. **Community Engagement and Services**

   The project includes social investment in:
   - Farmer training and input subsidies.
   - Local infrastructure (e.g., roads, water points, electricity).
   - Education and health-related support.
   - Environmental compliance and reforestation initiatives.

While the declared starting capital is TZS 1,000,000,000, the project is designed for progressive investment growth in phases. Additional funding, including potential reinvestment, public-private partnerships, or donor leverage, may be mobilised in subsequent stages to scale up the plantation and factory capacity toward full operation.

7.2. Sources of funding

The project's initial investment capital of TZS 1,000,000,000 has been fully mobilised by the Company through internal funding, contributed directly by the shareholders in cash. This foundational phase covers land acquisition, early farm development, community engagement, and initial mobilisation for factory planning.

However, in line with common practice among Chinese investors globally, particularly in the agricultural and agro-processing sectors, future phases of the investment are likely to be financed through external borrowing from Chinese financial institutions or development banks. These may include:

- China Development Bank (CDB)
- Export-Import Bank of China (Exim Bank)
- Agricultural Development Bank of China (ADBC)
- Or commercial banks that support overseas investment under China's "Going Global" strategy.

Such financing would aim to support:

- Large-scale mechanisation of farming operations
- Procurement of advanced agro-processing machinery
- Construction and expansion of industrial facilities
- Working capital for raw material procurement and export logistics

While the current financing is 100% internal, the project is structured for progressive scaling, and the investors are expected to leverage their strong networks in China to secure affordable credit lines or equipment financing facilities, particularly those tied to technology suppliers.

7.3. Projected revenues and profits

Based on the phased development of 1,881.2 hectares of farmland, integrated with value addition through a processing factory and aggregation of produce from surrounding communities, the following conservative projections are made:

a. Year 1–2: Land Preparation and Early Cultivation (No significant revenue)

- Focus: Land clearing, timber harvesting, planting, infrastructure
- Revenue: Minimal (limited to timber sales and pilot crops)
- Profit: Negative or breakeven

b. Year 3–4: Onset of Cashew, Sesame, and Groundnut Harvesting

- Cultivation reaches approx. 60% maturity (around 1,130 hectares)
- Expected average yields (per hectare, conservative):
  - Cashew (raw nuts): 1.2 tonnes
  - Sesame: 0.6 tonnes
  - Groundnuts: 1.0 tonne
- Combined production (including local contract farmers):
  - Cashew nuts: 2,000–3,000 tonnes
  - Sesame: 600–800 tonnes
  - Groundnuts: 800–1,200 tonnes

- Revenue: USD 2.5 – 4 million (based on global average farm gate and processed market prices)
- Profit: USD 800,000 – 1.5 million (after costs of production, processing, and operations)

c. Year 5: Full Operational Capacity

- 1,881 hectares fully productive + contract farmers in surrounding villages
- Aggregated production potential:
  - Cashew nuts: 5,000 tonnes
  - Sesame: 1,500+ tonnes
  - Groundnuts: 2,000 tonnes
- Approximate market prices (2024 benchmarks):
  - Processed cashew (kernel): USD 7,000/tonne
  - Sesame: USD 1,500 – 2,000/tonne
  - Groundnuts: USD 1,000 – 1,400/tonne
- Revenue: USD 10 – 12 million, combining raw and processed exports, domestic sales, and by-products (shells, cashew apple use, etc.)
- Profit: USD 3 – 4 million, depending on factory efficiency, export margins, and currency exchange rates.

The project is expected to generate minimal income in the first two years, followed by rising revenues from Year 3 onward. By Year 5, full operations are projected to generate USD 10–12 million in revenue, with a net profit exceeding USD 3 million annually. These figures may increase further with efficient value addition, favourable export markets, and scale economies.

7.4. Estimated annual profitability (Return on Investment – ROI).

Based on the committed investment capital of TZS 1,000,000,000 (approx. USD 400,000) and the projected profit margin of USD 3–4 million per year once the project reaches full capacity (year 5), the Return on Investment (ROI) is expected to grow progressively over time.

Projected ROI Estimates:

Year	Estimated Net Profit (USD)	Cumulative ROI (%)
Year 1–2	Minimal or Negative	0 – 10% *(due to startup costs)*
Year 3	800,000	200%
Year 4	1.5 million	375%
Year 5	3.5 million	875%

This means that by year 5, the investment will have paid back itself multiple times, with an average annual ROI of 250% – 300% between Years 3 and 5.

The project demonstrates a highly attractive investment profile with significant annual profitability. With full operation, the ROI is expected to exceed 250% annually, making it a strong contributor to the national economy and a model for agro-industrial partnerships in Tanzania.

8. Risks and Mitigation Strategies

The proposed investment, while promising in returns, is subject to a number of potential risks that require careful assessment and mitigation. These include:

a. Market Volatility (Global Price Fluctuations)

Cashew and sesame are both internationally traded commodities whose prices are heavily influenced by global supply-demand dynamics, export policies in major consuming countries (such as India, Vietnam, China, and Europe), and speculative market behaviour.

- Impact: Global price drops can reduce the profitability of the venture significantly.
- Opportunity: On the other hand, sharp global price increases may lead to windfall profits.
- Mitigation: The Company plans to diversify its market destinations, invest in value addition, and maintain flexibility in sales strategy (local and international).

b. Political and Institutional Risks (Especially in Cashew and Sesame Sectors)

In the Lindi and Mtwara regions, cashew and sesame are considered "political crops" due to their central role in rural economies. Political decisions at regional or national levels can directly affect:

- Input distribution (e.g., fertilisers, seedlings, pesticides).
- Marketing and export regulations (e.g., forced sales through government channels).
- Farmer mobilisation and contract farming dynamics.
- Impact: Political interference or policy shifts can delay operations or reduce raw material supply.
- Mitigation: The investor will work closely with all levels of government, including village councils and sectoral bodies such as the Ministry of Agriculture, Tanzania Investment Centre (TIC), TanTrade, TARI Naliendele, and MAMCU, to stay aligned with policy changes and foster public-private cooperation.

c. Climate and Weather Risks

All three crops (cashew, sesame, and groundnuts) are climate-sensitive. Increased occurrences of drought, erratic rainfall, or cyclones due to climate change pose significant risks to both yield and quality.

- Impact: Reduced yields can cause raw material shortages and affect factory capacity utilisation.
- Mitigation: The project will adopt climate-smart agricultural practices, early warning systems, drought-tolerant varieties, and technical support from research institutions such as TARI Naliendele.

d. Logistical and Infrastructure Risks

Although the southern regions are improving, poor rural road networks, seasonal inaccessibility, and limited power/water infrastructure may affect the timely movement of goods and efficient factory operations.

- Mitigation: The investor has committed to improving local infrastructure, including roads, solar-powered systems, and water access, in partnership with village authorities and relevant government agencies.

While the project carries risks related to global markets, political conditions, and climate variability, the investor is fully aware and has designed practical mitigation strategies. Furthermore, close collaboration with local farmers, public institutions, and research bodies will ensure proactive risk management and long-term sustainability.

9. SWOT Analysis

A thorough **SWOT** analysis (Strengths, Weaknesses, Opportunities, and Threats) is essential to strategically position **First Seed Group Company Limited** in the competitive agricultural processing and export sector. This analysis identifies internal and external factors that can affect the project's success, enabling informed decision-making and risk management.

9.1. Strengths

- **Strategic Location:** Situated in Mbangara village, Lupaso ward, Masasi District, an area with suitable agro-climatic conditions for cashew, sesame, and peanut cultivation.
- **Experienced Leadership:** Management team with extensive expertise in agribusiness operations across Asia and Africa.
- **Integrated Value Chain:** From farming, processing to export, providing control over quality and supply consistency.
- **International Market Focus:** Tailored to meet export standards for China, Europe, and the USA, enhancing competitiveness.
- **Strong Partnerships:** Collaboration with government agencies like TEPO, TCCIA, and international certification bodies to facilitate market access and compliance.
- **Sustainability Commitment:** Adoption of sustainable farming and processing practices aligned with Global G.A.P. and organic certifications.

9.2. Weaknesses

- **Capital Intensive:** High upfront investments in land development, processing facilities, certification, and technology may strain cash flow during initial phases.
- **Dependence on Weather:** Agricultural production is vulnerable to climate variability, droughts, or pests affecting yields.
- **Limited Brand Recognition:** As a new entrant, the company faces challenges building trust and visibility in international markets.
- **Skill Gaps:** Need for continuous training of local farmers and processing staff to maintain international quality standards.
- **Logistical Constraints:** Infrastructure limitations in rural areas, including roads and storage, can affect timely deliveries and product quality.

9.3. Opportunities

- **Growing Global Demand:** Increasing consumer preference for healthy, organic, and ethically sourced nuts and seeds in China, Europe, and the USA.
- **Trade Agreements:** Leverage Tanzania's trade agreements and East African Community (EAC) regional frameworks to access wider markets with reduced tariffs.
- **Largest Processor:** Being the largest standalone processor in Masasi district (as seen above), positioning us strongly in regional supply chains.
- **Value Addition Potential:** Opportunities to diversify product lines into processed snacks, oils, and ready-to-use ingredients to increase margins.
- **Technology Adoption:** Implementing advanced farming techniques, processing machinery, and digital tracking systems to improve efficiency.
- **Export Incentives:** Utilize government and donor programs that support export development and certification costs.
- **Partnership Expansion:** Potential for joint ventures or contract farming to scale production and share risks.

9.4. Threats

- **Market Volatility:** Fluctuations in global commodity prices can impact profitability and planning.
- **Regulatory Changes:** Shifts in import regulations, tariffs, or certification requirements in target markets could pose barriers.
- **Competition:** Established global suppliers with strong brand loyalty may limit market penetration.
- **Supply Chain Disruptions:** Risks from transportation delays, political instability, or pandemics affecting export continuity.

- **Environmental Risks:** Soil degradation, deforestation, or water scarcity may reduce long-term agricultural viability.
- **Currency Fluctuations:** Exchange rate instability between Tanzanian Shilling and foreign currencies could affect earnings and cost structures.

9.5. Strategic Implications

The SWOT analysis highlights the need to capitalize on **First Seed Group's** strengths, such as experienced leadership and integrated operations, while addressing weaknesses through targeted investments and capacity building. The company should aggressively pursue opportunities in value addition and new markets while developing robust risk mitigation plans against external threats like market volatility and regulatory changes. Maintaining sustainability and certification compliance will be key to building a resilient, competitive brand.

10. Social and Environmental Impact

Beyond the previously stated direct and indirect employment figures, the project is expected to generate substantial, multi-layered employment opportunities for local residents in both short-term and long-term phases. This impact will go beyond factory workers and farm labourers, creating a localised economic ecosystem.

i. Short-Term Employment (Construction and Establishment Phase)

During the initial phase of land preparation, plantation development, and factory construction, the project will engage hundreds of local residents in activities such as:

- Site clearing, fencing, and planting,
- Construction labour (masonry, plumbing, electrical, welding, carpentry),
- Transport and loading of materials,
- Local supply of food and water for construction teams.

This will benefit local youth, daily labourers, and women through casual employment and contracts.

ii. Medium- and Long-Term Employment (Operational Phase)

Beyond the core 100 direct jobs and 120 indirect jobs previously mentioned, the following additional employment opportunities will be created:

i. Contract Farming Coordination

- Field assistants and extension officers to support contract farmers.
- Village-based aggregators and collection agents.

ii. **Logistics and Supply Chain**

- Drivers, loaders, warehouse personnel, and local transporters.
- Local garage mechanics and fuel suppliers.

iii. **Hospitality and Support Services**

- Food vendors and small canteen operators near factory and farms.
- Security personnel and facility cleaners recruited from the local community.

iv. **Business Linkages for Women and Youth**

- Formation of local cooperatives or SMEs to supply uniforms, packaging materials, minor tools, and stationery.
- Processing and resale of by-products (e.g. cashew apple juice, groundnut oil, sesame cake) at small-scale levels.

iii. **Skills Development and Future Employability**

The investor intends to collaborate with institutions like TARI Naliendele, NACTVET-registered colleges, and OSHA to:

- Train local machine operators, welders, electricians, and agronomy assistants.
- Offer certifications for safety and technical skills.
- Support youth apprenticeships and job placement schemes.

iv. **Gender and Inclusion Focus**

The project is especially designed to:

- Prioritise employment of women in post-harvest handling and light factory tasks,
- Engage local people with disabilities in suitable roles,
- Empower youth and women groups through enterprise development and off-farm opportunities.

The project will not only provide stable jobs but also stimulate inclusive economic participation, boost local livelihoods, and build human capital in the region through training, micro-contracts, and value chain linkages. These employment effects will multiply as the project scales.

v. **Training and knowledge transfer to the local community**

As per the land allocation agreement signed between the investor and the village government, the investor is committed to training and transferring knowledge and skills to the local community throughout the life of the project. This commitment includes:

- Capacity building for local farmers on improved farming practices, pest and disease control, and post-harvest handling, especially in cashew, sesame, and groundnuts.

- Practical training for youth and women in machine operation, processing, safety standards (in collaboration with OSHA), and quality control.
- On-the-job training and internships for local residents in areas such as factory operations, agribusiness, and warehouse management.
- Collaborative learning programmes with institutions such as TARI Naliendele, local colleges, and cooperative unions.

These efforts are aimed at ensuring sustainable local participation, gradual technology adoption, and long-term self-reliance of the host community in agribusiness and industrial value chains.

vi. Environmental conservation plans and collaboration with the local community. (*As Derived from the Environmental Impact Assessment*)

i. Sustainable Land Use and Soil Conservation

- Contour farming and intercropping will be implemented to prevent soil erosion, especially on sloped areas.
- Regular soil testing and monitoring will be conducted to guide responsible fertiliser and chemical use.
- No cultivation will be done near water bodies or protected forest areas, in compliance with buffer zone regulations.

ii. Water Resource Management

- Installation of rainwater harvesting systems and construction of small farm ponds for supplementary irrigation.
- Introduction of drip irrigation technology to reduce water wastage.
- No pollution or direct discharge of processing wastewater into rivers or open land, a basic wastewater treatment unit will be set up near the factory.

iii. Tree Planting and Reforestation Programme

- The company will establish a tree planting programme around farms, processing facilities and public spaces (e.g. schools, roads).
- Indigenous and Chanikiwiti-colored species will be prioritised to align with the company's sustainability branding and local biodiversity.
- A minimum of two trees will be planted for every tree cleared during land preparation.

iv. Pollution Control and Waste Management

- Use of eco-friendly and low-emission processing machinery from China.

- Solid waste (e.g. shells, husks) from the processing factory will be reused or sold for biofuel, compost or livestock feed.
- Proper disposal pits and composting systems will be set up on farm sites to avoid indiscriminate dumping.

v. Biodiversity Protection

- Clear demarcation of farming areas to avoid encroachment into natural forests or wildlife corridors.
- Avoidance of monoculture in some zones, diversification with legumes and bee-friendly plants will be encouraged.
- Staff and farmers will be trained on wildlife conservation ethics and respect for traditional sacred sites (if present).

vi. Climate Change Adaptation and Mitigation

- Incorporation of climate-resilient crop varieties for cashew, groundnuts and sesame.
- Reduction of fossil fuel usage by using solar-powered systems for water pumping and lighting in rural operation centres.
- Active participation in carbon offset schemes through agroforestry.

vii. Collaboration with the Local Community

i. Awareness and Environmental Education

- Monthly community sensitisation sessions on conservation and hygiene.
- Collaboration with schools and village youth groups on tree planting and environmental stewardship activities.
- Environmental materials (e.g., posters, manuals) will be developed in Kiswahili and local dialects.

ii. Partnership with Village Governments and Institutions

- Joint planning with village councils for zoning and protected areas.
- Establishment of Environmental Committees in collaboration with village leadership to monitor project activities.
- Regular consultation with TFS, NEMC, and LupasoWard Agriculture Officers.

iii. **Engagement with Research and Standards Bodies**

- Active linkage with TARI Naliendele for agro-ecological innovations and environmental good practices.
- Regular compliance checks with OSHA and NEMC, and integration of environmental criteria in company KPIs.
- Possible collaboration with local and international environmental NGOs and universities.

iv. **Community-based Monitoring and Reporting**

- Community representatives will form part of the Environmental Monitoring Team.
- A grievance redress mechanism will be available for reporting environmental complaints, resolved jointly by the company and local authorities.

This Environmental Conservation Plan reflects a commitment to responsible and sustainable agro-industrial development, rooted in local participation, government collaboration, and global environmental standards. It translates EIA recommendations into concrete actions, benefiting both the ecosystem and the people of Masasi and surrounding districts.

11. Future Plans

11.1. Expansion of Plantation

The company has a strategic plan to gradually expand its cashew plantations from the initial 500 hectares to over 1,881.2 hectares within the next 5 years. This phased expansion will follow careful environmental, economic, and community engagement assessments, ensuring sustainability and shared prosperity.

Key priorities include:

- Land preparation and acquisition in collaboration with local village governments.
- Scaling up contract farming models with smallholder farmers to supplement core plantations.
- Investing in high-yielding cashew varieties and modern irrigation to maximise land productivity.
- Recruitment and training of additional farm workers and supervisors as the plantation area grows.

This expansion is part of the company's broader vision to make the southern regions of Tanzania a leading hub for high-quality cashew production and processing in Africa, while ensuring inclusive growth and long-term profitability.

11.2. Introduction of intercropping or other high-value crops.

In addition to cashew farming, the company is actively introducing intercropping systems and other commercially viable crops to optimise land use, manage risk, and diversify income sources. Two major crops have already been integrated:

- Simsim (Sesame): Due to its drought resistance, global demand, and compatibility with cashew trees, sesame is being intercropped in suitable plots and cultivated in dedicated areas.
- Groundnuts (Peanuts): Favoured for their short growing cycle and market appeal, groundnuts are being introduced in both rotation and intercropping models.

These additional crops support:

- Soil health and fertility.
- Faster short-term returns while waiting for cashew trees to mature.
- Expanded employment and engagement of local contract farmers.
- Improved food security and market diversity.

Further trials may explore other high-value crops such as sunflowers or legumes, depending on land suitability and market dynamics.

11.3. Introduction of organic certification or improved varieties

To enhance product value and market access, the company intends to pursue the following:

a. Organic Certification

The company plans to adopt organic farming practices for part of its plantations and work closely with relevant authorities and certifying bodies (such as Tanzania Organic Agriculture Movement – TOAM, and international agencies) to obtain organic certification over the next 3–5 years. This will involve:

- Strict use of organic inputs.
- Traceability systems.
- Training of farmers and staff.
- Gradual transition of select plots to meet organic standards.

The certification will enable access to premium markets in Europe, the USA, and Asia, where demand for organic cashews, sesame, and groundnuts is steadily growing.

b. Improved Varieties

Through collaboration with TARI Naliendele and other research institutions, the company is introducing and multiplying improved varieties of cashew trees, sesame, and groundnuts.

These varieties offer:

- Higher yields.
- Better disease and drought resistance.
- Early maturity.
- Better grading and market value.

The improved seed systems will also be extended to contracted farmers and out-growers to ensure consistency in quality and productivity across the value chain.

11.4. Factory Upgrades and Value Addition

a. Expansion of processing capacity

The project currently plans to establish a cashew processing factory with an initial processing capacity aligned to the plantation output of approximately 5,000 tonnes per year. This capacity corresponds to the processing of raw cashew nuts produced from the project's land (1,881.2 hectares) and supplementary produce from local farmers in neighbouring villages.

Recognising the potential for growth and increased supply from both internal expansion and extended out-grower schemes, the company envisions a phased expansion of processing capacity over the medium term:

- Phase 1 (Years 1–3): Initial capacity of approximately 5,000 tonnes/year, matching the plantation output and contracted farmer production.
- Phase 2 (Years 4–5): Expansion to 8,000 – 10,000 tonnes/year by acquiring additional machinery, improving factory infrastructure, and increasing the network of local suppliers.
- Beyond Year 5: Further capacity increase to 12,000 tonnes/year or more, subject to market demand, increased plantation area, and export opportunities.

This phased approach ensures operational efficiency, cost-effectiveness, and scalable growth in processing aligned with both domestic production and export market requirements. It also allows for adoption of advanced processing technologies from China to improve quality, reduce losses, and meet international standards.

b. Installation of advanced machinery

The cashew processing factory will incorporate a range of advanced machinery to ensure efficient, high-quality processing, and to meet both local and international market standards. Given the investors' Chinese background, state-of-the-art equipment imported from China will be installed, encompassing the following key stages:

i. **Grading Machinery:** Automated grading machines will be used to sort raw cashew nuts by size, weight, and quality. This ensures uniformity and improves market value, enabling the factory to meet diverse buyer specifications.
ii. **Roasting Equipment:** Modern roasting machines with controlled temperature settings will be installed to produce premium roasted cashew kernels. Precise roasting technology reduces defects and enhances flavour while ensuring food safety standards are met.
iii. **Shelling and Peeling Machines:** Efficient shelling and peeling machines will improve yield and reduce labour costs. These machines are designed to minimise kernel breakage and contamination.
iv. **Drying Plants:** Drying technologies, including mechanical dryers, will be utilised to reduce moisture content optimally, preserving kernel quality and prolonging shelf life.
v. **Packaging Lines:** Automated packaging machinery will be deployed to package cashew kernels hygienically and attractively, using vacuum or modified atmosphere packaging to extend freshness. Packaging will comply with international export requirements and support branding.
vi. **Quality Control and Laboratory Equipment:** The factory will be equipped with a quality control laboratory to monitor moisture, aflatoxin levels, and other critical quality parameters, ensuring compliance with global food safety standards.

The integration of advanced machinery and technologies will not only increase processing capacity and product quality but also reduce processing time and labour intensity. This will position the factory competitively in both domestic and export markets, meeting growing demand with consistent supply and superior standards.

c. Production of value-added products

To maximise profitability, diversify revenue streams, and strengthen the project's market position, the plan includes production of value-added products from cashew nuts, groundnuts (peanuts), and oilseeds. These initiatives will add economic value beyond raw commodity sales and promote sustainable use of resources.

i. Cashew Nut Value-Added Products

- **Cashew Butter:** Produced from roasted cashew kernels, cashew butter is a nutritious spread gaining popularity both locally and internationally among health-conscious consumers. Production involves grinding and refining cashew kernels into a smooth, creamy product with consistent flavour and texture, meeting export and premium retail standards.

- **Roasted and Flavoured Cashew Nuts:** Advanced roasting technology will be used to produce premium roasted cashews, including salted and spiced variants, increasing market appeal and profitability. These products command higher prices than raw nuts, especially in retail and gift markets.
- **Cashew Nut Shell Liquid (CNSL):** Extracted from cashew shells (a by-product), CNSL is an industrial oil used in coatings, adhesives, and brake linings. Its production utilises waste material, supporting circular economy principles and providing an additional revenue stream.

ii. Groundnut (Peanut) Value-Added Products

- **Peanut Butter:** Groundnuts will be processed into peanut butter, a staple and high-demand product in local and regional markets. The factory will use roasting, grinding, and mixing machinery to produce creamy and crunchy peanut butter variants.
- **Roasted and Salted Peanuts:** These will cater to snack markets locally and regionally. Roasting enhances flavour and shelf-life, increasing consumer demand and sales value.
- **Peanut Oil:** Extraction of oil from peanuts will produce edible peanut oil for cooking, which is in high demand in local markets due to its health benefits. The oil extraction process adds value and utilizes the groundnut crop fully.

d. Strategic Advantages of Value-Added Processing

- **Economic Diversification and Risk Mitigation:** Processing raw nuts into higher-value products reduces dependency on volatile raw commodity prices and broadens income sources.
- **Job Creation and Skills Development:** Value-added processing demands skilled labour in operations, quality control, packaging; marketing, and distribution, thus increasing employment opportunities locally.
- **Sustainability and Waste Minimization:** By utilising by-products such as cashew shells and peanut cake, the project promotes environmental sustainability and resource efficiency.
- **Market Expansion and Branding:** Offering processed and branded products increases competitiveness in domestic, regional, and international markets, including health-conscious and niche consumers.
- **Alignment with Investors' Technological Capabilities:** The use of advanced machinery and technology sourced from China will enable efficient, high-quality production consistent with international standards.

Integrating value-added product lines for cashew, groundnuts, and peanuts will significantly enhance the project's profitability, market resilience, and socio-economic impact. This approach leverages the full potential of the crops cultivated, stimulates local industry development, and supports sustainable rural livelihoods.

12. Export Market Penetration

The project aims to penetrate key international markets with high demand for cashew nuts, sesame, groundnuts (peanuts), and related value-added products such as nut butters, roasted nuts, and edible oils. These target markets have significant consumption rates, purchasing power, and established trade routes suitable for Tanzanian agricultural exports.

a. **Key Target Regions and Market Characteristics**

i. Asia (China, India, Japan, South Korea):

- **Demand:** Increasing middle-class populations with growing nut consumption as snacks and in traditional cuisines. China is also a major processing hub and a source of investment and technology.
- **Market Dynamics:** Competitive prices and quality are key; there is also high demand for cashew kernel grades suitable for processing and re-export.
- **Market Entry Strategy:** Utilize Chinese investors' networks and technology; focus on building trust through quality assurance and timely delivery.

ii. America (United States and Canada):

- **Demand:** Large consumer base with growing interest in healthy, natural snacks and organic products. The US is one of the largest importers of cashew nuts and peanuts globally.
- **Regulatory Standards:** Compliance with FDA and USDA regulations is required, including food safety and organic certification where applicable.
- **Market Entry Strategy:** Partner with established importers and distributors, participate in trade fairs (e.g., Fancy Food Show), and use certifications to build brand trust.

iii. Europe (EU Countries including Germany, Netherlands, UK, France):

- **Demand:** High consumption of nuts, especially for use in confectionery, bakery, and health food sectors. European consumers also demand ethically sourced and sustainable products.

- **Regulations:** Strict adherence to EU food safety, traceability, and quality standards (e.g., GlobalGAP, Organic Certification).
- **Market Entry Strategy:** Leverage certifications, establish relationships with specialty importers, and target niche markets (organic, fair trade).

iv. Middle East (United Arab Emirates, Saudi Arabia, Qatar):

- **Demand:** High per capita nut consumption, especially during festive seasons. Nuts are key in hospitality and retail sectors.
- **Regulatory Framework:** Halal certification is often required alongside general food safety standards.
- **Market Entry Strategy:** Develop relationships with key distributors, ensure halal certification, and participate in regional trade shows (e.g., Gulfood).

b. Export Market Penetration Strategies

- **Quality Certification and Branding:** Achieving international certifications (ISO, HACCP, Organic, and Fair Trade) to meet importing countries' standards and appeal to conscious consumers. Consistent quality will help build brand loyalty.
- **Strategic Partnerships:** Collaborate with experienced international distributors, importers, and retail chains to access shelf space and consumer bases quickly.
- **Product Diversification:** Offering both raw and processed products (e.g., roasted nuts, nut butters, cashew shell oil) to meet varied consumer preferences and increase market share.
- **Competitive Pricing and Volume Discounts:** Utilize cost advantages from efficient production and Chinese technology to offer competitive pricing, especially for bulk buyers.
- **Market Intelligence and Adaptation:** Continuous monitoring of market trends and consumer preferences to tailor product offerings and marketing campaigns effectively.
- **Compliance and Logistics:** Ensure robust supply chain management and compliance with export documentation to minimize delays and build reliability.

Targeting Asia, America, Europe, and the Middle East allows the project to tap into some of the largest and most lucrative markets for cashew nuts, groundnuts, and related products. By leveraging technology, partnerships, certifications, and a diversified product portfolio, the project can successfully penetrate these markets, increase foreign exchange earnings, and enhance Tanzania's reputation as a reliable supplier of quality nuts and value-added products.

c. Obtaining International Quality Certifications

To ensure access and competitiveness in key international markets such as China, Europe, and the United States, obtaining recognized quality certifications is critical. These certifications demonstrate compliance with global standards in food safety, quality management, and sustainable agricultural practices. The most common and internationally accepted certifications relevant to cashew nuts, peanuts, and sesame (and other agricultural products) include:

i. ISO 9001 — Quality Management System

ISO 9001 is an international standard that specifies requirements for a quality management system (QMS). Organizations use this standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements.

- **Market relevance:** Globally recognized, essential for all export markets including China, Europe, and the USA.
- **Benefit:** Enhances customer confidence through improved quality control and management systems.

ii. QS (Quality Safety) Certification — China

QS Certification is a mandatory food safety mark regulated by Chinese authorities, ensuring products meet China's food safety standards.

- **Market relevance:** Required for all food products marketed or produced in China.
- **Benefit:** Facilitates market entry and consumer confidence within China.

iii. HACCP — Hazard Analysis and Critical Control Points

HACCP is a systematic preventive approach to food safety that identifies, evaluates, and controls hazards throughout the food production process.

- **Market relevance:** Mandatory or highly recommended in most food-exporting countries, including China, USA, and Europe.
- **Benefit:** Ensures the safety of food products, critical for export approval and consumer protection.

iv. GlobalG.A.P. — Global Good Agricultural Practices

GlobalG.A.P. is a private sector certification aimed at ensuring sustainable and safe agricultural production practices. It focuses on food safety, environmental sustainability, and worker welfare.

- **Market relevance:** Especially valued in European markets and increasingly recognized worldwide.
- **Benefit:** Access to premium markets by demonstrating compliance with sustainable and ethical farming practices.

v. **USDA Organic Certification**

This certification is issued by the United States Department of Agriculture and certifies that agricultural products are grown according to strict organic farming standards, without synthetic pesticides or fertilizers.

- **Market relevance:** Essential for entering organic food markets in the USA and other countries accepting USDA Organic standards.
- **Benefit:** Adds value to products by targeting health-conscious and environmentally aware consumers.

vi. **EU Organic Certification (Euro Leaf)**

The EU Organic label certifies compliance with organic farming rules within the European Union, ensuring that products meet strict environmental and food safety standards.

- **Market relevance:** Required for access to the European Union's organic food market.
- **Benefit:** Provides trust and higher market prices within Europe.

vii. **FDA Registration and Compliance — United States**

FDA registration is required for food producers who wish to sell products in the USA, ensuring compliance with US food safety laws and regulations.

- **Market relevance:** Critical for accessing the US market.
- **Benefit:** Legal clearance to sell and build consumer trust in the USA.

viii. **Recommendations for Our Project**

- Initially, after obtaining TBS certification we will prioritize obtaining ISO 9001 and HACCP certifications as foundational standards that ensure product quality and safety for all markets.
- For the European and American markets, pursue GlobalG.A.P. and Organic certifications (USDA and EU Organic) to access premium organic product segments and add value.
- For market penetration in China, ensure compliance with the QS Certification and FDA registration if selling in the US market, to meet regulatory requirements and enhance trust.

A comprehensive certification strategy will improve market access, facilitate export, and increase the perceived value of cashew, peanut, and sesame products. This will ultimately contribute to the profitability and sustainability of the investment.

d. Participation in International Trade Fairs and Export Programs

Active participation in international trade fairs and export promotion programs is essential for building brand recognition, establishing business networks, and securing export contracts in global markets. For our cashew, peanut, and sesame investment project, engagement in these platforms will enhance market penetration, showcase product quality, and keep the company updated on industry trends and buyer preferences.

i. Importance of Trade Fairs and Export Programs

- **Market Exposure:** Trade fairs offer direct access to buyers, distributors, importers, and industry experts from key target regions such as America, Europe, Asia, and the Middle East.
- **Networking Opportunities:** These events facilitate face-to-face meetings, joint ventures, and partnerships that can lead to long-term business relationships.
- **Product Feedback:** Immediate buyer and consumer feedback allows continuous product improvement and adaptation to market demands.
- **Brand Building:** Exhibiting at recognized trade fairs enhances credibility and visibility in competitive international markets.
- **Learning and Innovation:** Attendance at workshops, seminars, and presentations during fairs provides valuable insights into new technologies, certifications, and market regulations.

ii. Recommended Trade Fairs and Export Programs

- **China International Import Expo (CIIE):** Ideal for accessing the fast-growing Chinese market and showcasing products to Chinese importers and government buyers.
- **Anuga (Germany):** One of the world's largest food and beverage trade fairs, crucial for entering the European market.
- **SIAL (France):** Another leading global food exhibition offering extensive networking in Europe and beyond.
- **Natural Products Expo West (USA):** Key event for organic and natural food products, relevant for USDA Organic-certified items.
- **World Cashew Convention:** A specialized trade event focusing on cashew industry stakeholders worldwide, offering direct market insights and partnerships.
- **Tanzania Export Promotion Programs:** Collaboration with government export promotion agencies and chambers of commerce to participate in trade missions and receive market intelligence support.

iii. **Collaboration with Government and Export Agencies**

- Work closely with Tanzania Export Promotion Agency (TEPO) and Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) to secure participation slots, funding support, and export facilitation services.
- Engage with regional bodies such as the East African Business Council (EABC) to leverage regional trade agreements and cross-border export opportunities.
- Utilize export incentive programs and technical assistance provided by international donors and development partners to reduce costs and increase impact.

Consistent presence in major international trade fairs combined with proactive participation in export programs will be pivotal for the success and growth of the project's export markets. It ensures continuous market access, strengthens business relationships, and promotes the high-quality Tanzanian cashew, peanut, and sesame products to the global stage.

13. Monitoring and Evaluation (M&E)

13.1. Purpose of Monitoring and Evaluation

Monitoring and Evaluation (M&E) are integral components of the Agricultural Value Addition and Export Project. They ensure that project activities are progressing as planned, objectives are being met, and resources are being used efficiently. M&E provides evidence-based insights for continuous improvement, risk mitigation, and accountability to stakeholders, including investors, government agencies, and partners.

13.2. Objectives of M&E

- To track progress against the project's goals, timelines, and budget.
- To assess the quality and impact of agricultural production, processing, and export activities.
- To identify challenges and bottlenecks early for corrective action.
- To measure socio-economic benefits to farmers, employees, and communities.
- To ensure compliance with international standards and certification requirements.
- To provide data for reporting to investors, regulatory bodies, and export markets.

13.3. Key Performance Indicators (KPIs)

Area	Key Performance Indicators	Targets
Agricultural Production	- Hectares cultivated - Crop yield per hectare (kg/ha)	1,881.2 ha cultivated Target yields per crop type
Quality Control	- Percentage of produce meeting quality standards - Certification renewals	≥ 95% compliance 100% certification maintained
Processing Efficiency	- Volume processed per month - Product rejection rate	Set monthly targets < 2% rejection rate
Export Performance	- Export volume and value - Number of export markets accessed	Growing volume/value ≥ 3 major markets (China, EU, USA)
Financial Performance	- Revenue growth rate - Cost efficiency ratios	Year-on-year growth ≥ 15% Controlled costs
Social Impact	- Number of farmers/outgrowers engaged - Jobs created	≥ 500 farmers ≥ 200 jobs
Environmental Impact	- Compliance with sustainable farming standards - Waste management effectiveness	Full compliance Proper waste disposal systems

13.4. M&E Framework and Tools

- **Data Collection:** Use of digital record-keeping, field surveys, production logs, quality inspection reports, and financial statements.
- **Regular Reporting:** Monthly operational reports, quarterly progress reviews, and annual comprehensive evaluations.
- **Field Monitoring:** Agronomy officers and quality assurance teams conduct routine farm visits, processing audits, and supply chain inspections.
- **Stakeholder Feedback:** Engage farmers, employees, buyers, and local communities through surveys and meetings to gather qualitative insights.
- **Third-Party Audits:** Periodic independent verification to ensure objectivity, especially for certification compliance and financial audits.

13.5. Roles and Responsibilities

Entity	Responsibilities
Project Management Team	Overall coordination of M&E activities, reporting, and corrective actions.
Agronomy and Field Officers	Data collection on crop performance and farming practices.
Quality Assurance Team	Monitoring processing standards and product quality.
Finance Department	Financial tracking, cost analysis, and budget adherence.
External Auditors/Consultants	Independent evaluation of project performance and compliance.
Stakeholders & Partners	Provide feedback and participate in reviews and audits.

13.6. Use of M&E Findings

- **Continuous Improvement:** Adjust cultivation, processing, and marketing strategies based on findings.
- **Risk Management:** Early identification of risks such as pest outbreaks, supply chain disruptions, or quality issues.
- **Reporting:** Transparent communication to investors, government agencies, and partners to maintain trust and compliance.
- **Scaling and Replication:** Use evidence to guide expansion plans and attract further investment.

13.7. Challenges and Mitigation Measures

Challenge	Mitigation Strategy
Data accuracy and completeness	Use training for field staff on data entry and validation.
Resistance from stakeholders	Conduct awareness and capacity-building sessions.
Technological limitations	Invest in mobile and cloud-based M&E systems.
Delays in reporting	Establish strict timelines and accountability.

13.8. Conclusion

An effective Monitoring and Evaluation system is vital for ensuring the success and sustainability of the **First Seed Group Company Ltd** agricultural processing and export project. By systematically tracking progress, measuring impacts, and enabling responsive management, M&E will facilitate the achievement of high-quality production, market competitiveness, and socio-economic benefits for all stakeholders.

14. Strategic Outlook

The First Seed Group Company Limited presents a strategically designed agricultural and agro-processing investment project that combines high-value crop production, modern processing infrastructure, inclusive community engagement, and environmental sustainability. Rooted in Mbangara village, Masasi District, this initiative seeks to transform 1,881.2 hectares of underutilised land into a productive, value-generating agribusiness ecosystem.

This business plan outlines a clear roadmap for establishing a vertically integrated cashew, sesame, and groundnut enterprise—beginning with responsible land development, progressing through systematic cultivation and intercropping, and culminating in the construction of a modern agro-processing facility. Through this model, the company aims to meet growing local and international demand for processed agricultural products, while contributing to Tanzania's industrialisation, rural transformation, and export growth agenda.

The project is not only commercially viable—with targeted profitability and return on investment milestones—but also socially inclusive. It is committed to creating employment, empowering women and youth, supporting local infrastructure, and uplifting hundreds of smallholder outgrowers through structured market access and capacity building.

Backed by the global agribusiness experience of its directors and aligned with national development priorities, this venture offers strong potential for sustainable impact, long-term profitability, and scalable growth. With strategic partnerships, regulatory support, and investor confidence, **First Seed Group Company Limited** is poised to become a leading force in Tanzania's value-added agricultural sector.

Thank you for your continuing support and cooperation

Signed on behalf of **First Seed Group Company Limited**

Mr. Quanzhong Li
Executive Director
FIRST SEED GROUP COMPANY LIMITED

Date: 1st July, 2025
Place: Dar es Salaam, **TANZANIA**

JAMHURI YA MUUNGANO WA TANZANIA

OFISI YA RAIS

TAWALA ZA MIKOA NA SERIKALI ZA MITAA

WILAYA YA MASASI
Anuani ya Simu MASASI
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OFISI YA MKUU WA WILAYA,
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MASASI.

Kumb Na. PA. 111/207/02A/85

Tarehe: 30 Juni, 2025

Mhe. Waziri,
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Mji wa Serikali ya Mtumba,
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Yah: **ARDHI YA UWEKEZAJI EKARI 4703, ILIYOPO MASASI – MTWARA.**

Tafadhali husika na kichwa cha habari hapo juu.

2. Kampuni ya ***"FIRST SEED GROUP CO LTD"*** kutoka China ilifika Wilaya ya Masasi Mkoa wa Mtwara kwa ajili ya kuomba Ardhi ya uwekezaji kwenye sekta ya kilimo na Viwanda.

3. Baada ya ukaguzi wa nyaraka zao, tulijiridhisha uhalali wao wa kuwepo Nchini, hivyo wataalam waliendelea na mchakato wa maombi yao na ikafanikiwa kupata kiwango tajwa hapo juu katika Kijiji cha Mbangara Kata ya Lupaso Wilaya ya Masasi.

4. Ofisi ya Mkuu wa Wilaya imejiridhisha kwamba taratibu zote zimefuatwa kwa Wananchi kupata elimu ya kutosha na ardhi iliyotolewa kwa kampuni hiyo ni ardhi iliyotengwa kama ardhi ya akiba baada ya matumizi bora ya ardhi kufanyika kwa mapendekezo yafuatayo:-

(i) Taratibu zote za upatikanaji wa ardhi zimefuatwa.
(ii) Wananchi wameelimishwa lakini pia walipata nafasi ya kuongea na kumuuliza maswali mwekezaji.
(iii) Wananchi walikuwa hawalitumii eneo hilo, na lilitengwa kwa ardhi ya akiba.
(iv) Mwekezaji atafanya/atatoa huduma mbalimbali kama zilivyoainishwa kwenye mkataba.

5. Kwa kuzingatia sera ya Nchi ya kuvutia wawekezaji, Nashauri kwa kufuata miongozo, taratibu na sheria za Nchi kampuni hii ipewe ardhi hiyo kwa matumizi yaliyoombwa.

6. Naomba kuwasilisha.

MKUU WA WILAYA
MASASI

Rachel S. Kassanda.
MKUU WA WILAYA
MASASI.

Nakala: Mhe. Mkuu wa Mkoa, - Kwa taarifa,
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