

PADDY PRODUCTION PROPOSAL.

PART I: OVERVIEW OF THE COMPANY

1.0: COMPANY DETAILS.

Name of the Company and Head Office Adress: TuKAoNe Projects Limited, P.O. Box _____, Wami - Dakawa, Morogoro. TANZANIA.

Main Objective: Is to promote economic development and developing self-sustainable communities and businesses through agricultural projects, schools, micro-loans to businesses etc.

1.1: VISION AND STRATEGIC OBJECTIVES.

Vision: Is to develop stable, self-sufficient economies and promote economic development, through agricultural, educational and financial projects.

Strategic Objectives:

1. To purchase the Land
2. Develop the rice farms and rice production
3. Develop means of stocking and Sale of Rice
4. Use profits to grow farms and to promote education and businesses



TuKAoNe PROJECTS LIMITED, MOROGORO, TANZANIA.

PART 2: BACKGROUND OF THE AREA.

2.0: NAME OF THE AREA.

The Village name is Wami-Dakawa of Morogoro Region. Wami is a name derived from the existence of a large River flowing over the area Called 'River Wami'.

2.1: LOCATION OF THE VILLAGE:

WamiDakawa is a village located about 40 km north of the city of Morogoro on the road to Dodoma (Capital City of Tanzania). The village is found in Mvomero District, in Morogoro Region.

2.2: The Tribes and Population.

The predominant tribes of people living at Wami-Dakawa Village are **Maasai** people to a great percentage. This is because the Late Prime Minister Mr. Sokoine was from Maasai tribe, and so his fellow tribal men had to come and start living in this village where their Maasai warrior had lost his life. But as the years passed, the **Gogo** tribe followed in, and later on **Sukuma** tribes and **Wamburu** from lake manyara Came in. Now the Village is occupying Maasai, Gogo, Sukuma and Mburus. The population size of the people in this area is about 2,050 people. About 63% of the people are men and 37% being women.

2.3: ECONOMIC ACTIVITIES IN THE AREA.

The main activity to generate income in the area is Agriculture in the form of Pastoralist (livestock keeping) for animals such as; Beef and dairy cattle, indigenous and dairy goats, sheep and chicken. The areas have got a vast area of grassland for grazing. They get income through sales of live animals and milk. The second most important contribution, but much lower than that from livestock, is through business that involves selling of traditional drugs, formal business activities like investments in guest houses and shops in Dakawa and Morogoro town.

- **CROP AGRICULTURE PRODUCTION.**

There is still less efforts for the villagers to produce enough food for the communities, due to lack of skills and supports to help them better manage their farms, from the stage of preparation of the lands to the stage of buying seeds and fertilizers, until final stage of harvesting. But there are fields available for someone to invest in Agriculture.

- **THE CASH CROPS INCLUDE.**

Cotton, coffee, simsim (sesame), sunflower, sugarcane, bananas, and vegetables. The fields of Dakawa Village are very conducive for crops such as Maize, Rice, Watermelons and Pumpkins, also Sunflower farming. The main **source of water** in this area is from Mkundi Mountains (part of Uluguru Mountains) which flows and pour its water off Wami River.

PART 3: RICE PADDY PRODUCT

3.0: BRIEF ON THE RICE PRODUCT.

3.0.1: HEALTH AND NUTRITION.

Rice plays major roles in human health as a major source of energy. The product is required for the purpose of health improvement and to avoid much of the diseases that might be accelerated by insufficient energy in the body. There is a great need for producing this product because most people are increasingly turning to rice as their main staple food. Rice can be used for breakfast when serving with tea, or as a food on its own when mixing with just Sugar.

Rice apart from being source of energy, is also a good source of protein and staple food in many parts of the world but is not a complete protein; it doesn't contain all the essential amino acids in sufficient amount for good health, in that it should be combined with other sources of protein such as nuts, seeds, beans, fish, or meat. Rice like other grains can be puffed. Rice can be used in a variety of ways like rice bran, polished rice, and parboiled rice or can be processed into flour to make beverage like rice milk and rice wine.

TuKAoNe will help promoting and improving the health of the locals and many others by applying better seeds grains.

3.0.2: RICE GRAINS AND THE PACKAGE SIZE.

Several efforts were made for the farmers in Tanzania to find ways in which they improve rice production in terms of better seeds agriculture and increased rice production. With a good agricultural practices combined with the adoption of applying high-yielding rice grains, it is now possible to undertake rice production from two to four times in a year.

TuKAoNe will directly apply the rice seeds grains called **Komboka** and **Super** which are both easily marketable, good quality and of good aroma.

3.0.3: SEASONS FOR PRODUCTION PLAN.

Either of the variety can be produced in two to three times in a year, interchangeably. The seasons and grains of production will be:

1st season: MARCH, APRIL, MAY, JUNE, JULY – of year (1). Seeds Grains to be applied here is Komboka (Wet Season).

2nd season: SEPT, OCT, NOV, DEC, JANUARY – of year (1). Seeds Grains to be applied here is Super (Dry Season).

3.0.4: RICE GRAIN COMPOSITION.

| NUTRIENT | RICE COMPOSITION (G) |
|------------------|-----------------------------|
| Energy | 365 kcal |
| Sugar | 0.12 g |
| Dietary fibre | 1.3 g |
| Water | 11.61 |
| Protein | 7.13 |
| Fat | 0.66 |
| Carbohydrate | 80 |
| Vit B1 | 0.07 mg |
| Calcium | 28 mg |
| Iron | 0.8 mg |
| Potassium | 115 mg |

3.0.5: TARGET PADDY PRODUCTION SITES (LOCATION).

The target sites of paddy production for our Company will be at Wami – Dakawa in Morogoro (or other area) where the project will acquire its land of 15 acres size in its own name “TuKAoNe Projects Limited – Tanzania.” Wami Dakawa is a village with vast areas for possible agricultural activities, and due to the presence of the Wami River, “the all-over the year water flow river,” makes it potential to be a reliable source of water supply to the farms.

The lands at Dakawa are still naturally fertile with a possibility for applying very little fertilizers in producing paddy, which is an indication that the paddy to be grown there will be of good quality. The production site will not be limited to Wami-Dakawa, as the Projects may expand to other locations where it finds more prospects for profitable opportunities.

PART 4: MARKET SIZE AND POTENTIAL.

4.1: MARKET STRUCTURE.

4.1.1: GENERAL MARKET ANALYSIS

According to African Seed Agency based in Morogoro, Tanzania produces over 1 million tons per annum and is the second to Madagascar in Africa which leads with an astounding 4.3 tons of yearly rice production. Madagascar being an island, can't expand its paddy farms while our country still has ample virgin land on which more estates can be established. In this, Tanzania tops the East African countries in rice production.

In recent studies shows that the amount of rice produced in Kilombero and Rufiji Valleys is expected to triple from the current 500,000 tons to 1.5 million tons by 2015.

Records show that the demand of the rice in the country is much higher than the supply as evidenced by the current price in most local markets. This indicates that a kilo is sold in between 1400-1800/-. However this is a chance for farmers to get involved in rice production aiming at not only to our local market but also outside the country.

4.1.2: TARGET MARKET AND CUSTOMER BASE.

Our first market will be the locals living in the area near our rice fields. The retail traders will be buying directly from our Collection Points at the fields in the wholesale price. Such customers are Kisutu Rice Market in Dar es salaam, Markets in Morogoro township, and other buyers from neighboring Rwanda and Burundi, where there is greatly a need for rice from Tanzania. Also Cameroon they are a very potential customers for the rice from Tanzania. We already have some contacts for someone in Japanese embassy in Dar es Salaam, and traders in Morogoro and Burundi. We will create a customer base for those already we have their contacts and keep them informed on the progress of our production activities, also a base for other new clients. The Company will also find connection with Universities/Schools in Tanzania for possible relations in supplying them with TuKAoNe products.

PART 5: PADDY PRODUCTION STAGES.

5.0: PRODUCTION STAGES (Product Development Plan).

| S/N | STAGE DETAILS. |
|------------|--|
| 1. | Seeds buying |
| 2. | Seed bed preparation |
| 3. | Ploughing using a rented tractor |
| 4. | Harrowing using a rented tractor |
| 5. | Land leveling (Hand leveling) |
| 6. | Fertilizer DAP |
| 7. | Transplanting |
| 8. | Gap filling |
| 9. | Weeding |
| 10. | Fertilizer UREA |
| 11. | Bird scaring |
| 12. | Harvesting using a rented Combined Harvester |
| 13. | Drying & Packaging into Gunny bags (paddy stage) |

PART 6: BUSINESS OWNERSHIP, ADMINISTRATION AND STAFFING.

6.0: BUSINESS OWNERSHIP.

The Business will be owned by the Company “TuKAoNe Projects Limited,” and there will be five Directors with TuKAoNe Projects Limited.

6.1: COMPANY OWNERSHIP SHARES.

1. Jeremy Theoret Director No. 1
2. Silvia Khalsa Director No.2

(Jointly Representing Walk Around The World, LLC – 49%).

Walk Around The World, LLC

2609 Bosque Del Sol Lane NW
Albuquerque, NM 87120-3155
USA

3. Mansuli John Mwakalinga – 24%...Director No. 3

Mansuli John Mwakalinga,
P.O.Box 83, Mang`ula, Morogoro.
Cell: +255 783 566 221/0676903938

4. Amina Abdalla Mkoba – 15%...Director No. 4

Amina Mkoba,
Puma Energy – Dar es salaam
Cell: +255 718021091

5. Abdallah Halfani Gonzi - 12%...Director No. 5

Abdallah Halfani Gonzi
Lecturer, University of Dar es salaam
P.o.Box 35091, Dar es salaam.
Email: gonzi_63@yahoo.co.uk
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PART 7: MACHINERY SELECTION AND FIXED ASSETS.

The different costs and types of Machinery are outlined here for selection. We will explore different prices, models, and capacities in summary.

7.0: MACHINERY SELECTION.

7.0.1: WATER PUMP TYPES AND PRICES

WATER PUMP SUPPLIER DETAILS:

Viera Agrovet Ltd, Kariakoo Market, Dar es salaam.

Phone 0787522980

NB: all prices are in Tanzania Shillings (T.SHS).

| S. | TYPE & NAME | FUEL & CONSUMPTION | HORSE POWER | PRICE IN T.SHS. |
|-----------|---------------------------------------|---|--------------------|------------------------|
| 1. | Robin Koshin, inches 3. Made in Japan | Petrol , Full tank is 5.5 LTS, for 12 hours irrigating. Attended by one labour. Petrol is sold at 2,200/= per litre. | 5.5 | 900,000/= |
| 2. | Kama, inches 4, Made in China. | Diesel , Full tank is 3 LTS, for 3 hours irrigating. One litre pumps water enough to irrigate one acre. Attended by one person. Diesel is sold at 1,700/= per litre. | 9 | 1,200,000/= |

EITHER of the two above would need two types of pipes which are listed here with their costs:

1. Delivery horse:

About 100m long that delivers water from the Water pump off to the farms. The price is **160,000/=**

2. Sunction pipes : About 14m long that drinks water from the River to the water pump. The price is **200,000/=Thus 160,000 + 200,000 = 360,000/=**. (Pipe costs).

SELECTION: We will use Kama Type with a price of 1,200,000/=, plus the Pipes costs gives 1,200,000 + 360,000 = **1,560,000/=**.

Thus Total amount to buy Water pump with its pipes is **1,560,000/=**.

7.1: FIXED ASSETS COSTING.

7.1.1: SOLAR POWER.

SUPPLIER DETAILS:

Joch Media solar Power Systems,
P.o.Box 1929, Tabora.

CAPACITY: Power production of:

1.0 kva or 1000 watts per day.

| S. | ITEM DETAILS | PRICE IN T.SHS |
|-----------|-------------------------|-----------------------|
| 1 | Solar panel 100 w, 4pc | 460,000.00 |
| 2 | Solar battler N150, 2pc | 400,000.00 |
| 3 | Inventor 900 w, 1 pc | 360,000.00 |
| 4 | Charger control 30 am | 120,000.00 |
| 5 | 6mm wire cable 1om | 80,000.00 |
| 6 | 1.5 cable 2 pc roll | 230,000.00 |
| 7 | Bulb 3 w, 20 pc | 80,000.00 |
| 8 | Bulb holder 0 pc | 35,000.00 |
| 9 | Switch 10 pc | 20,000.00 |
| 10 | Switch socket 4 pc | 15,000.00 |
| 11 | Clip box 2 pc | 10,000.00 |
| 12 | Panel stand | 20,000.00 |
| | LABOUR CHARGE | 200,000.00 |
| | CONTINGENCY | 300,000.00 |

| | |
|---------------|---------------------|
| TOTAL: | 2,330,000.00 |
|---------------|---------------------|

7.1.2: FARMS INFRASTRUCTURE.

Farms infrastructure will be needed in order to make the rice production process smooth. Taking into consideration that the current water source of our farms is Mkundi Mountains which joins other water flows and pours its water into Wami River, we will need to buy Water Pump with its Delivery pipes and Sunction pipes. We will construct water saving chambers (portions) in the farms for every one acre size, with the borders. Pipes for spreading water over to the portions will be supplied. Every one acre will be divided into small portions onto which rice will be grown. Borders will be constructed to separate paths through the farms to make it easily passable by the workers etc. Machines will be needed to perform such activities such as a Bulldozer or a Grader, which will be rented. All such preparations need to be performed when we have purchased our own land, and the drawings can be made by our Agricultural Officer. We just have an estimate of the costs for the farm of the same size (15 acres) to be 1,500,000/=.

7.1.3: CANVAS FOR DRYING PADDY

After the harvests of the paddy, then the next step is to dry the paddy over the canvas. We will need a total of 10 Canvas for all the 15 acres of land to be used every period of production. Each Canvas costs 25,000/=, for 10 pcs will be 250,000/=.

(Estimates by viera Agrovet – Kariakoo).

7.1.4: RICE COLLECTION POINT (STOREHOUSE).

We will need to build a Collection point for all products made by TuKAOne Projects. Our customers will be advertised and contacted to come directly to our collection point and buy the Paddy at a whole sale price. The estimated cost for building such store is 6,000,000/=, AND will have a small office inside.

7.1.5: CHEMICALS SPRAYERS SELLECTION.

| S. | TYPE AND MADE | PRICE IN T.SHS @ | TOTAL REQUIRED |
|-----------|---|-------------------------|--|
| 1. | Chemicals Sprayer- Napsack, Made in Kenya. Capacity: 20 LTS | 90,000/= | 4 PCS = 4X90,000 =360,000.00 |
| 2. | Chemicals Sprayer – Motorized made in India. Container capacity – 14 LTS | 220,000/= | 4 PCS = 4X220,000 =880,000.00 |

CHEMICAL SPRAYER SELLECTED:

Napsack Chemicals sprayer will be selected and thus the total cost will be 360,000/=. The sprayers will be used every period of rice production.

(Estimates by viera Agrovet – Kariakoo).

7.1.6: SAFETY EQUIPMENTS.

| S. | EQUIPMENT TYPE | PRICE IN T.SHS @ | TOTAL REQUIRED |
|--------------|-----------------------|-------------------------|--|
| 1. | Musk | 5,000/= | 5 PCS = 4X90,000 =360,000.00 |
| 2. | Hand Gloves | 4,000/= | 5 PCS = 5X4,000 =20,000.00 |
| 3. | Sun goggles | 3,500/= | 5 pcs =5x3,500 =17,500.00 |
| 4. | Overall | 25,000/= | 5 pcs (for the 5 laborers). =5x25,000 =125,000.00 |
| TOTAL | | | 522,500.00 |

7.1.7: 15 ACRES SIZE LAND.

This asset will cost around 16,500,000/= for a purchase of the 15 acre farms.

PART 8: PROPOSED COSTS FOR THE BUSINESS.

(NOTE: SIZE OF THE FARM 15 ACRES).

8.0: FIXED ASSETS COST STRUCTURE (A)

8.0.1: LAND = 16,500,000.TZS.

Farm size: 15 acres. Wami-Dakawa – Morogoro.

8.0.2: ASSETS

| S. | COST OBJECT DETAILS | AMOUNT IN T.SHS |
|-----------|--|------------------------|
| 1. | Water Pump, Kama, Horse Power 9, 4 inches. Diesel user, China. With its Delivery and Suction pipes. | 1,560,000.00 |

| | | |
|--------------------------|---|----------------------|
| 2. | Solar Power Installation, Power production of: 1.0 kva or 1,000 watts per day. | 2,330,000.00 |
| 3. | Farms Infrastructure, for the 15 acres. Water infrastructure, farm borders, portions, irrigation pipes etc. | 1,500,000.00 |
| 4. | Canvas for drying paddy, 10 pieces for all 15 acres | 250,000.00 |
| 5. | Rice Collection Point (store house), with one office inside it. | 6,500,000.00 |
| 6. | Chemicals Sprayer, Napsack, Made in Kenya. Needed 5 pcs. Carries 20 LTS in its container. | 360,000.00 |
| 7. | Safety equipments- 5 masks, 5 pairs gloves, 5 sun goggles, 5 overalls. | 522,500.00 |
| FIXED ASSETS COST | | 13,022,500.00 |

Total of Land + Fixed assets = (16,500,000 + 13,022,500) 0.

=29,522,500. TZS

8.1: PROFESSIONAL STAFFING SALARIES COST STRUCTURE – FOR ONE YEAR (B)

- **Agricultural Field Officer = 1**
- **Irrigation Technician = 1**
- **Watchman = 1**

| S. | PAY TO | Pay per MONTH | ONE YEAR |
|--------------|-----------------------|----------------------|---------------------|
| 1. | Agricultural Officer | 300,000.00 | 3,600,000.00 |
| 2. | Irrigation Technician | 200,000.00 | 2,400,000.00 |
| 3. | Watchman | 080,000.00 | 960,000.00 |
| TOTAL | | 580,000.00 | 6,960,000.00 |

8.2: PRODUCTION COSTS FOR ONE YEAR (C) - FOR (15 ACRES).

8.2. (a): MATERIALS COST FOR (1 YEAR PRODUCTION)

| S. | MATERIALS | UNIT | UNIT COST | ONE ACRE COST – ONE SEASON | 15 ACRES COST- ONE SEASON | 15 ACRES FOR 2 SEASONS (1 YEAR). |
|----|---|-------------|-----------|---|-------------------------------------|----------------------------------|
| 1 | Seeds, Super and Komboka | Kg | 2,000/= | 12kgs x 2,000 | 24,000 x 15 = 360,000. | 360,000 x2 = 720,000/= |
| 2. | Fertilizer DAP | Bag of 50kg | 70,000/= | 1 x 70,000 | 70,000x15 = 1,050,000. | 1,050,000 x 2= 2,100,000/= |
| 3. | Fertilizer UREA | Bag of 50kg | 60,000/= | 1 x 60,000 | 60,000x15 = 900,000. | 900,000 x 2= 1,800,000/= |
| 4. | Gunny bags for paddy, each bag carries 75kg | Bag | 1,000/= | 25 bags x 1,000 (one acre yields 25 bags of paddy) | 25,000x15 = 375,000. | 375,000 x 2= 750,000/= |
| 5. | Plastic bags for rice, carries 50kg each. | Bag | 800/= | 25 bags x 800 | 20,000 x 15 = 300,000. | 300,000 x 2 = 600,000/=. |
| 6. | Chemicals- Herbicides named Round up. | Litre | 25,000/= | 1 x 25,000/= | 25,000 x 15 = 375,000. | 375,000 x 2= 750,000/= |
| 7. | Diesel for water pump. One day takes 2 litres to irrigate an Acre farm size. In a week - 3 days are needed. In a month – 4 weeks. Complete Single season=3 months to irrigate the farm. | Litre | 1,700/= | 3 months of Irrigating the paddy: 1 day = 2LTS, Week = 2LTS x3days, 4 weeks = 2x3x4 (one month), One season = (2Lts x 3days x 4weeks) x 3 months. = 72 LTS. 2 x 1,700 = 122,400/= | 122,400 x 15 = 1,836,000. | 1,836,000 x 2 = 3,672,000/=. |

| | | | |
|--------------|--|--|--------------------|
| TOTAL | | | 10,392,000. |
|--------------|--|--|--------------------|

8.2. (b): WAGES/ ACTIVITIES COSTING (CASUAL LABOUR PAY).

There will be about 5 casual workers on the farm who will be rotated on a daily basis during the farming season and will be paid allowances per size of the area worked throughout all stages of rice processing from the seed preparation stage to the end stage of harvesting, paddy drying, and finally packaging into the gunny bags of 75kgs each. Each farm of one acre size is estimated to produce between 25 and 30 bags of paddy for one season. That is 50 to 60 bags in a year (two seasons). This section calculates the payments to be made to the casual workers (farming team of the 5 locals).

| S. | FARM ACTIVITY | UNIT | UNIT COST | ONE ACRE COST - ONE SEASON | 15 ACRES COST- ONE SEASON | 15 ACRES FOR 2 SEASONS (1 YEAR). |
|----|--|------|-------------------------------|-------------------------------------|--|----------------------------------|
| 1 | Seeds bed preparation | Acre | 8,000/= per bed. 1 person | 6 beds x 8,000 = | 48,000 x 15 = 720,000 | 720,000 x 2 = 1,440,000/= |
| 2. | Tractor Rental: Ploughing | Acre | 70,000/= per bed, per person | 1 x 70,000 = | 70,000x15 = 1,050,000 | 1,050,000 x 2 = 2,100,000/= |
| 3. | Tractor Rental: Hurrowing | Acre | 40,000/= per acre, per person | 1 x 40,000 = | 40,000x15 = 600,000 | 600,000 x 2 = 1,200,000/= |
| 4. | Land leveling by a Bulldozer, Rental. | Acre | 50,000 per acre, 1 person | 1 x 50,000 = | 50,000 x 15 = 750,000 | 750,000 x 2 = 1,500,000/= |
| 5. | Transplanting | Acre | 60,000 per acre, 1 person | 1 x 60,000 = | 60,000 x 15 = 900,000 | 900,000 x2 = 1,800,000/=. |
| 6. | Gap filling | Acre | 40,000 per acre, 1 person | 1 x 40,000 = | 40,000 x 15 = 600,000 | 600,000 x 2 = 1,200,000/= |
| 7. | Weeding | Acre | 50,000 per acre, 1 person | 1 x 50,000 = | 50,000 x 15 = 750,000 | 750,000 x 2 = 1,500,000/= |
| 8. | Bird scaring | Acre | 70, 000 per 30 days, 1 person | 70,000 x 1, plus 100,000 for meals. | (70,000 x 15) + 100,000 = 1,150,000 | 1,150,000 x2 = 2,300,000/= |
| 9. | Harvesting using a Combined Harvester, rental. | Acre | 120,000 per acre, 1 person | 1 x 120,000 = | 120,000 x 15 = 1,800,000 | 1,800,000 x 2 = 3,600,000/= |
| 10 | Drying & Packaging Paddy into Gunny bags | Acre | 120,000 per acre, per person | 1 x 120,000 = | 120,000 x 15 = | 1,800,000 x 2 = |

| | | | | | | |
|--|--------------------|--|--|--|--------------------|----------------------|
| | 75kgs weight each. | | | | = | |
| | | | | | 1,800,000/= | 3,600,000/= |
| TOTAL ACTIVITIES/WAGES OF PADDY | | | | | | 20,240,000.00 |

HENCE: Total Production Cost for One year for all 15 acres farms, given by Section 8.2 (a) + 8.2 (b) = 10,392,000 + 20,240,000.

Materials + Wages (Activities) = **30,632,000 T.SHS.**

ADD: One Year Professionals Salaries.

= 30,632,000 + 6,960,000.

GRAND TOTAL = **37,592,000TZS.** (This is a production cost for two seasons of paddy production).

PART 9: BUSINESS COST SUMMARY.

9.0: INVESTMENT COSTS = One Time Fixed Costs for land purchase and fixed assets

Total of Land + Fixed assets = (16,500,000 + 13,022,500)
= **29,522,500. TZS**

Grand Total for Production Costs for one year production (2 crops) supplies and wages

One Year Total of Production Costs + Wages = (10,392,000 + 20,240,000 + 6,960,000)
= **37,592,000. TZS**

Total Investment 2016-2017 = 67,114,500 TZS.

PART 10: PRICE, SALES AND PROFIT ANALYSIS

10.0: PRODUCT PRICE BREAKDOWN

The table below shows the whole sales price of paddy at TuKAoNe collection centre.

| PRODUCT | PRICE (TSH.) PER SACK OF 75 KGS |
|----------------|--|
| Paddy | 65,000 to 85,000 |

10.1: SALES for TWO SEASONS (ONE YEAR).

One sack of Paddy = 65,000/= (whole selling).

SALES = 25 bags x 65,000shs x 15 x 2
= **48,750,000 TZS** (For two seasons, for 15 acres).

10.2: ESTIMATED ANNUAL PROFITS (farm size 15 acres).

Profits = Sales (1 year sales) – Production costs (materials, wages, salaries).
= 48,750,000 – 37,592,000
= **11,158,000.TZS**√

REMARKS: This Business pays, as we will be able to cover all production costs, and still retain a profit. The profit may increase with a reduction in producing costs, increased output per acre (one acre may produce 25 bags of paddy to 30 bags). Also, the price base is estimated at the lowest one of 65,000/=, but depending on the season, the price of the paddy tends to increase a few months after the harvesting period. As well during the rainy seasons, the paddy price gets very high, as very little paddy is supplied then.

PART 11: PROJECT BENEFITIS.

11: BENEFITS.

This Agricultural project will have many benefits both socially and economically as explained below. Just to mention a few:

- Employment to the Locals
- Profits will be created, that will be invested to help grow the company, to help establish children schools, and improving lives of the Locals by providing them with farming and other micro-business loans
- By applying better agricultural seeds, consumer`s health will be improved.

TuKAoNe Projects Limited First Year Financing:

| S. | COST CENTRE DETAILS | COST IN T.SHS/USD | FINANCING | | |
|----|--|--------------------------|--------------------------------|---|--|
| | | | TuKAoNe COMPANY CASH PAY | Walk Around the World LLC (WATW): 49% | Tanzanian Local Shareholders: 51% |
| 1. | Land, 15 acres at Wami, Mvomero | 16,500,000/ \$7590USD | 16,500,000 (approx. \$7590) | 8,085,000/ \$3719.10 | 8,415,000 \$3870.90 WATW loan of \$3870.90US to cover Locals 51% share – to be repaid to WATW from % of profits |
| 2. | Company registration and legal paper work TIN number, Mem. of Assoc., Articles of Assoc., and Registration Certificate from Brella (registering body in Tanzania). | 2,361,775/ \$1,086.42 | 2,361,775/ \$1,086.42 | 1,157,269.75/ \$532.34 | 1,204,505.25/ \$554.07 Tanzanian Locals 800,000/\$368 Remaining: 404,505.25/ \$186.07 WATW loan of \$186.07US – to be repaid to WATW from % of profits |
| 3. | Fixed assets Infrastructure, Canvas, Solar power, water pump, pipes, Safety and Chemical equipment, Storage Building/office | 13,022,500/ \$5990.35 | 13,022,500/ \$5990.35 | WATW will seek financing of \$6,000 for Fixed Asset infrastructure | |

