



**SPRODETA AGRIBUSINESS LIMITED
BUSINESS AND INVESTMENT PLAN**

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EXECUTIVE SUMMARY

SPRODETA Agribusiness Limited was established in 2021 by the Small Producers Development and Transporters Association (SPRODETA), an NGO focused on improving the livelihoods of marginalized rural households in Malawi. The company aims to become a leading agribusiness in Malawi, empowering smallholder farmers and fostering sustainable economic development. Its key project is the construction of an Agribusiness Centre in Enc'ongoleni, which will serve as a processing and distribution hub for the company's products and feature warehouses for grain storage.

The company's strategic plan revolves around three main objectives: enhancing production capacity, strengthening market presence, and improving supply chain efficiency. Key success factors include the full operationalization of the Agribusiness Centre, the establishment of a mega farm, and ensuring sustainable production by local farmers. To achieve these goals, SPRODETA Agribusiness Limited seeks \$2.9 million in funding over the next five years, with specific amounts required in 2025 and 2026 for expansion and operational needs.

The financial outlook is promising, with a projected Internal Rate of Return (IRR) of 76% and a Net Present Value (NPV) of \$203,073. Although there will be an initial net cash outflow in 2025, the company is expected to become cash positive by 2026, demonstrating strong operational efficiency. The company is governed by an independent Board of Directors and led by an interim Executive Director from the NGO, with a staff complement led by four top officials.

In 2025, SPRODETA Agribusiness Limited plans to secure investment partners, identify a mega farm, and complete the construction of the Agribusiness Centre. The company's expansion strategy includes capital acquisition and broadening its market reach. Investing in SPRODETA Agribusiness Limited offers not only attractive financial returns from advancing crop and livestock value chains, but also contributes to the economic well-being of communities in Mzimba and Rumphi districts, and the country at large.

1. BUSINESS DESCRIPTION

1.1 Mission Statement

To enhance food security and livelihoods in rural communities through innovative agribusiness practices, reliable market access, and value addition.

1.2 Values and Vision

To be a leading agribusiness company in Malawi, empowering smallholder farmers and contributing to sustainable economic development.

1.3 Core Values

- ✓ Integrity - Conduct all operations with honesty and transparency.
- ✓ Sustainability - Promote environmentally friendly and socially responsible practices.
- ✓ Innovation - Continuously seek new and better ways to improve our processes and products.
- ✓ Empowerment - Foster the development and success of smallholder farmers.
- ✓ Quality - Commit to providing high-quality products and services.

1.3 Industry Overview

In Malawi, Small and Medium Enterprises (SMEs) are a backbone of the economy, contributing significantly to GDP and employment. Their growth fosters a supportive environment for SPRODETA Agribusiness Limited, enhancing local economic activity and market opportunities. SMEs in Malawi often drive innovation and adapt quickly to market changes. SPRODETA can leverage this dynamic to implement innovative agricultural practices and technologies that improve productivity and efficiency.

Collaborating with other SMEs can strengthen SPRODETA's supply chain. By sourcing inputs and services from other local SMEs, the company can ensure a steady supply of raw materials and support the local economy.

SMEs contribute to market diversification and development. SPRODETA can tap into these evolving markets to expand its reach and customer base, aligning its product offerings with local demand.

The agricultural sector in Malawi faces climate-related risks, including droughts and floods. SPRODETA must incorporate climate-resilient strategies, such as sustainable farming practices and resilient crop varieties/livestock breeds, into its strategic plan to mitigate these risks.

Financial support and credit availability for the agricultural sector are critical. SPRODETA can benefit from financial schemes aimed at agribusinesses, enabling it to invest in expansion and modernization.

Understanding local and regional market trends in agricultural products, such as poultry, goat meat, soybeans, and maize, allows SPRODETA to tailor its production and marketing strategies to meet consumer demands effectively.

The agricultural sector's labor dynamics, including the availability of skilled labor, affect SPRODETA's operations. Investing in training and capacity-building programs can enhance workforce productivity and operational efficiency.

Lastly, efficient logistics and transportation systems are crucial for moving products from rural production areas to markets. Infrastructure improvements can reduce costs and enhance market competitiveness.

1.4 Company Description

SPRODETA Agribusiness Limited was conceptualized by the Small Producers Development and Transporters Association (SPRODETA), a local Non-Governmental Organization (NGO) dedicated to livelihood initiatives targeting marginalized rural households in Malawi. Established in 2009 and registered in 2012 under the Trustee Incorporation Act (CAP. 5.03), SPRODETA is a member of the NGO Board, the Farmers Union of Malawi (FUM), the Council for Non-Governmental Organizations in Malawi (CONGOMA), and various district NGO forums where it operates.

SPRODETA Agribusiness Limited aims to improve food systems among smallholder farmers in rural communities through enhanced production, reliable markets, and value addition of farm produce. This ambitious mission is heavily supported by SPRODETA, the NGO, which has been instrumental in establishing and nurturing the company.

SPRODETA Agribusiness Limited is into the business of purchasing farm produce, both livestock and crop from farmer cooperatives, currently around Mzimba and Rumphi districts for value addition and sale on the market. Currently the company focuses on poultry, goats, maize products, soybeans, beans, rice and groundnuts among other. SPRODETA Agribusiness Limited business model ensures that all the stakeholders along the value chains reap optimal benefits.

Not only would investors and lenders be achieving profitability by investing in SPRODETA Agribusiness Limited, but also contribute to improving the livelihood of households around SPRODETA impact areas.

1.5 History and Current Status

SPRODETA Agribusiness Limited was established in 2021 to support the course of SPRODETA NGO, particularly providing a market for the value chains advanced by

households that benefit from the interventions of SPRODETA. Currently SPRODETA has Mzimba and Rumphu as the main catchment areas for agribusiness.

SPRODETA Agribusiness Limited is in the process of finalizing construction of an Agribusiness Centre at Enc'ongoleni, 26 km north of Mzuzu city. The center will serve as a processing and distribution center for the company's products. The premises also has warehouses that will be used for stocking grains in preparation for supply to offtake market destinations

The company plans to fully operationalize the center by investing in processing facilities for livestock and crop products, thereby maximizing the value of the commodities the company focuses on.

1.6 Critical Success Factors

SPRODETA Agribusiness Limited's Strategic Plan is anchored on three strategic objectives that ultimately aim to deliver sustainable growth and resilience in a challenging economic environment. The strategic objectives are as follows:

1. Enhance Production Capacity
2. Strengthen Market Presence
3. Improve Supply Chain Efficiency

Key success factors for the implementation of the strategy are:

1. Full operationalization of the agribusiness center;
2. Establishment of a mega farm; and
3. Sustainable production of raw materials by the local farmers.

1.7 Company Ownership

SPRODETA Agribusiness Limited is a brainchild of and wholly owned by SPRODETA NGO.

2. PRODUCTS OFFERING

2.1 Products Description

SPRODETA Agribusiness Limited offers products in the following crop and livestock value chains:

1. Poultry
2. Goat
3. Soybeans
4. Maize
5. Beans
6. Groundnuts

The products are produced by farmers across the country in impact areas of SPRODETA NGO and are primarily sold from the Agribusiness Centre at Enc'ongoleni, Mzuzu.

Figure: SPRODETA Agribusiness Limited Product Offering



2.2 Unique Features

The products, both livestock and crop are processed and packaged in a high-quality manner. The products are certified by relevant regulatory authorities in the country including the Malawi Bureau of Standards to safeguard consumer safety. In addition, our products are competitively priced to enable all households afford them.

2.3 Production

The primary producers of our commodities are the local farmers within their cooperative settings. SPRODETA Agribusiness Limited, in collaboration with SPRODETA NGO and Government agricultural field extension workers.

After off take, the commodities are processed at the Agribusiness center that finally packages them and for distribution in various chain stores including the company's shop at the NGO.

2.4 New and Follow-on Products

With the implementation of the project, we are poised to expand our product offering along the same value chains.

3. THE MARKET

3.1 Industry Analysis

Approximately 80% of the workforce is employed in Malawi's agribusiness industry, which also makes a substantial GDP contribution. The primary regions where demand and growth potential are highest are reflected in the focus on poultry, goats, rice, soybeans, and maize. This analysis looks at the demand trends, important competitors in various value chains, and the state of the market now.

3.1.1 Poultry and Goats

A growing need for reasonably priced sources of protein has led to a continuous growth in Malawi's poultry industry. It is anticipated that within the next five years, the yearly consumption of chicken meat will increase by 5%. Major players include Muli Brothers Limited, Central Poultry, and Demeter Agriculture Limited, which rule thanks to their integrated feed production, processing, and distribution activities. Though smaller in scope, the goat business is expanding, nonetheless. A lot of Malawians, especially those living in rural areas, rely heavily on goats for their meat and milk. There is limited competition in this sector. Goats are among the diverse livestock that larger organizations like Maldeco Fisheries are starting to invest in, nevertheless.

3.1.2 Rice

With an estimated yearly consumption rate of 110,000 metric tons, rice is fast becoming a staple food in Malawi. Urbanization and shifting eating habits are the main causes of the demand for rice. NASFAM and Peacock Investments are significant rivals in the rice business, renowned for their superior rice brands and wide-ranging distribution systems. These businesses present a formidable obstacle for new competitors because of their well-established connections with retailers and reliable product quality.

3.1.3. Soybeans

Malawi's high-potential crop, soybeans are utilized as a major component of animal feed and as for humans' consumption. Because of the increasing demand from both domestic markets and export potential, soybean production is predicted to rise by 7% annually. Large competitors with substantial supply chains and processing capacities include CP Feeds, Exagris Africa, and Farmers World. Together, they hold a substantial portion of the market. In addition, these corporations make significant investments in farmer assistance and education to guarantee a consistent supply of high-quality soybeans.

3.1.4. Maize

In Malawi, maize is the most significant staple food, with an estimated annual consumption per person of 150 kg. Approximately 3.5 million metric tons are produced in the country each year, but this is frequently insufficient to meet domestic demand, necessitating sporadic imports. Rab Processors, Grain Traders and Processors Association of Malawi (GTPA), and ADMARC are some of the major competitors in the maize market. These companies hold a leading position in the market because they have developed networks for distribution, processing, and procurement. Because of its strong government support and wide-ranging influence throughout rural areas, ADMARC has a major impact.

3.2 Market Analysis

Rice, maize, and soybean value chains hold a prominent role in agricultural production and trade globally. A growing demand for animal feed and biofuels is expected to drive the global soybean market, which reach 370 million metric tons in 2023. Primary producers of soybean include the United States, Brazil, and Argentina. The market is projected to grow at a Compound Annual Growth Rate (CAGR) of 4.1%. Collectively, Brazil, China, and the USA produce a total of 1.2 billion metric tons of maize annually. Because it is widely used in food items, animal feed, and biofuels, the crop grows at a pace of 3.5% annually. 500 million metric tons of rice are produced annually, with a 2.7% CAGR, mostly because it is a staple meal for larger population globally.

The goat and poultry value chains are essential to the meat sector globally. Growing at a CAGR of 2.9%, the production of goat meat, led by China, India, and Nigeria, is currently at 5 million metric tons per year. This is a result of expanding demand in Asia and Africa. Because of its affordability and health advantages, poultry production is even more significant. Having an output of around 130 million metric tons, it is dominated by the United States, China, and Brazil. Its CAGR is 3.8%. Goat meat exports are valued at \$2 billion globally, while chicken exports are valued at \$25 billion. These figures demonstrate the growing need for these protein sources globally.

3.3 Competitor Analysis

The following take covers the core competitive analysis for SPRODETA Agribusiness Limited:

Figure: SPRODETA Agribusiness Limited Competitive Analysis

	Company	Strengths	Weakness
1	National Smallholder Farmer's Association of Malawi (NASFAM)	<ul style="list-style-type: none"> NASFAM has a well-established network of smallholder farmers across Malawi. NASFAM represent over 200,000 smallholder farmers. NASFAM has well established infrastructures, Including warehouses and factories (e.g. NASCOMEX, in Kanengo) all over Malawi. The company has well established markets in Malawi and regional markets (Brand recognition). 	<ul style="list-style-type: none"> Dependency on donor funding and government support for operational sustainability for instance the USAID.

	Company	Strengths	Weakness
2.	ADMARC Limited	<ul style="list-style-type: none"> • ADMARC, being a state-owned enterprise, enjoys significant government backing, especially in funding and access to resources, allowing it to dominate rural market access. • With a vast network of depots across Malawi, ADMARC has deep penetration into rural areas, allowing it to reach smallholder farmers who rely on it for market access. 	<ul style="list-style-type: none"> • Despite its large presence, ADMARC has been slow in adopting new technologies and modern practices in agro-processing and trading. • ADMARC is vulnerable to policy changes.
3.	ETG	<ul style="list-style-type: none"> • ETG is one of Africa's largest commodity traders, with a well-established global trading network for commodities like maize, legumes, pulses etc. 	<ul style="list-style-type: none"> • ETG's operations are capital-intensive, requiring significant investment in logistics, warehousing, and technology, which makes it vulnerable to economic downturns.
4.	Sunseed Oil Limited	<ul style="list-style-type: none"> • The company controls the entire value chain from sourcing raw materials (soybeans and sunflower) to processing and distribution, leading to cost efficiencies. 	<ul style="list-style-type: none"> • When local production of oilseeds is low, Sunseed must import raw materials, exposing it to global price fluctuations and supply chain challenges.
5	Rab Processors	<ul style="list-style-type: none"> • Rab Processors is involved in a wide array of agricultural products, including maize, rice, legumes, and animal feed. • The company has a well-established distribution network in Malawi and exports to neighboring countries, giving it access to both local and regional markets. 	<ul style="list-style-type: none"> • Rab Processors' operations, particularly in logistics and warehousing, are capital-intensive, making it vulnerable to economic high operating cost. • Like many other agro-processors, Rab relies heavily on smallholder farmers whose production is susceptible to adverse weather conditions, affecting supply.

4. MARKETING & SALES

4.1 Introduction

SPRODATA market and sales strategy is centered on leveraging our unique model of providing high-quality agricultural inputs to smallholder farmers and purchasing their produce for retail and wholesale distribution. This strategy aims to create a sustainable supply chain, build strong brand recognition, and penetrate key market segments in Malawi.

Our primary market segments include urban consumers, retailers, and wholesalers. Urban consumers in cities like Mzuzu, Lilongwe, and Blantyre are increasingly seeking high-quality, nutritious food products. Retailers such as Shoprite and other local supermarkets represent a significant market for our processed products.

Additionally, wholesalers and bulk buyers provide an opportunity to distribute our products widely across the country. By targeting these segments, we aim to ensure broad market coverage and consistent demand for our products.

4.2 Targeting Strategy

Urban Consumers in Mzuzu, Lilongwe, and Blantyre are increasingly showing a preference for more nutritionally based food products. Our targeting strategy shall be anchored by the following fundamentals:

1. **Mzuzu City** forms a significant target market for our products. We will also leverage on our partnership with major supermarkets and hotels in Malawi.
2. We will use many distribution channels to reach our markets efficiently. The Agribusiness Centre in Mzuzu City will be designated as principal sales hub where customers can directly reach.
3. We will arrange connections with different wholesalers to market our products in diverse locations.

4.3 Positioning Strategy

- ✓ Quality and competitive pricing are the fundamental features of our positioning strategy. The idea to reach out to both low income and high-income consumers.
- ✓ Our products are packaged in a way that even low-income consumers can afford.

4.4 Pricing Strategy

- ✓ We will use a cost-plus pricing strategy. This ensures that prices are set by calculating the production or acquisition costs of goods and adding a standard markup. This ensures profitability while keeping prices competitive.
- ✓ Regularly monitoring competitors' pricing in both local and export markets will ensure that we remain competitively priced. We will use competitor analysis to adjust prices up or down as market conditions change will allow the business to stay ahead.
- ✓ Additionally, promotional pricing—such as discounts for early adopters or loyalty programs for repeat customers—will be applied to boost sales and ensure sustained customer engagement.

4.5 Distribution Channels

- ✓ The Agribusiness center shall be the primary sales point where our products can be accessed by our customers.
- ✓ SPRODETA Agribusiness Limited shall also directly distribute to clients based on orders, a model that is already being applied.

4.6 Promotion and Advertising Strategy

SPRODETA Agribusiness Limited will apply the following promotion and advertising strategies:

- ✓ **Leverage Local Partnerships and Networks-** SPRODETA will maximize visibility by partnering with key agricultural stakeholders, including local farmer cooperatives,

agricultural extension officers, and NGOs focused on rural development. Through these partnerships, SPRODETA will tap into existing networks for product demonstrations, co-hosting agricultural fairs, and organizing community outreach programs.

- ✓ **Product Demonstrations and Field Days-** Organizing product demonstrations, particularly during field days or farmer group meetings, will allow potential customers to see SPRODETA's products and services in action. These events provide an opportunity to showcase the effectiveness of farm inputs, equipment, or advisory services.
- ✓ **Digital and Social Media Campaigns-**In today's connected world, SPRODETA must maintain an active presence on digital platforms such as Facebook, WhatsApp, and Instagram, where both smallholder and commercial farmers increasingly engage. Short videos demonstrating success stories, testimonials from satisfied customers, and product use guides can be shared regularly.

4.7 Sales Forecasts

Figure: Sales Forecasts

SPRODETA Agribusiness Limited Cashflow Forecast (US\$)					
	2025	2026	2027	2028	2029
Sales forecasts	US\$	US\$	US\$	US\$	US\$
Poultry sales revenues	30,840	35,465	40,785	46,903	53,939
Goat sales revenues	39,977	45,974	52,870	60,800	69,920
Soybeans sales revenues	63,963	73,558	84,592	97,280	111,872
Beans sales revenues	114,220	131,354	151,057	173,715	199,772
Maize sales revenues	91,376	105,083	120,845	138,972	159,818
Rice sales revenues	108,509	124,786	143,504	165,029	189,784

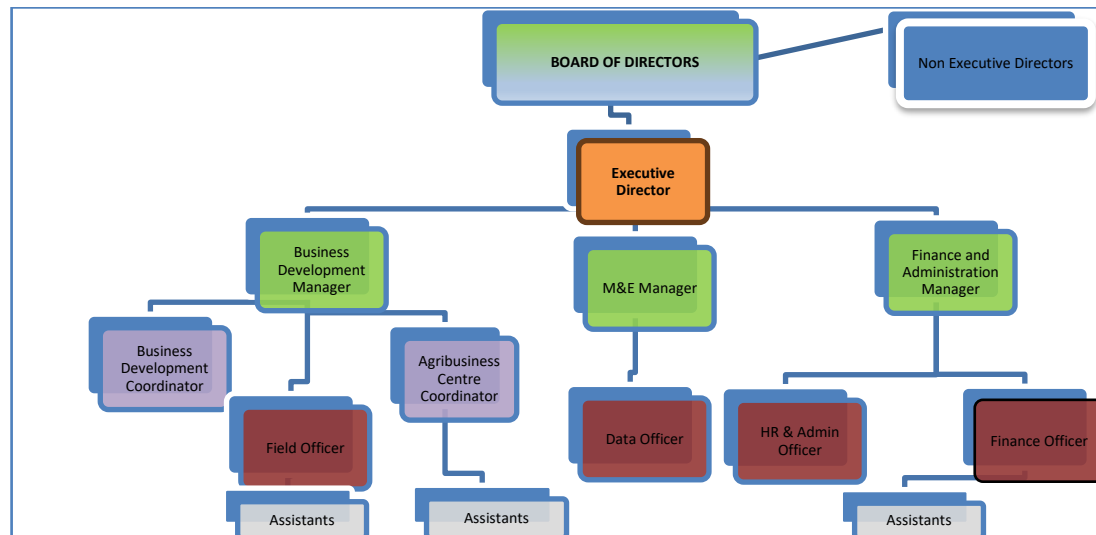
SPRODETA Agribusiness Limited forecasts to register increasing trajectory in sales for all the value chains. The increases are due to sustainable demand available for the company's commodity and aggressive sales promotion practices employed.

5. MANAGEMENT

5.1 Company Organization

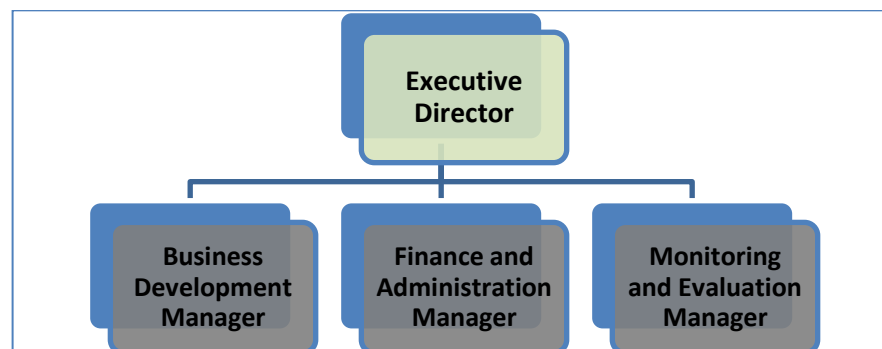
Implementation of SPRODETA Strategy will be anchored by the organigram below that will be reviewed as need arise. Each team member will have clear terms of reference.

Figure: Company organogram



5.2 Management Team

Figure: Management Team



Led by the Executive Director, the staff compliments for SPRODETA Agribusiness Limited constitute 4 top officials. The Office of the Executive Director is currently manned by the Executive Director for the NGO as an interim arrangement.

5.3 Ownership

SPRODETA Agribusiness Limited was established and wholly owned by SPRODETA NGO.

5.4 Board of Directors

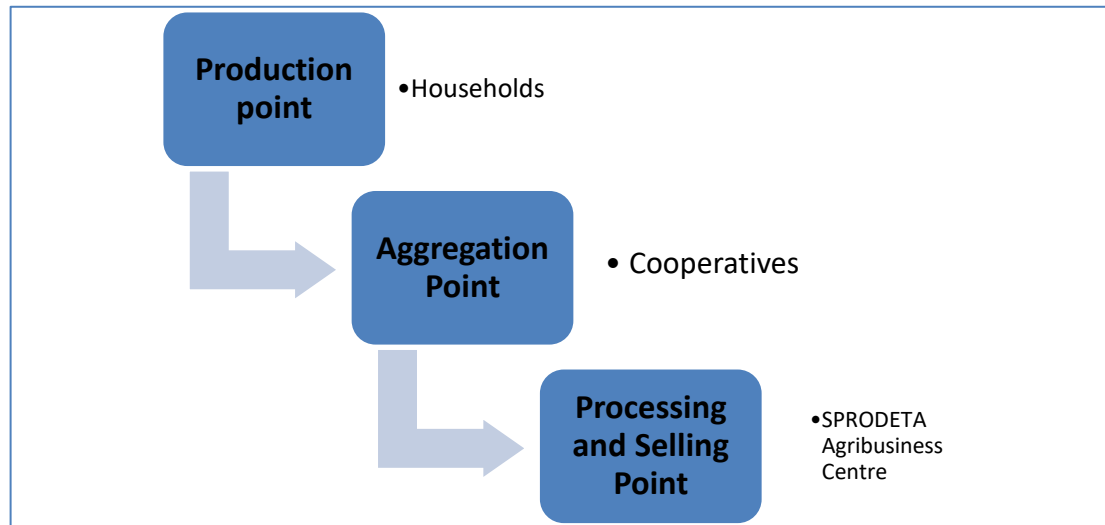
Figure: SPRODETA Agribusiness Limited Board of Directors

Name	Role
Thom Hering	Director
Roy Hering	Director
Allen Kumwenda	Director
Fletcher Mkandawire	Director
Ms. Mwawi Mazunda	Director
Feya Kumwenda	Director

6. OPERATIONS

6.1 Operations Strategy

SPRODETA Agribusiness Supply Chain System



6.2 Scope of Operations

SPRODETA Agribusiness Limited processing and sales center is located in Enc'ongoleni, 26 kilometers north of Mzuzu city. As part of business feasibility, there is need for a well-thought through logistics and supply chain system from farm to shop.

The existing practice has been to work with the cooperatives who provides an alert through the SPRODETA Agribusiness Limited field officers whenever enough heads of chickens have been mobilized. The NGO liaises with the SPRODETA Agribusiness Limited to arrange purchase and transportation to Mzuzu for onward distribution to the final consumers.

For a viable business undertaking, SPRODETA Agribusiness Limited will require a reliable logistics system, be it the availability of transport vans, or availability of processing centers within field offices, depending on viability.

6.3 Location

Based on the ecosystem for SPRODETA Agribusiness Limited, the products will be produced in local communities by the households who are members of the cooperatives that work with SPRODETA NGO and are beneficiaries of the initiatives. At the moment, production sites are anchored in the NGO's catchment areas within Mzimba and Rumphi districts in Northern Malawi.

The farmers or households are provided with seed capital which they are expected to pass on to other beneficiaries once the products multiply. This model will increase the population of chickens, hereby providing a reliable source of raw material for SPRODETA Agribusiness Limited.

Processing is undertaken at SPRODETA Agribusiness Centre at Enc'ongoleni and apart from serving as a sales point, also serves as a distribution point to other off takes including hotels and restaurants, and chain stores in Mzuzu city.

6.4 Human Resource Planning

For effective implementation of the strategic plan, a Human Resource Management (HRM) Plan for SPRODETA Agribusiness Limited that aims to establish a structured approach to managing human resources efficiently and effectively will be developed.

The HRM plan shall clearly articulate the following aspects:

1. Workforce Planning-
2. Recruitment and Selection – highlighting strategy, selection process and onboarding.
3. Training and development
4. Performance management
5. Compensation and Benefits
6. Employee relations

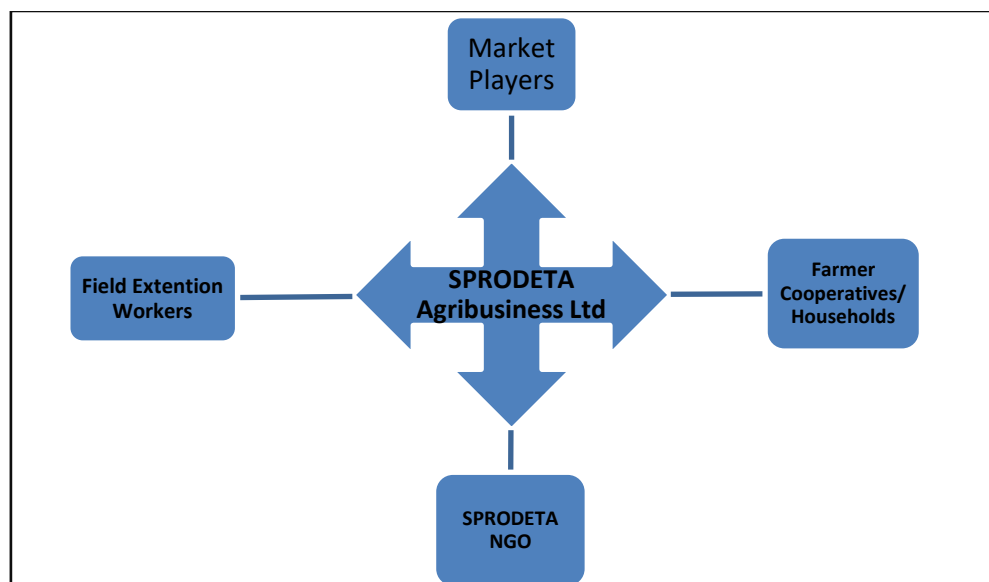
The HRM Plan for SPRODETA shall be designed to support the strategic objectives by effectively managing our human resources.

6.5 Legal Environment

SPRODETA Agribusiness Limited is fully registered and has all the required permits to carry out our commodity processing and trading both livestock and crop. The company is working with the Malawi Bureau of Standards for certification of its products.

6.6 Stakeholder Mapping

Figure: SPRODETA Agribusiness Limited Stakeholder Mapping



As per its current operational model, the company's feedstock comes from the beneficiaries of SPRODETA NGO, the households. This is a very important component of the business. The cooperatives mobilize the commodities and invite SPRODETA Agribusiness Limited to off-take. Considering the importance of feedstock, cooperatives need to be adequately supported so that they can produce not only sufficient commodities, but also at optimal cost to deliver competitive returns for the company.

In this regard, it is recommended that the company embeds deliberate initiatives to support the development of the cooperatives, be it through the NGO or the Agribusiness arm so that the members are business minded as well.

The stakeholder relations also point to the need for a robust arrangement for the field office so that it can aggregate meaningful quantities for the business sense of the company. The strengthening of the field office could cover, logistics, storage and staff complements.

The market players constitute the chain stores, hotels and the general public who purchase SPRODETA Agribusiness Limited commodities for final consumption. The company is also supported by Government Field Extension workers particularly when it comes to providing support to the producers of various value chains.

7. FINANCIALS

7.1 Required Financial Resources

SPRODETA Agribusiness Limited Financing Requirements						
Item	Cost (USD)					Total (USD)
	2025	2026	2027	2028	2029	
1. Mega Farm	262,707	348,372				611,079
2. Agribusiness Centre	85,665	229,812	172,701			488,178
3. Transport	88,521	88,521				177,042
Total Capex	436,893	666,705	172,701			1,276,299
1. Staff Costs	149,366	171,771	197,536	227,167	171,771	917,609
2. Other Office Expenses	77,215	88,798	102,117	117,435	135,050	520,615
3. Monitoring and Business Devt Activities	29,012	33,364	38,368	44,124	50,742	195,610
Total Opex	255,593	293,932	338,022	388,725	357,563	1,633,834
Total Financing Requirement	692,486	960,637	510,723	388,725	357,563	2,910,133

SPRODETA Agribusiness Limited Financing Plan						
Financing Plan	Amount (US\$)					Total (US\$)
	2025	2026	2027	2028	2029	
Loan	436,893	666,705	172,701			1,276,299
Proportion	63%	69%	34%			44%
Equity /Grants	255,593	293,932	338,022	388,725	357,563	1,633,834
Proportion	37%	31%	66%	100%	100%	56%
Total	692,486	960,637	510,723	388,725	357,563	2,910,133

SPRODETA Agribusiness Limited requires US\$2.9 million over the next five years of this US\$ 692,486 is required in 2025 and US\$ 960,637 in 2026. 66 percent of the request shall be debt and the remaining in the form of grants or equity.

7.2 Income Statement

Figure: Projected Income Statement

SPRODETA Agribusiness Limited Projected Income Statement					
	2025	2026	2027	2028	2029
	US\$	US\$	US\$	US\$	US\$
REVENUE					
Sales	471,159	541,833	623,108	716,574	824,061
TOTAL REVENUE	471,159	541,833	623,108	716,574	824,061
Cost of sales	286,065	328,975	378,321	435,069	500,330
GROSS PROFIT	185,094	212,858	244,787	281,505	323,731
OTHER INCOME					
Grant/Equity	255,593	293,932	338,022	388,725	357,563
OPERATING PROFIT (PBIT)	440,687	506,790	582,809	670,230	681,294
Overheads					
Staff costs	149,366	171,771	197,536	227,167	171,771
Other office expenses	77,215	88,798	102,117	117,435	135,050
Monitoring and business devt	29,012	33,364	38,368	44,124	50,742
Interest	87,379	203,244	186,973	124,649	62,324
Total Administration Expenses	342,972	497,176	524,995	513,374	419,887
PROFIT BEFORE TAX	97,716	9,615	57,814	156,856	261,407
Taxation	29,315	2,884	17,344	47,057	78,422
PROFIT AFTER TAXATION	68,401	6,730	40,470	109,799	182,985

The projected income statement for SPRODETA Agribusiness Limited shows steady growth from 2025 to 2029, with revenues rising from \$471,159 to \$824,061. This increase in sales is accompanied by a corresponding growth in gross profit, which improves from \$185,094 in 2025 to \$323,731 by 2029. The company's reliance on external grants or equity reduces over time, as other income from these sources peak in the mid-years and declines by 2029. This suggests a strategic move toward financial self-sufficiency.

Operating profits (PBIT) consistently rise, driven by solid cost management despite increasing administrative expenses. Profit before tax grows significantly, and after taxation, net profits increase from \$68,401 in 2025 to \$182,985 by 2029. The company is on track to achieve sustained profitability, with a notable reduction in interest expenses over the years, signaling a decline in debt obligations and an improving financial position.

7.3 Balance Sheet

SPRODETA Agribusiness Limited Projected Balancesheet					
	2025	2026	2027	2028	2029
	US\$	US\$	US\$	US\$	US\$
Non current assets					
Property, plan and equipment	349,515	725,597	718,638	574,911	459,929
	349,515	725,597	718,638	574,911	459,929
Current assets					
Inventory	471,159	124,786	143,504	165,029	189,784
	471,159	124,786	143,504	165,029	189,784
TOTAL ASSETS	820,674	850,383	862,142	739,940	649,712
Equity and liabilities					
Equity	383,759	293,932	338,022	388,725	462,801
Retained earnings					
	383,759	293,932	338,022	388,725	462,801
Non current liabilities					
Loan	436,893	556,451	524,120	351,215	186,912
	436,893	556,451	524,120	351,215	186,912
Current liabilities					
Short term loan					
	-	-	-	-	-
TOTAL EQUITY AND LIAE	820,652	850,383	862,142	739,940	649,713

The projected balance sheet for SPRODETA Agribusiness Limited from 2025 to 2029 shows a period of growth and stabilization. Non-current assets, driven by investments in property, plant, and equipment, peak in 2026 but decline by 2029 due to depreciation. Current assets, mainly inventory, fluctuate, reflecting changes in operational activities. Total assets reach their highest in 2027 before declining as liabilities are reduced. Equity initially drops in 2026 but steadily increases through retained earnings, while non-current liabilities, primarily long-term loans, decrease significantly by 2029, indicating loan repayments. Overall, the company exhibits financial growth and improved equity by the end of the period.

7.4 Cash Flow

The cash flow forecast for SPRODETA Agribusiness Limited shows a steady increase in cash inflows from \$1.16 million in 2025 to \$1.18 million in 2029, totalling \$6.09 million over the five-year period. Sales revenues, which make up the bulk of inflows, rise consistently across all product categories, with the largest contributions coming from beans, soybeans, and rice. Equity and loans are significant sources of cash inflows, particularly in the first three years, helping to support early-stage capital requirements.

On the outflow side, the total cost of sales gradually increases, with the largest costs coming from maize, soybeans, and rice. Capital expenditure is front-loaded in the first two years, with a major decline by 2027. Overheads, primarily driven by staff and other office expenses, also increase, though they stabilize towards the latter years. Despite high outflows in the early years, net cash flow remains positive, with the strongest performance in 2029, generating \$261,407 in net cash flow. This indicates strong liquidity and financial health, positioning SPRODETA for sustainable growth.

Figure: SPRODETA Agribusiness Limited Cashflow

SPRODETA Agribusiness Limited Cashflow Forecast (US\$)						
	2025	2026	2027	2028	2029	Total
	US\$	US\$	US\$	US\$	US\$	US\$
CASH INFLOWS						
Poultry sales revenues	30,840	35,465	40,785	46,903	53,939	207,932
Goat sales revenues	39,977	45,974	52,870	60,800	69,920	269,541
Soybeans sales revenues	71,959	82,753	95,166	109,440	125,857	485,174
Beans sales revenues	128,498	147,773	169,939	195,429	224,744	866,383
Maize sales revenues	91,376	105,083	120,845	138,972	159,818	616,094
Rice sales revenues	108,509	124,786	143,504	165,029	189,784	731,612
Total sales income	471,159	541,833	623,108	716,574	824,061	3,176,736
Equity	255,593	293,932	338,022	388,725	357,563	1,633,834
Loan	436,893	666,705	172,701	-	-	1,276,299
Total Income	1,163,646	1,502,470	1,133,831	1,105,299	1,181,623	6,086,869
CASH OUTFLOWS						
Poultry sales cost	22,787	26,205	30,136	34,656	39,855	153,638
Goat sales cost	24,786	28,504	32,779	37,696	43,351	167,116
Soybeans sales cost	48,172	55,398	63,708	73,264	84,254	324,797
Beans sales cost	74,386	85,544	98,376	113,132	130,102	501,539
Maize sales cost	51,685	59,437	68,353	78,606	90,397	348,478
Rice sales cost	64,249	73,886	84,969	97,715	112,372	433,191
Total cost of sales	286,065	328,975	378,321	435,069	500,330	1,928,760
Capital Expenditure	436,893	666,705	172,701	-	-	1,276,299
Staff costs	149,366	171,771	197,536	227,167	171,771	917,609
Other Office Expenses	77,215	88,798	102,117	117,435	135,050	520,615
Monitoring and business devt	29,012	33,364	38,368	44,124	50,742	195,610
Total overheads	692,486	960,637	510,723	388,725	357,563	2,910,133
EBIDTA	185,094	212,858	244,787	281,505	323,731	1,247,976
Finance costs	87,379	203,244	186,973	124,649	62,324	664,569
Net Cashflow	97,716	9,615	57,814	156,856	261,407	583,407

7.5 Investment Analysis

Figure: Investment Analysis

SPRODETA Agribusiness Limited Investment Analysis					
	2025	2026	2027	2028	2029
CASH INFLOWS	US\$	US\$	US\$	US\$	US\$
Inflows	692,486	1,502,470	1,133,831	1,105,299	1,181,623
Outflows	978,551	1,289,612	889,044	823,794	857,892
Net Cashflow	-286,065	212,858	244,787	281,505	323,731
IRR (%)	76%				
NPV(\$)	203,073				

The investment analysis for SPRODETA Agribusiness Limited demonstrates a strong financial outlook, with a projected Internal Rate of Return (IRR) of 76% and a Net Present Value (NPV) of \$203,073. While there is an initial net cash outflow of \$236,065 in 2025 due to high outflows related to early investments and operational setup, the company turns cash positive by 2026.

Net cash inflows steadily increase, peaking at \$323,731 in 2029, signaling improved operational efficiency and profitability. This indicates that the business is expected to generate significant value over the five-year period, making it a viable and attractive investment opportunity. The high IRR further highlights the strong return potential relative to the capital invested, positioning SPRODETA for sustainable growth and profitability.

8. FUNDING REQUEST

8.1 Offer

SPRODETA Agribusiness Limited is looking for investors in its venture expansion drive in the form of debt, equity or matching grants.

8.2 Capital Requirements

The required resources are as highlighted in the schedule below:

Figure: SPRODETA Financing Requirements

SPRODETA Agribusiness Limited Financing Requirements						
Item	Cost (USD)					Total (USD)
	2025	2026	2027	2028	2029	
1. Mega Farm	262,707	348,372				611,079
2. Agribusiness Centre	85,665	229,812	172,701			488,178
3. Transport	88,521	88,521				177,042
Total Capex	436,893	666,705	172,701			1,276,299
1. Staff Costs	149,366	171,771	197,536	227,167	171,771	917,609
2. Other Office Expenses	77,215	88,798	102,117	117,435	135,050	520,615
3. Monitoring and Business Devt Activities	29,012	33,364	38,368	44,124	50,742	195,610
Total Opex	255,593	293,932	338,022	388,725	357,563	1,633,834
Total Financing Requirement	692,486	960,637	510,723	388,725	357,563	2,910,133

8.3 Risk Assessment

The table below outlines key risks, their impact and likelihood, and corresponding mitigation strategies to support the successful implementation of SPRODETA's strategic plan.

Table Risk Assessment Matrix

Risk Category	Risk Description	Impact	Likelihood	Mitigation Strategy
Market Risks	Market volatility affecting commodity prices	High	Medium	<ul style="list-style-type: none"> Diversify product offering Establish long-term contracts with buyers.

Risk Category	Risk Description	Impact	Likelihood	Mitigation Strategy
	Increased competition from local and international agribusinesses	High	High	<ul style="list-style-type: none"> Enhance market presence through marketing strategies Focus on product differentiation and quality
	Changes in consumer preferences	Medium	Medium	<ul style="list-style-type: none"> Conduct regular market research Adapt product offerings based on demand.
Operational Risks	Disruptions in supply chain	High	Medium	<ul style="list-style-type: none"> Build strong and multiple relationships with cooperatives Implement robust logistics system
	Poor crop yields and livestock productivity due to climate change induced impact	High	High	<ul style="list-style-type: none"> Adopt climate-resilient farming practices Invest in irrigation and other adaptive infrastructures and management practices
	Equipment breakdown or failure	Medium	Medium	<ul style="list-style-type: none"> Implement regular maintenance schedules Keep contingency funds for repairs/replacements
Financial Risks	Insufficient funding or cash flow problems	High	High	<ul style="list-style-type: none"> Diversify funding sources Implement effective cash flow management
	Rising operational costs	Medium	High	<ul style="list-style-type: none"> Implement cost-saving initiatives Regularly review and optimize operations
Regulatory Risks	Changes in agricultural	High	Medium	<ul style="list-style-type: none"> Stay informed about policy changes

Risk Category	Risk Description	Impact	Likelihood	Mitigation Strategy
	policies or regulations			<ul style="list-style-type: none"> Engage with policymakers and industry bodies
	Non-compliance with local and international standards	High	Medium	<ul style="list-style-type: none"> Regularly update compliance protocols Conduct staff training on regulatory requirements
Environmental Risks	Natural disasters (e.g., floods, droughts)	High	Medium	<ul style="list-style-type: none"> Develop disaster preparedness and response plans Invest in disaster-mitigation infrastructure
	Environmental degradation affecting land quality	Medium	Medium	<ul style="list-style-type: none"> Implement sustainable farming practices Engage in reforestation and soil conservation
Social Risks	Community opposition to agribusiness activities	Medium	Low	<ul style="list-style-type: none"> Engage in community outreach and stakeholder consultations Implement CSR initiatives
	Labor disputes or workforce dissatisfaction	High	Medium	<ul style="list-style-type: none"> Develop fair labor practices and grievance mechanisms Invest in employee training and welfare programs
	Failure to achieve strategic goals	High	Medium	<ul style="list-style-type: none"> Set realistic and measurable goals Monitor progress regularly and adjust strategies as needed

The Risk Assessment Matrix provides a comprehensive overview of potential risks that could impact the organization's smooth implementation of the strategic plan, categorized by their likelihood and impact. High-priority risks include economic instability, which could affect funding and operational costs, and climate-related events, such as droughts and cyclones, that could disrupt agricultural output and supply chains. Medium-priority risks involve regulatory changes that could alter operational landscapes and competition that could impact market share. Lower priority but still significant risks include technological disruptions. The matrix serves as a crucial tool for identifying, prioritizing, and developing mitigation strategies to ensure SPRODETA's resilience and sustainable growth in a dynamic environment.

9. IMPLEMENTATION

9.1 Year 1

Goal 1: Secure investment partners for both debt and equity components
Goal 2: Identify mega farm
Goal 3: Complete Agribusiness Center

9.2 Subsequent years

In the subsequent years the model will go into full swing implementation

Goal 1: Implementation of complete investment plan
Goal 2: Finalize capital acquisitions
Goal 3: Expand market reach expansion.