

Terms of Reference

Upgrading Business plan (AS. 9017) Twezimbe Area Cooperative Enterprise – TACE

Upgrading business plan, is an assignment within the framework of project 18tace-6462 "Generating more income to members by adding value to maize". The Agriterra business advisor responsible for this assignment is Taco Hoekstra. The responsible staff within TACE is Nanziri Bukomeko Rhene (manager).

BACKGROUND TWEZIMBE

TACE is a relatively young growing cooperative with a clear vision and mission. The cooperative deals in maize and beans, representing over 3,000 farmers from Kyankwanzi region in Uganda.

Vision: A Leading farmer owned cooperative institution providing access to better markets and market alternatives for farmers in rural farming communities.

Mission: To bring farmers together to carry out collective marketing and value addition through bulking of high quality produce with a purpose of gaining access to better markets, food security and improved income.

Members of the board and staff are committed to their job. Their attitude towards TACE is well developed. They have the willingness to grow and are eager to learn.

TACE wants to develop into a cooperative that is procuring maize and processing it into flour, by investing in a maize mill, creating additional value on a large scale. Lacking yet are financial means and operational skills (logistic/sales) to achieve their goals.

The Cooperative has a governance structure with 7 Board members and 3 members of the supervisory committee. It currently has 9 staff. Its main product is maize and core business bulking. It now has a grain store with the capacity of 600 metric tons and has started a maize milling process for value addition. The cooperative plans to produce poultry feeds from the maize bran though the market is still being scanned. Its membership are the Rural Producer Organizations who are located across Kyankwanzi District. The RPOs are 22 each with an average membership of 150 farmers also in smaller groups called Producer Organizations. The Cooperative has had a relationship with Agriterra since 2014 supporting governance and member commitment.

In 2015 a business plan was finalized. One of the most important conclusions was to start investing in the supply chain by setting up collection centers at RPO (Rural Planning Organisation) level, with adequate equipment to deliver top quality maize grain. This business plan has to be upgraded a.s.a.p., as TACE is now able to process maize into flour, thanks to the USADF grant it received in 2017.

Still, TACE is facing a challenging financial situation with little solvency and a poor liquidity, due to the use of an UDBL loan for providing crop financing to farmers and the loss of harvest. Repayment of the UDBL loan still has top priority.

Agriterra

Agriterra supports farmers' organizations in fighting poverty, with advice from experts from the Dutch agricultural sector and with finance from the Dutch government. Our opinion is that strong farmers' organizations lead to more democracy, economic growth and a better distribution of income. We focus on economic development and work closely together with the Dutch agribusiness.

The aim of Agriterra is making cooperatives bankable. By focusing on few clients within a limited number of countries, Agriterra is able to target those cooperatives or other farmer owned enterprises, who are ambitious, have good management, have been economically active, have more than 1,000 members and who have plans to invest in order to expand their business. Agriterra's support is especially based on technical support from experts from the Dutch agricultural and cooperative sector combined with limited project financing. The advisory services can be applied to all aspects of the business planning process, access to finance trajectory or the implementation phase.

Objectives assignment

The current BP is outdated, as TACE is now in possession of a maize milling facility. The RPOs have been professionalized, and the supply chain has improved, although still much work has to be done.

TACE needs to update her strategy, to be able to maximise their current potential. Next to that, their financial projections are no longer actual, and the management team is not able to steer the operations properly.

The new Board of Directors wishes to have a clear direction, and they ask for assistance from Agriterra expertise.

Composition of the assignment:

1. Agripooler with experience in developing agric strategic and business plans
2. Agripooler with experience in making financial projections
3. BA Uganda

Profile expert/Agripooler:

- International exposure to agribusiness, both grains and maize flour
- Excellent command of English
- Ability to create ownership of the developed product

Expected results

1. Business plan 2018-2020
2. Concrete actions, ready to implement right after the end of the assignment
3. A mission report using the Agriterra mission report template

Mission costs

Agriterra will bear all the costs for the daily subsistence of the mission team, including hotel and transport. The expert has to pay the meals and hotel costs during his stay, but can declare these costs afterwards.

Composition of the mission: Duration of the mission: The mission will take place for 9 days (including travelling, excluding one day preparation and one day reporting) from

ACTIVITIES/ PROGRAM

Date	Day	Activities
	Sunday	Flight to Entebbe, transfer to Kampala transfer to hotel Silver Spring
	Monday	Morning: Transfer to TACE Afternoon: Introduction at TACE - Setting the goals
	Tuesday	
	Wednesday	
	Thursday	
	Friday	
	Saturday	
	Sunday	Morning: reporting Afternoon: transfer to Kampala, Entebbe, flight to Amsterdam
	Monday	Arrival Amsterdam

Hotel is from Monday until Friday at the Hoima Cultural Lodge in Hoima.

- Annex 1 company assessment Twezimbe
Annex 2 business plan Twezimbe
Annex 3 audit report