

CIMA, S.A. Companhia Industrial das Mahotas

Mozambique

Overview

CIMA - Companhia Industrial das Mahotas SARL, acquired from the State in 1998, began its activity in the manufacture and marketing of all articles for artisanal fishing. The company has established a fish processing room in Maputo, which is already fully operational. The company is now looking to expand into production of organic food – the company owns 4,000 hectares of good agricultural land usable for this purpose. The project currently employs 20 permanent workers, reaching at the same time another 250 employees, at specific times of production. With the potential of employing a total of 300 permanent workers plus 1,000 occasional ones when in full production.

The product

The project has as objectives the agricultural holding for the production of organic food in the lands of the company; acquisition of surplus to the local population; storage and packaging of food; food processing (manufacturing of oils) for the creation of more value in loco and commercialization of the products (unprocessed and processed) in the market local and export of surpluses.

The company would like to focus on a new product, which is the bóer bean, due to the fact that it is considered as the crop that is among the top five until the year 2025.

It is important to mention that the introduction of the bean variety 0040 developed by the Institute of Agricultural Research of Mozambique (IIAM), under a project funded by the Alliance for a Green Revolution in Africa (AGRA), was the main incentive for the growth of income currently. Boer bean represents an important source of protein consumed by families with protein source and sold in local markets.

The market

The agroclimatic conditions of the Central-North provinces of Mozambique gives high potential for the production of bóer beans. In addition, the existence of some outflow infrastructures, such as the port of Beira and Nacala, favors the establishment of companies with an interest in the export market of the Boer beans.

The Boer Bean market can be considered to be very competitive on the supply side but is concentrated on the demand side for export.

The country has a small agro-processing industry of bóer bean, composed of 3 manufacturing units (Zambezia, Nampula and Sofala), its processing capacity around 40 thousand tons per year, which represents almost half the annual average of exports. The export market is concentrated, dominated by 4 companies, namely Export Trading Group, Sagar Zambézia, Namphuanha and Filhos, Lda, ENACOMO - Empresa Nacional de Comércio, SARL.

Export Trading Group is an Indian Group, responsible for the recent expansion of the Boer Bean, as well as most of the exports of the raw Boer Bean.

Key facts

Name of Organization	CIMA, S.A.
Country of operations	Mozambique
Headquarters	HQ: Maputo City OP: Nametória
Website	N/A
Year operational	1998
Sector	Agriculture
Legal structure	Anonima Society Limited Liability
Number of employees	300 (Potential employment)
Revenues	USD 1.6 million

Proposed investment structure

Proposed investment amount	USD 813.000
Type of investment	Mix of Equity and Debt
Type of investor needed	Long-term investor with experience in production of fishing nets and implements and currently agriculture.
Use of proceeds	<ul style="list-style-type: none"> Equipment and machinery Know-how and technical consultancy

The competition

At the national level, the bóer bean is produced by a large number of small farmers, by own initiative, associated with some development projects or company. Its production and productivity has been increasing due to the introduction of varieties with greater productivity, introduction of schemes of promotion and commercialization, and increase of the demand of this beans in the Asian market.

The main difference between our products and those of the competition is based on prices because they are more competitive. Note that we are talking about similar imported products, which due to technological supremacy, manages to put its products in the national market in unbeatable competitive advantages that is the quality and the price. Considering that the agricultural field of Angoche, it is a hidden place of nampula Province, this phenomenon is not yet felt in a marked way.



Management & Advisors

- **António Pedreira Cruz** - He is the CEO of the company. He is a Business Administrator, has more than 35 years of experience in the management of companies, particularly in the fishing and agricultural sector.
- **Sara Hamido** - Accountant Officer, responsible for the financial sector and accounting, with more than 15 years of professional experience.
- **Urgel Barreira** - Project Coordinator has more than 30 years of experience in the management of projects, fishing, agricultural and commercial activities.
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- **Nilza Isabel Matevel** - Master's degree in Renewable Engineering, Consultant of the project with more than 5 years of experience in the execution and implementation of projects. He is Partner of the company HAM - Moçambique Auditores, Lda.
- **Herminio António Matavel, Head of Administration and Finance** – Herminio leads the Administrative and Finance operations leading a team of in-house technicians and deals with external financial advisors. He is responsible of contributing to the strategic planning and financial management, overseeing investments, preparing management reports, budget, and annual reports. He holds a Master in Accounting and Auditing and he is a PhD student in Management.



Investment Proposal

The company is raising USD 813.000 mix in equity and debt to:

- Partner for technology and processes improvements;
- Supply Chinese equipment for the agricultural improvement;
- Upgrade of the current infrastructures to keep up with competition;
- Contract of supply raw materials, logistics, etc.;
- Access to new markets for CIMA;
- Access to African markets for Chinese partner;
- Open to further explore other mutually advantageous proposals for potential partnerships.

The ideal partner should be an equity/debt investor already active in the agricultural field space and willing to share know-how of processes and equipment.

An expected IRR is of 67.17% (12%); with the revenues covering expenses, the Pay Back period can begin after two years and three months, therefore less than the useful life of the project (5 years).

Social Impact

Creation of other processes that interconnect with existing production, in an ecological way (such as the creation, in the water of the dam, of freshwater fish such as tilapia for local consumption and other birds the ducks), in order to take advantage of resources, creating synergies. In addition, we provide employment opportunities to 1000 farmers of population and creation of nurseries for abandoned children.

Financial details

Company's financials are available upon request.



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