

Date: February 11<sup>th</sup>, 2014

To: All Stakeholders, Local and Political Leaders  
Busowa Trading Center-Bugiri District  
Republic of Uganda, East Africa



Dear folks,

Kindly allow me to take this opportunity to introduce to you our Company, Flora Cereals (U) Limited. Flora Cereals (U) Limited was fully incorporated in Uganda on January 14<sup>th</sup>, 2014 (after a restructuring business process). However, the company was formerly being operated as a Sole Proprietorship (family owned business), with initial business operations having started in early 1994 in rice and maize milling; giving us a close to 20 years business experience in the field of agro processing and procurement. All our major business operations ever since our founding have been based in Busowa Trading Center, in Bugiri District (Formerly Iganga District).

Recently, our Directors and Board membership passed a resolution to have the Company undertake a close to US\$2, 500,000.00 (Two million and five hundred thousand dollars) business expansion (with funding expected to be from loans and grants) in the next 5-10 years. The business expansion is expected to;

- a. Involve upgrading of our current rice and maize mills (purchase and installation) to increase the current production to about 15 to 20 tons per day with 24-7 operations for each mill.
- b. Acquisition of new land to permit the expansion of the intended project.
- c. Construction of storage silos/warehouse for the procured produce from farmers and the processed products; grain, flours and other foods.
- d. Create an avenue through which local farmers can be partners; with stock in the company; preferably through a legally formed non-partisan and non-discriminatory Farmers' Association or Group.
- e. Have the company venture into selling high quality agro processed products on both the local and international markets.
- f. Be a procurement vendor and supplier of agro-produce and processed products to both locally based and internationally based agencies.

We anticipate that the business project will;

- a. Create a revenue support (i.e. local taxes) for the local government and other local businesses.
- b. Provide local farmers with competitive rates for their procured agro-produce.
- c. Be an employment opportunity for the local community members in the area where it is to be established; from the construction until its perpetual life of the Company operations. The job estimates are close to 30-50 for construction jobs and 50-80 agro-processing jobs (e.g. millers, packers, sorters, laborers, drivers among others) in the initial operations, and with future expansion, we anticipate to employ an additional 100-120 individuals; mainly as rice and maize out-growers. Our policy is to employ locally based individuals.
- d. We also expect that this will put an economic development mark in the area, increasing its chances of attracting more business(es).
- e. Our future projects will also involve creating funding opportunities (i.e. low interest based loans and grants) for the local farmers in the area of operation.
- f. With our technical advisory team of scientists in the Agricultural sector, we anticipate that the local farmers will directly benefit from their advisory services too, at no cost to the local farmers.

Our Directors and Board members seek for community support for this project in the area(s) that we anticipate to implement the project. Our options are to either implement it in the districts of Lira, Paliisa, Iganga, Mbale, Bugiri, Namanve Industrial Park or Soroti Industrial Park.


Given the history of our humble beginnings in Busowa Trading Center, the Board and the Directors resolved to take a feasibility study of Bugiri district as the pilot area of operation (dependent on the local response).

With the above shared information, it is our humble request that you offer Flora Cereals (U) Limited all your unlimited support in accomplishing this project for the betterment and progress of our Bugiri District.

We shall keep updating the general public on the status of the business expansion project on a periodic basis.

We would like to thank you in advance for your anticipated support.

Sincerely,



**James M.M. Kaingo**  
Managing Director and Board Chairman  
Flora Cereals (U) Limited.

