Bem-vindo a Mozambique

Avocado Producer of the future!

W.A.C. SEPTEMBER 2015
LIMA, PERU
Central Mozambique – Ideal climate for SUB-TROPICAL fruit production

Manica Province
Above 500m

Chimoio
Sussundenga district
Beira
Inhambane

Neighbours with South Africa, Zimbabwe, Malawi and Tanzania to the north.
Recent History of Mozambique

• Previous Portuguese Colony

• Mozambique experienced 17 years of civil war between 1975 and 1992.

• Today it is a structured democracy. Any elected President is limited to 2 terms of 5 years each.

• Languages – Portuguese & English and number of African Languages
2014 IMF Statement of analysis of Mozambique

Alex Segura, the IMF resident representative in Mozambique, said earlier in 2014: “Mozambique experienced a strong GDP growth of 7.1%, one of the highest in Sub-Saharan Africa, with a stable inflation rate of 4.2%. This would have been higher had it not been for the great flood of the Limpopo River. Nonetheless, Mozambique proved its economic robustness.”

Foreign investment is pouring into all sectors of the economy with great attention being paid to the agricultural business component of the Mozambique economy.
Economy

- Economy continues to surge forward at between 7% and 9% annual rate of growth, as it has done for more than 10 years
- World’s largest coal deposits – plan to export 100 million tons per year
- Ongoing discoveries of natural gas, crude oil, iron ore, fluorite, gold and semi-precious stones
- Beaches along coral reefs are components of an ever expanding tourism industry
- Pre 1975, the Cashew Nut industry in Mozambique produced about 90,000 tons of raw kernel per season
- The government has intervened to re-invigorate the Cashew sector of their Tree Nut industry
- The subtropical fruit and nut industry is in an expansion phase of development
Agri Investments in Moz

• Large Agri-Investment companies have numerous developments in Manica Province, in Macadamia Nuts, Avocados and Litchis for the export Industry.

• Their collective plan is to plant upwards of 800h of Avo orchards over a 2 year period.

• 300ha have already been developed.
Political stability, cooperation & encouragement

Managing Director of Macs In Moz and Moz Avos:
Christo Breytenbach

Provincial Director of Labour addressing farm staff at Macs In Moz, Sussundenga
Growing Conditions

• 15 – 20 degrees south
• Altitudes of 650 to 1000m
• Truly subtropical climate
• Deep, free draining, red Hutton clay-loam soils
• Good water availability
• Summer rainfall – 800 to 1000mm plus per year
• **Being further north than SA, Avocado crops mature earlier**
Mozambique Government Support.

The new president of Mozambique, Filipe Nyusi identified Manica Province as the main Agri development Province in Mozambique and is encouraging international investors to invest in Mozambique. Manica province contains 4.21 million hectares of arable land, of which less than 2000 hectares is currently developed to the subtropical fruit and nut basket. Avocados will form a major part of this opportunity.
ESTABLISHING AN AVOCADO INDUSTRY IN MOZAMBIQUE

One answer to assist with poverty alleviations:

• People are employed at a rate of 1 person/4ha of Avo development.
• Hundreds of thousands of dollars are paid in wages.
• Shoes & Clothing become affordable for families.
• Affordability of transport, such as bicycles and small vans.
• Building of better housing is a natural consequence of employment.
ESTABLISHING AN AVOCADO INDUSTRY IN MOZAMBIQUE

Other answers to assist with poverty alleviations:

- Availability of better healthcare from farm clinics.
- Affordability of household luxuries.
- Higher Levels of Education.
- Higher levels of Employment and skills development.
- Development of Housing for Employees.
ESTABLISHING AN AVOCADO INDUSTRY IN MOZAMBIQUE

Developing Value Chains with Implications:

• Make use of International Donors like the Dutch Grant aid through PSI & Advance Consulting.

• Opening Exporting Channels to Europe & the Far East.

• Building of Avo Nurseries.

• Building pack houses and cold-storage facilities.
ESTABLISHING AN AVOCADO INDUSTRY IN MOZAMBIQUE

Further developing Value Chains with Implications:

• Establishing of Agro-Chemical outlets and consultations.
• Opening local irrigation equipment outlets.
• More disposable income from farm workers.
• Logistics:
  - The closest Port, Beira, is facing East towards India and China.
  - Beira Port for Imports & Exports.
Large scale Avocado plantings near Sussundenga, Manica Province
Avocado plantings near Sussundenga, Manica Province

New Avocado Development under irrigation

3 year old Avocado trees & Macadamias in the background
A large commercial Avocado Nursery has been built in Sussundenga, Manica Province

Clonal and strong, indexed, local West Indian Root-stocks
The Avocado Nursery in Sussundenga, Manica Province

Grafted seedlings

Disease-free, local Avocado root-stocks
Mozambique Avocado Nursery - Cultivars and Fruit maturity

• **Cultivars available:** Maluma, Fuerte, Hass, Ryan, Pinkerton.

• Respective cultivars mature in Manica Provence, up to 3 weeks earlier for the market than in South Africa.

• 5 year old cultivar trials are available for inspection.
Land & Infrastructure

• Access to agricultural land to grow crops is acquired through the DUAT system

• A DUAT – Is the Right To Use The Land: this is effectively a 50 year Notarial Dead of Lease of the land from the state.

• Very important to negotiate your own terms and conditions for your CPI (Investment guideline document)

• New Roads, Electricity, Mobile networks and Internet are upgraded on a continual basis

• New 2 million US dollar crushed stone quarry between Chimoio and Sussundenga
Infrastructure development
Containers are shipped to Beira by Irrigation company Bekmar, Tzaneen
Logistics

- Very large Beira Port for imports and exports
- Good tar-road links to South Africa
- Large truck companies servicing the region
- Thousands of trucks per day to and from Beira
- Rail links in and out of Manica Province
Irrigation Equipment arriving in Mozambique
Irrigation & water security

Abundant water availability in Manica Province

Consistent water supply
Perennial rivers
Zimbabwean Avos recently exported through Beira Port

Beira faces east towards India and China!
Mozambique Investment opportunity

- There are handsome income tax incentives for investors and there is a reliable transport system in place; to and from South African markets, and run by the private sector.
- The registration of a local Mozambique Company can be done in a few weeks and a 5 year business plan must be submitted to their local Investment Centre (CPI), during the DUAT (The right to use the land) application process.
- Mozambique recognizes the importance of their Agri-business and have an encouraging approach for investors coming into the Sub-Tropical fruit and nut industry.
- There remains a unique opportunity for both private and corporate investors who may be interested in expanding their Agri-business, to look seriously at Mozambique.
- “We have had amazing co-operation with all departments relating to national as well as provincial government authorities. We have dealt with their lawyers, Department of Agriculture, Department of Land Survey (CADASTRA) Investment Centre (CPI), Customs and Immigration, with limited challenges.” - A South African investor in Macadamias and Avocados in Mozambique.
Thank you!

Presented by:

Howard Blight
C.E.O.
Amorentia Nursery & Estate and
Macavado Mozambique
Horticultural Consulting Authority for:

Moz Avos

www.amorentia.co.za
www.macsinmoz.com
www.mozavos.com

E-Mail: howard@amorentia.co.za