



BUSINESS PLAN

Enhancing Avocado for Livelihoods.

A word from our Managing Director

I, Andrew Malyeta, as the Managing Director of MFRIGA AVOCADO FARM LIMITED, extend my warmest greetings to all of you. Our company is dedicated to making a significant impact in the avocado industry, specifically in avocado farming, by improving the livelihoods of farmers and helping them increase their income. At MFRIGA AVOCADO FARM LIMITED, we recognize the tremendous potential of the avocado industry as a sustainable and profitable sector. Avocados are in high demand globally due to their health benefits and culinary versatility. Our primary objective is to produce top-quality avocados that meet the highest industry standards.

However, our vision extends beyond farming alone. We are fully committed to creating a positive change in the lives of our farming community. To achieve this, we provide farmers with access to modern agricultural practices, state-of-the-art technology, and expert guidance to optimize their farming methods and enhance their yield. Our mission is to increase production, processing, packaging, and distribution of Avocado produce profitability and sustainability. Through training programs, workshops, and community initiatives, we foster a collaborative environment that promotes growth within the avocado industry.

Moreover, we understand the importance of sustainability in agriculture. As responsible stewards of the land, we implement eco-friendly practices that promote soil health, conserve water resources, and protect biodiversity. By adopting sustainable farming methods, we contribute to a healthier and more resilient avocado industry. Together, with your support and dedication, we can make MFRIGA AVOCADO FARM LIMITED a resounding success in the avocado industry. Your involvement in our endeavor not only benefits our company but also strengthens the future of farmers and promotes prosperity within our community.

Thank you for joining us on this promising journey.

Warm regards,

Andrew Malyeta, Managing Director

MFRIGA AVOCADO FARM LIMITED

Executive Summary

Avocado farming presents a promising and lucrative opportunity for agricultural entrepreneurs in various regions, including Tanzania. This executive summary provides an overview of the avocado farming sector, its potential, and the key factors to consider when embarking on this venture.

Market Potential: Avocado consumption has been steadily increasing worldwide, driven by the rising awareness of its health benefits and culinary versatility. The demand for avocados in both local and international markets, particularly in Europe and the Middle East, presents a substantial export opportunity for avocado producers in Tanzania.

Agricultural Advantages: Tanzania's favorable climate and soil conditions in regions like Njombe, Iringa, and Mbeya are well-suited for avocado cultivation. These areas offer a conducive environment for the growth and production of high-quality avocados.

Government Support: The Tanzanian government has shown commitment to supporting the agricultural sector, including avocado farming. Through agricultural policies and initiatives, they aim to boost productivity, improve access to modern farming practices, and enhance post-harvest handling to increase export competitiveness.

Challenges and Mitigation: While avocado farming in Tanzania holds tremendous potential, challenges such as limited access to technology, pest and disease management, and post-harvest losses need to be addressed. Implementing integrated pest management practices, adopting sustainable farming techniques, and investing in proper handling and storage facilities can mitigate these challenges. **Profitability:** With proper planning, management, and market access, avocado farming can yield significant profits for farmers. Establishing strong connections with local and international buyers will ensure a steady income stream for producers.

Conclusion: Avocado farming in Tanzania offers an attractive opportunity to tap into a growing global market and contribute to the country's agricultural sector's growth. With the right strategies, partnerships, and government support, farmers can cultivate avocados profitably and sustainably while meeting the increasing demand for this nutritious fruit.

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Background and Context

Tanzania has been recognized as one of the major avocado-producing countries in Africa, with avocado farming spread across different regions, including Njombe, Iringa, Mbeya, Arusha, and Morogoro. The favorable climate and soil conditions in these regions have contributed to the expansion of avocado cultivation. Additionally, the government of Tanzania has been promoting and supporting avocado farming through various agricultural policies and initiatives, aiming to boost the sector's productivity and export potential. The increasing demand for avocados in international markets, especially in Europe and the Middle East, has created new opportunities for Tanzanian avocado producers to access global markets. However, challenges such as limited access to modern agricultural practices, pest and disease management, and post-harvest handling still need to be addressed to fully capitalize on the avocado sector's potential in Tanzania.

Situational Analysis

To better understand the business environment, MFRIGA AVOCADO FARM LIMITED conducted a situational analysis that includes market analysis, competitor analysis, and a SWOT analysis.

SWOT Analysis

Strengths:

- High-quality organic products
- Sustainable production practices
- Strong brand identity
- Growing demand for organic products
- Diversified product portfolio

Weaknesses:

- Limited resources
- Dependence on a single product line
- Lack of market experience

Opportunities:

- Growing demand for organic and natural products
- Increasing awareness of the health benefits of Avocado products
- Expansion into new markets
- Product line diversification

Threats:

- Intense competition from established players
- Economic instability
- Changes in regulations
- Negative publicity

Analysis of Relevant Trends and Drivers:

Avocado products will analyze relevant trends and drivers, including the growing demand for healthier products, increasing awareness of the health benefits of Avocado products, and the rise of e-commerce platforms.

Vision:

To produce and supply pure organic Avocado products to regional and international markets.

Mission:

To increase production, processing, packaging, and distribution of Avocado produce profitability and sustainability.

Context

MFRIGA AVOCADO FARM LIMITED is proud to introduce our innovative venture in the avocado industry with the establishment of farmers solutions. As a reputable company in the market, we provide convenient and hygienic access to fresh products our cutting-edge block farming concept. Our goal is to revolutionize the way consumers purchase avocado products while ensuring quality and customer satisfaction.

The legal structure of our business is that of a limited company, with MFRIGA AVOCADO FARM LIMITED as the parent company overseeing the operations of avocado solutions. Our headquarters and operational center are strategically located in Njombe region, allowing efficient distribution and maintenance of our products.

The founders of MFRIGA AVOCADO FARM LIMITED, led by **Andrew Malyeta** and other shareholders, possess extensive experience in the avocado industry. They have a long-standing tradition in farming, gaining valuable insights into avocado production, processing, and distribution. With their expertise and passion for innovation, they have spearheaded the development of agriculture, bringing a fresh perspective to the industry.

Our value proposition lies in providing a convenient and reliable avocado purchasing experience for consumers. Through our farms, customers can access fresh avocado at any time, eliminating the constraints of traditional retail hours. Our unique selling points of our products include their technology, precise measurement system, and adherence to rigorous quality control standards. We prioritize food safety and hygiene, ensuring that our customers receive only the highest quality avocado.

At MFRIGA AVOCADO FARM LIMITED, we firmly believe that our concept will revolutionize the horticulture industry by offering a convenient, reliable, and hygienic solution for avocado distribution. With our commitment to excellence and customer satisfaction, we are poised to become a trusted name in the market.

Market Analysis

The avocado industry plays a significant role in the global food market, and the company is well-positioned to capitalize on the opportunities within this sector. The following market analysis provides insights into the avocado industry, customer preferences, and the competitive landscape:

Analysis of the avocado industry: The industry is a large and growing sector, with a steady increase in global consumption. The market size is driven by factors such as population growth, rising disposable incomes, and changing dietary preferences. In recent years, there has been a growing demand for organic and locally sourced products, indicating a shift towards healthier and more sustainable options.

Customer preferences and needs: Consumers today value convenience, quality, and hygiene when it comes to purchasing avocado products. Time constraints, busy lifestyles, and concerns about product safety have led to an increased demand for convenient and hygienic avocado purchasing options. Customers are seeking accessible and reliable sources of fresh fruits that offer convenience, precise measurements, and adherence to strict quality control standards.

Identification of target customers: Our primary target customers include urban consumers, particularly individuals and families with busy schedules. They value convenience and are willing to pay a premium for high-quality avocado that can be easily accessed at any time. Additionally, health-conscious consumers who prioritize organic and locally sourced products are also an important target market.

Assessment of the competitive landscape: The avocado industry is competitive, with various avocado vendors and distribution channels already established. Traditional retail stores, local farms, and doorstep delivery services are the main alternatives for consumers to purchase fruits. However, there is a limited presence of organic avocado to differentiate itself in the market. By offering convenient access to fresh products in a hygienic manner, we aim to carve a niche for ourselves and capture a significant market share.

As part of our market analysis, we will continue to monitor industry trends, customer preferences, and the competitive landscape to adapt our strategies and ensure our products remain relevant and competitive.

Product and Service Offering

At MFRIGA AVOCADO FARM LIMITED, our products provide customers with a seamless and convenient way to access fresh and hygienic avocado. Our product and service offering are designed to ensure customer satisfaction and meet their diverse preferences. The following details outline our avocado sourcing process, quality control measures, available variants, and additional services:

Avocado sourcing: Prioritized sourcing avocado from reputable local farms that adhere to strict quality standards. Our partnerships with trusted suppliers ensure a reliable and consistent supply of fresh avocado. We maintain close relationships with our suppliers to ensure the highest quality and sustainability of the avocado sourced.

Quality control measures and safety standards: At MFRIGA AVOCADO FARM LIMITED, we are committed to delivering premium quality avocado to our customers. We implement stringent quality control measures throughout the avocado sourcing, processing, and distribution processes. Regular testing and inspection are conducted to ensure that our avocado meets the highest standards of hygiene, freshness, and nutritional value. We strictly adhere to food safety regulations and implement robust sanitation protocols to guarantee the safety of our products.

Marketing and Sales Strategy:

At MFRIGA AVOCADO FARM LIMITED, we have developed a comprehensive marketing and sales strategy to effectively reach our target market and promote our avocado. The following outlines our marketing channels, pricing strategy, revenue model, and customer acquisition and retention strategies:

Identification of marketing channels and tactics: We will employ a combination of digital marketing and local advertising to reach our target market effectively. Digital marketing efforts will include a strong online presence through our website, social media platforms, and targeted online advertising. We will leverage social media marketing, influencer collaborations, and content creation to engage with our target audience. Additionally, local advertising tactics such as billboards, flyers, and community events will help us raise awareness and drive local interest in our products.

Pricing strategy and revenue model: Our pricing strategy will be competitive, taking into consideration market trends, production costs, and customer affordability. We will determine the cost per ton based on factors such as sourcing, processing, and operational expenses. In addition, we may introduce flexible pricing options, such as discounts for bulk purchases or subscription-based models for regular customers. Our revenue model primarily relies on the sale of avocados, where customers pay for the desired quantity of avocado.

Customer acquisition and retention strategies: To acquire customers, we will implement various strategies. We will offer promotional campaigns during the initial launch phase to incentivize customers to try our products. Loyalty programs will be introduced to reward frequent customers and encourage repeat purchases.

Overall, our marketing and sales strategy is designed to create awareness, generate interest, and drive customer engagement with our products. Through targeted marketing channels, competitive pricing, and customer-centric strategies, we aim to establish a strong customer base and maximize revenue opportunities.

Operational Plan

The operational plan for MFRIGA AVOCADO FARM LIMITED encompasses the installation, maintenance, and cleaning procedures of the avocado, as well as inventory management and staffing requirements. The following provides a detailed overview of our operational plan:

Farm operations: The farm will be strategically installed in high-traffic areas, such as shopping centers, residential complexes, and busy commercial districts. Our team will be responsible for the installation process, ensuring that the farm are securely placed and properly calibrated. Regular maintenance checks will be conducted to monitor the performance and functionality of the machines. We will also implement a thorough cleaning schedule to maintain the hygiene and cleanliness of the farm, including routine sanitization and equipment maintenance.

Inventory management and avocado supply chain logistics: Efficient inventory management is crucial to ensure a consistent supply of fresh fruits. We will establish strong partnerships with local avocado farms and suppliers to ensure a reliable and high-quality avocado supply chain. Our team will closely monitor avocado levels in the farm and utilize inventory management systems to track usage and facilitate timely replenishment. Regular assessments of avocado consumption patterns and customer preferences will be conducted to optimize inventory levels and prevent stockouts.

Staffing requirements: Depending on the scale of operations, staffing requirements may include a team responsible for installation, maintenance, and cleaning of the farm. Additionally, a dedicated team may be assigned to manage inventory logistics, including coordinating with suppliers and ensuring timely deliveries. Staff members will have clearly defined roles and responsibilities, ensuring smooth operations and adherence to quality control standards.

Roles and Responsibilities of Employees:

- Managing Director: Overall strategic direction and decision-making.
- Marketing Manager: Digital marketing strategy development and implementation
- Farm Manager: Product line diversification and expansion
- Sales Manager: Distribution channel expansion and customer relationship management

Capacity Building Needs and Strategies:

- Training for employees on new product lines and sustainable production practices
- Collaborate with suppliers and local communities to promote sustainable practices.

Monitoring and Evaluation:

MFRIGA AVOCADO FARM LIMITED will monitor progress against set objectives and adjust strategies and action plans as needed. Key performance indicators (KPIs) will include revenue growth, customer acquisition, and customer retention rates.

Communication and Engagement:

MFRIGA AVOCADO FARM LIMITED will communicate and engage with stakeholders through regular updates, newsletters, and social media channels.

Efficient operational procedures, including installation, maintenance, cleaning, inventory management, and logistics, are essential to ensure the seamless functioning of our avocado. By implementing robust processes and investing in a competent team, we aim to provide a reliable and uninterrupted supply of fresh fruits to our customers.

Financial Projections:

Model Assumptions

Issue	Assumption
Sales increase per year	20%
Price increases each year	0.025%

Issue	Assumption
Receivable kept at	5%
Machine Depreciation	1%
Initial projects scope	100 acres

Sales forecast, including projected revenue and growth rates.

The initial quantity of avocado to be purchased from farmers in the baseline year will be 260 tons a year at farm level at Tsh. 2,000,000.

Projected Sales Increase: Expected sales increase by 20% over the next four years:

Year 1: 260 tons + (260 x 20%) = 312 tons

Year 2: 312 tons + (312 x 20%) = 374.4 tons

Year 3: 374.4 tons + (374.4 x 20%) = 449.28 tons

Year 4: 449.28 tons + (449.28 tones x 20%) = 539.14 tons

Breakdown of costs, including equipment, maintenance, avocado sourcing, marketing, and operational expenses.

S/N	Item	Cost (Tsh)
1	Avocado Processing plant	100,000,000
2	Plant and ATMs Installation	50,000,000
3	Sourcing (260 tons)	227,500,000
4	Marketing expenses	15,000,000
5	Operational Expenses	100,000,000

Sources of funding and potential partnerships or collaborations for financial support.

We plan to finance this budget through a combination of equity and debt financing. We will also explore **grants** as a means of raising capital for our business. We will develop an annual budget as per mobilized resources to support the implementation of strategies and business plans for the specific year.

Cash flow projections, profitability analysis, and return on investment estimation.

AVOCADO CASHFLOW PROJECTIONS 2024/2028

Year	2024	2025	2026	2027	2028
Distribution point	4	4	4	4	4
Avocado					
Revenue	520,000,000	624,000,000	748,000,000	898,560,000	1,078,272,000
Price (increase in 0.025) per kg	2,000	2050	2,101.25	2,153.78	2,207.62
Receivables (5% of Sales)	26,000,000	31,200,000	37,400,000	544,928,000	553,913,600
Capital	12,000,000				
Total Cash Inflow	520,000,000	624,000,000	748,000,000	898,560,000	1,078,272,000
Cash Out Flow					
Purchase of Raw avocado at Tsh 1400	364,000,000	436,800,000	524,160,000	628,992,000	754,790,400
Extension Service	120,000	120,000	120,000	120,000	120,000
Processing Machine	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Depreciate	0	200,000	200,000	200,000	200,000
Wages 8 People	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Packaging	80,000	80,000	80,000	80,000	80,000
Utilities	200,000	200,000	200,000	200,000	200,000
Transport to 4 ATMs	400,000	400,000	400,000	400,000	400,000

Total Expenditures	396,000,000	469,000,000	556,360,000	661,192,000	786,990,400
Tax 18%	71,280,000	84,420,000	100,144,800	119,014,560	141,658,272
Total Cash Outflow	467,280,000	553,420,000	656,504,800	780,206,560	928,648,672
Gross Profit	52,720,000	70,580,000	91,495,200	118,353,440	149,623,328
Net Profit	36,904,000	49,406,000	64,046,640	82,847,408	104,736,330
Balance	15,816,000	15,816,000	65,222,000	129,268,640	212,116,640
Cash Flows	15,816,000	65,222,000	129,268,640	212,116,048	316,852,378

Risk Assessment and Mitigation

In the development and implementation of MFRIGA AVOCADO FARM LIMITED's avocado, we have conducted a thorough risk assessment to identify potential risks and challenges. The following outlines our risk assessment and mitigation strategies:

Identification of potential risks: We have identified several risks that could impact on the successful operation of our avocado business. These risks may include regulatory compliance challenges, such as obtaining the necessary permits and licenses, ensuring adherence to food safety regulations, and complying with local health and hygiene standards. Additionally, equipment malfunctions or technical issues, avocado quality issues, supply chain disruptions, and competition from existing avocado vendors are potential risks that could affect our operations and customer satisfaction.

Mitigation strategies: To address these risks, we have developed comprehensive mitigation strategies. Contingency plans will be put in place to handle potential equipment malfunctions or technical issues, ensuring quick response times for repairs and minimal disruption to service. We will implement strict quality control measures throughout the avocado sourcing process, including regular testing and inspections, to maintain the highest standards of avocado quality and safety. Robust supply chain management practices will be implemented to mitigate any potential disruptions, such as establishing alternative suppliers or maintaining buffer inventory.

To address competition, we will differentiate our avocado through superior service, convenience, and product quality.

Legal and regulatory requirements: Compliance with legal and regulatory requirements is a top priority for our avocado business. We will ensure that all necessary permits, licenses, and certifications are obtained before commencing operations. This includes obtaining permits for installation, adhering to food safety regulations, and complying with health and hygiene standards. We will stay updated on any changes in regulations and adjust our operations accordingly to always maintain compliance.

By proactively identifying potential risks and implementing mitigation strategies, we aim to minimize the impact of unforeseen challenges and maintain smooth operations for our avocado. Compliance with legal and regulatory requirements will be a fundamental aspect of our operations to ensure the safety and satisfaction of our customers.

Sustainability and Social Impact

At MFRIGA AVOCADO FARM LIMITED, we are committed to sustainability and making a positive social impact through our avocado. The following outlines our initiatives in these areas:

Contribution to sustainability: Our businesses offer several sustainability benefits. By providing customers with the option to purchase avocado directly from the avocado, we aim to reduce packaging waste associated with traditional avocado packaging. Customers can bring their own reusable containers, minimizing the use of single-use packaging materials. Additionally, our business will be designed with energy-efficient operations in mind, utilizing advanced technology and equipment to minimize energy consumption. We are dedicated to implementing environmentally responsible practices throughout our operations to minimize our ecological footprint.

Social impact initiatives: Our business aims to support local farmers and contribute to the local economy. We will establish partnerships with local avocado farmers, ensuring a fair and direct source of income for them. By sourcing avocado locally, we contribute to the sustainability of local farming communities and support their livelihoods. Furthermore, our operations may create employment opportunities, such as technicians for installation and maintenance, supporting job creation in the communities where our farms are located.

In addition to economic contributions, we believe in actively engaging with the community. We will develop community engagement programs that focus on raising awareness about the benefits of consuming fresh avocado, promoting health and nutrition education, and supporting local events or initiatives. These initiatives aim to foster a sense of community, enhance public health awareness, and build strong relationships with the communities we serve.

By prioritizing sustainability and social impact, we strive to create a positive and lasting difference. We are dedicated to conducting our business in an environmentally responsible manner, supporting local farmers, and actively engaging with the community to foster a sense of well-being and belonging.

Conclusion and Technical Recommendations

In conclusion, the business plan for MFRIGA AVOCADO FARM LIMITED's avocado highlights the tremendous potential for success and the positive impact it can have on customers, stakeholders, and the avocado industry. Key takeaways from the business plan include:

The avocado business presents an innovative and convenient solution for customers to access fresh and hygienic products.

The founders of MFRIGA AVOCADO FARM LIMITED bring valuable experience and expertise in the avocado industry, ensuring the successful execution of the business.

The business offers unique selling points, such as 24/7 availability, self-service convenience, and multiple variants, catering to diverse customer preferences.

Market analysis reveals a growing demand for convenient and sustainable avocado purchasing options, creating a favorable environment for the success of the business.

The marketing and sales strategy outlines effective channels and tactics to reach the target market, with a focus on competitive pricing, customer acquisition, and retention strategies.

The operational plan addresses critical aspects of installation, maintenance, inventory management, and staffing requirements, ensuring smooth and efficient operations of business.

Financial projections demonstrate the potential for revenue growth, cost management, and return on investment, supported by a well-structured funding strategy.

Risk assessment and mitigation strategies mitigate potential challenges, ensuring compliance with legal and regulatory requirements and addressing equipment malfunctions, avocado quality issues, and supply chain disruptions.

Sustainability and social impact initiatives reflect our commitment to environmental responsibility, supporting local farmers, and actively engaging with the community.

In summary, the business offered by MFRIGA AVOCADO FARM LIMITED has a promising future. With a strong value proposition, effective marketing strategies, efficient operations, and a commitment to sustainability and social impact, we are confident in the success of our business. By providing customers with convenient access to fresh avocado and supporting local farmers, we aim to make a positive impact on individuals, communities, and the avocado industry.

Remarks:

MFRIGA AVOCADO FARM LIMITED has a promising future in the natural supplements market. By providing high-quality, organic products, we aim to differentiate ourselves from competitors and build a loyal customer base. We will continuously monitor customer feedback and preferences to ensure we are meeting their needs and strive for continuous improvement.

Recommendations

We believe that MFRIGA AVOCADO FARM LIMITED has a promising future in the natural supplements market. We plan to leverage our organic sourcing and eco-friendly packaging to differentiate our products from competitors. Our marketing efforts will focus on building brand awareness and customer loyalty through social media and influencer collaborations. We recommend conducting customer surveys and focus groups to better understand our target audience's needs and preferences.

Consultative Opinions for future improvements and updates:

We recommend expanding our product line to include additional Avocado products such as oil and cream. We also recommend exploring partnerships with health and wellness influencers to further promote our brand. Additionally, we recommend continuously monitoring customer feedback and preferences to ensure we are meeting their needs.