

Business plan GBRI Business Solutions Ltd.



Enjoy a healthy living



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1. Organization background

1.1 Organization profile

Company background/history

GBRI Business Solutions Ltd (GBRI) is a Tanzanian SME specialized in growing, processing, packaging and selling premium fruits and vegetables. GBRI sources fresh produce from its own farms and from smallholder farmers through Agricultural Marketing Co-operative Societies (AMCOS) located in Iringa Region, Mbeya Region and Njombe Region in the Southern Highlands of Tanzania. The fresh produce is aggregated, processed and distributed by GBRI to the domestic market as well as exported to international markets in Europe and Asia.

We support farmers with technical training, extension services, input loans, handling equipment and transport services. With this support, we guarantee the quality of the produce of smallholder farmers and ensure that farmers comply with Global G.A.P, international Food safety standards and the BRC Code of practice.

GBRI was legally established under company act 2200 in 2013 (BRELA 99611, see in Annex 1) and took several years to become fully operational in the Southern Highlands. Operations began small with a focus to assist smallholder farmers' access markets for their tomatoes, peppers, onions and lettuce. However, these commodities had very thin margins for the farmers, and it was challenging to scale production. In 2018 GBRI used this experience to pivot their focus towards French beans, Snow peas and avocados whereby the opportunity arose for these premium products in the export market. GBRI actively set out to train smallholder farmers in the production of these crops on their plots, provided access to seeds and seedlings and became a focal point for farmers in the region to access international markets. Unfortunately, airfreight costs related to COVID make the export of French beans and Snow peas unfeasible until logistics costs come down. Therefore, to continue assisting smallholder farmers improve their livelihood, GBRI has prioritized its services and operations around the production and sale of premium quality Hass avocados for the international market.

Vision

Our vision is to be among the leading horticultural companies in the East Africa region with a full value chain integrated model from farm to market. To achieve this, we believe in working with smallholder farmers to ensure the highest quality premium fruits and vegetables are produced and made available for the market.

Mission

Our mission is to strengthen farmers' capacity to produce premium quality fruit and vegetables such as avocado, beans and peas from the highly fertile Southern Highlands region of Tanzania and place our produce on the global market for the enjoyment of all consumers.

Our products are traded under the brand name "**EATFRESH**". Our philosophy is simple: "all people need to eat, but they deserve the highest quality fruits and vegetables. By choosing EATFRESH they

will consume premium quality”. We want people to enjoy a healthy living by eating our high-quality fresh vegetables and fruits at affordable prices.

Track record of most significant milestones

Since 2013, GBRI has built a successful professional track record and has positioned itself step by step as one of the leading SME agribusinesses in Tanzania. After successfully achieving Global G.A.P certification in 2018, the company started exporting fresh vegetables and fruits (French beans, sugar snaps, snow peas and avocado) to the Netherlands, Spain, United Kingdom, and Ireland.

All these products are sourced from about 2,200 contracted smallholder farmers in Iringa, Njombe and Mbeya regions. In this approach GBRI provides sound and sustainable solutions in development of horticulture value chain holistically by mobilizing the farmers into AMCOS, providing G.A.P training to farmers, providing cold trucks to transport fresh produce from farmers to GBRI packhouse, assisting farmers with access to finance and more important providing a reliable market to the farmers.

A summary of the most significant milestones achieved in the past 5 years is presented in table below.

Table of Significant milestones to date

Year	Milestones
Jan-Jun 2024	<ul style="list-style-type: none"> ▪ Secured 500M working capital loan from Tanzania Agriculture Development Bank (Tadb) ▪ Secured euro 224,000 letter of credit loan for Avocado oil processing machine loan ▪ Secured \$247,000 USAID Kilimo Tija 3 years’ project for investing in Cold Rooms infrastructures and strengthened 3000 avocado farmer’s capacity building and certifications. ▪ Exported 432 tons of fresh avocado ▪ Showcased EATFRESH at international trade fairs in Berlin, Germany
2023	<ul style="list-style-type: none"> ▪ Secured \$470,000 grants from USAID-MSP to invest in avocado oil production. ▪ Installed automated avocado sorting and grading line with a sorting capacity of 4tons/hour. ▪ By Sept, exported no of 17 containers of avocado to Europe and Asia. ▪ Obtained 500 million Tsh operational loan from TADB to be used for purchasing avocado from farmers. ▪ Showcased EATFRESH at national and international trade fairs ▪ Expanded geographical sourcing location. Currently GBRI is sourcing from Mbeya, Iriinga, Njombe Kagera ▪ GBRI secured four sales contracts to international customers for fresh avocado ▪ Constructed 1100msq a state-of-art own packhouse facility at Tagamenda, Iringa
2022	<ul style="list-style-type: none"> ▪ Installed manual avocado sorting and grading line. ▪ By end of July, exported 10 containers of avocado to Europe and Asia, 1.2 ton of avocado oilto France. ▪ Signed a convertible loan agreement for €100,000 with a Dutch investor. ▪ Showcased EATFRESH at international trade fairs including Fruit Logistica (Berlin) and Macfrut (Rimini) ▪ Set up 9 collection centers at supporting AMCOS ▪ Procured drip irrigation kits to be installed at 2 demonstration plots

2021	<ul style="list-style-type: none"> ▪ Scaled local business to Dar es Salaam city, opened a packhouse at Dar es Salaam. ▪ Successfully helped avocado farmers from Imalinyi Amcos and Kidugala to get access to input loans from Tanzania Agriculture Development Bank (TADB). ▪ Obtained G.A.P and SMETA certifications for the export of avocados. ▪ Commenced building of a 1100msq packhouse at Tagamenda in Iringa.
2020	<ul style="list-style-type: none"> ▪ Signed contracts with 9 AMCOS which are representing 2,200 (60% women) smallholder farmers. The 9 AMCOS are: Itipngi Amcos (Njombe), Isowelu Amcos (Njombe), Matinganjora Amcos (Njombe), Kidugala Amcos (Njombe), Malimbichi (Iringa), Lipuli (Iringa), Mgama (Iringa), Imalinyi Amcos (Njombe) and Matembwe Amcos (Iringa) and produce high valued premium horticultural crops (Avocado, French beans and peas) for GBRI. ▪ Installed new cold room and expanded cold room capacity to 40 MT. ▪ Purchased 200ha land for nuclear farm commercial production of avocado. ▪ Established a new B2B retail business model at midst of Covid 19 geared towards formalizing the fragmented informal fruit and vegetables (FV) retail market in Tanzania by aggregating FV and sell to street vendors (Mama mboga, Mama Ntilie) while using a mobile based platform.
	<ul style="list-style-type: none"> ▪ Secured a TZS 96,000,000.00 loan with Tanzania Agriculture Development Bank (TADB) (3 years, 6-month grace period). ▪ GBRI and other consortium members obtained a grant of 1.3 million euros from RVO to implement EATFRESH project worth 2.6 million euros.
2019	<ul style="list-style-type: none"> ▪ Contracted 600 smallholder farmers to produce peas and French beans for GBRI against fairmarket prices. ▪ Exported a total of 150 tons of French beans and peas. ▪ Created direct employment for 31 employees (of which 13 female) and about 200 jobs (95% young women) to seasonal workers hired as packhouse operators.
2018	<ul style="list-style-type: none"> ▪ Constructed cold room with the capacity to hold 10MT ▪ Obtained G.A.P certification for the export of French beans and peas. ▪ Started the export business of premium horticultural produce (French beans, peas) to the Netherlands, the United Kingdom, and Ireland. ▪ Obtained \$98,000 grant from DAI (Advancing Youth) and CAD 200,000 grant from MEDA. ▪ Engaged and signed contracts with 150 smallholder farmers.

1.2 Location and target market(s)

Operating in the hub of Southern Highlands' horticulture industry in Iringa, GBRI Business Solutions Ltd. (GBRI) has become one of Tanzania's good example agribusiness companies specialized in growing and processing of high-quality fresh vegetables and fruits avocado for export markets in Spain, Netherlands, and India and banana for domestic markets in Iringa and Dar es salaam urban markets.

The Southern Highlands are located in the southeastern part of Tanzania which consists of six regions: Rukwa, Mbeya, Iringa, Morogoro, Njombe and Ruvuma. The Southern Highlands has 6.030.078 inhabitants (2012 Census), with

the most populated province being Mbeya and the least populated Iringa. In particular these regions enjoys ideal climatic conditions for growing avocados which places the country in a prime position to become a leading nation in avocado production and can pose serious competition to other better known producer nations such as Peru, Colombia (in Latin America) and Kenya and South Africa (in Africa).

Since 2009, avocado has become the latest "**green gold**" in Tanzania. The tree fruit is cultivated in several regions, including Mbeya,



Southern highlands regions of Tanzania

Njombe, Songwe, Iringa, Tanga, Arusha, Kilimanjaro, Kigoma, Kagera, Katavi and Morogoro. TAHA estimated over 26,000 farmers are engaged in avocado production with total of 1300 hectares in the country. It is estimated that Tanzania produces around 40,000 tons of avocado annually. The southern highland regions are estimated to have about 7,000 to 10,000 farmers engaging in avocado production.

However, the horticulture value chain in these regions faces a number of challenges which are hindering Tanzania’s avocado industry to achieve its full potential. These challenges include:

- Smallholder farmer’s limited knowledge on good agronomic practices for avocado production leading to low productivity of about 4-6 ton/ha instead of 20ton/ha, low quality fruits and high post-harvest loss approx. 30-40%.
- Smallholder farmers having limited export market access. Only few avocado farmers are Global GAP certified and can access international export market, but majority of farmers are

not Global G.A.P certified as result their produce do not to meet minimum international food safety standards,

- Smallholder farmers having inadequate access to quality inputs. These include high quality variety and certified avocado seedlings, approved pesticides and fertilizers, irrigation equipment and access to micro-finance,
- Limited agro-processing infrastructures (packhouse facilities, cold chain and avocado processing plant to high value product avocado oil) causing sustainable market access to become challenges to avocado smallholder farmers and high post-harvest loss of about 30-40%.

1.3 Brief summary of financing objectives

GBRI's vision is to be among the leading horticultural companies in the East Africa region that is exporting high quality fruit and vegetables with a full value chain integrated model from (smallholder) farmers to market. This requires expanding and scaling up several aspects of the business operations to achieve 2000 ton of avocado and 1000 tons of avocado oil exported annually by 2028.

So far, GBRI has invested own capital, secured a bank loan and a convertible loan with an international investor, and received several grants to start-up its business operations. Now that the export of avocado to international markets has taken off with the potential to bring in significant revenues, GBRI would like to keep momentum and believes this is the right time to scale-up to obtain a prominent position as Tanzanian supplier of avocado from smallholder farmers in international markets.

GBRI is requesting for a long-term loan to support the company's scale-up and expansion of its processing capacity by implementing **Eatfresh (East Africa, Tanzania Farmers Roadmap Expanding Successful Horticulture)** project. The financial support is **€ 3,584,571.19 (\$ 3,871,336.89)** and it would ideally take the form of loan both long term and short-term requesting from IFC (long term long up 5 years) and TADB (short term loan/working capital), Equity, Grants and Retained Earning. The loan will be used to cover both capital investments (CAPEX) and working capital needs (OPEX) as described below. The loan will be secured by the collateralization of the assets purchased and 1100msq packhouse building.

CAPEX

Required capital investments for scaling up, as summary of use of requested finance summarized in the table below, the capital expenditures are largely broken down in 3 elements:

1. Constructing new building for avocado oil operations, avocado oil processing line, cold rooms, box folding machine, power backup systems, ICT/automation systems and storage, which is needed in order to handle and process larger volumes of avocado's (multiple containers 4-10 per week).
2. Avocado wastes biofuel (briquettes production machine) -circular economy. The energy generated will be reused to run the avocado oil plants such boiler and reducing the energy cost.
3. Investing in efficiency transportation logistic capacities (including light vehicles, trucks, forklift and harvesting crates) in order to source the harvested avocados from a large area in time. The total capital asset need, as Table 1 shows, is around **€ 2,524,571.19 (\$ 2,726,536.89)**

OPEX

Operating expenditure will mainly need to cover immediate working capital needs. GBRI will need to pay farmers immediately when purchasing their harvested avocados. On top of that GBRI will need to cover processing costs as well as logistic and shipping costs, while GBRI's clients (importers of avocado's) generally pay after accepting the avocado's at the destination port; and very often still with a delay of a few weeks. This means that GBRI generally needs to cover operational expenditures for 3 months. The total working capital need, as Table 1 shows, is around **€ 1,060,000.00, (\$ 1,144,800.00)**

Table summarizing the use of requested fund.

Table 1 Cost overview

Category	Item	Cost
Capex	Avocado Oil Processing Building 1100sqm,	€ 600,000.00
	Avocado oil extraction machine line, 3ton/hr	€ 470,000.00
	Avocado Stanley steel tanks 44ton capacity	€ 65,000.00
	Avocado fruits ripening cold rooms 960m3	€ 220,000.00
	Cartons folding machine	€ 68,571.43
	Standby Generator 360KVA	€ 74,285.71
	Operation vehicles (4trucks -5ton capacity)	€ 320,000.00
	Harvesting crates (10000pcs)	€ 78,000.00
	Land Cruiser field vehicles 2	€ 150,000.00
	Avocado wastes biofuel (briquettes production machine) - circular economy	€ 168,000.00
	ICT Technology development - business process digitization and farmers product traceability management to enhance efficiency.	€ 47,619.05
	100 ha Nuclear farm dev (Irrigation + Mechanization)	€ 238,095
	Forklifts	€ 25,000.00
	Subtotal	€ 2,524,571.19
Opex	Avocado oil production working capital	€ 640,000.00
	Fresh avocado export working capital	€ 420,000.00
	Subtotal	€ 1,060,000.00
	Grand Total	€ 3,584,571.19

2. Request for financing (Financing Structure)

Project Funding		
Internal Sources-Sales	€ 298,840.73	\$ 322,747.99
TADB Loan	€ 602,926.88	\$ 651,161.03
USAID Grant	€ 363,531.08	\$ 392,613.57
Proposed Loan (foreign Loan)	€ 2,319,272.50	\$2,504,814.30
Total Funding	€ 3,584,571.19	\$3,871,336.89

Management and ownership

GBRI is owned by two shareholders:

Name	Citizenship	% Ownership
Mrs. Hadija Jabiri	Tanzania	50%
Mr. Chacha Magige	Tanzania	50%

Group structure

GBRI is a private, family-owned business and currently employs 35 people in various departments. The organizational structure is structured to be flexible and simple that allows smooth communication. The CEO reports to the Board of Directors.

3.2 Board and management team

Board of Directors

1. Mr. Jeroen Speelman, Chairman.

Mr. Jeroen Speelman is a graduated master in Industrial Engineering and Management Science. He has gained 2 decades of experience in working in many collaborative projects with multinationals, SMEs and knowledge institutions. Since January 2014, Jeroen Speelman is Director of TechForce, a Netherlands based consultancy focusing on collaborative project funding. Through the years, he has followed several courses, including an additional Master program on Finance and a qualification degree as a Partnership Broker, and he has built up a vast network of business contacts in many technology fields, but in particular in Water Management, Maritime and Offshore, Agri & Food, and High-tech/IT



2. Mrs. Hadija Jabiri, Board secretary.

Ms. Hadija Jabiri is the co-founder and Chief Executive Officer of GBRI and Agriedo limited. She has a degree in Business Administration in accounting with more than ten (10) years' experience in leadership in agribusiness. She is an IVLP (International Visitors Leadership Program) alumnae, a program under the Department of State, US government.) Hadija is the winner of multiple awards and recognitions. She is among Top 50 winner of Women Management in Africa, recipient of Women's Award of Excellence in the Agribusiness Sector 2018, Among winners on Invest to Impact award 2019, finalist for EMPRETEC women in business 2020 by UNCTAD, Feed the future GroWe award 2021 for Sub Saharan Africa, Super woman 2021. Ms Hadija sits in numerous boards and committee including Farm for the Future (Norwegian owned company), Ifakara Innovation Hub, Aspires and she is sitting on strategic steering committee for African Women Leadership Network and Member of steering committee of the Tanzania Chamber of Commerce, Industry, Agriculture (TCCIA) Iringa chapter. <https://www.linkedin.com/in/hadija-jabiri-857754b2/>.



3. Ms. Elizabeth Swai, Board member.

Ms. Elizabeth Swai (Board Chairperson) is the founder of AKM Glitters Company Limited dealing with Integrated Poultry business managing three Kuroiler breeder farms, a hatchery, and a feed mill. The company also delivers its services into 25 Regions. To date, 300,360 farmers are direct beneficiaries through its unique franchising model. Elizabeth worked for 15 years with UNHCR and UNWFP prior to venturing into poultry business. She has academic qualifications in Human Development, entrepreneurship. Her passion as a social entrepreneur is inclusive development that touches the lives of the society in particular women and the youth. Her work has enabled thousands to access employment, food and nutrition through poultry keeping. LinkedIn profile: <https://www.linkedin.com/in/elizabeth-swai-19960a1a/>



4. MR. Emanuel Zawadi Mushi, Board member.

Mr. Emanuel, with a Master 'degree in accounting, Mr Emmanuel has years of experience in areas of taxation, financial analysis and auditing working with large corporates in Tanzania. Before joining Sao Hills as a Chief Financial Officer, Emmanuel was working with an international auditing firm called Dilloite. Mr Emmanuel is a Certified Public Accountant (CPA) and also, he has certification from Association of Chartered Certified Accountants.



The Board of Directors is responsible for the governance, control, direction and management of GBRI. Members of the Board of Directors are elected by GBRI's shareholders. The Board of Directors meets on a quarterly basis with interim activities and discussions between meetings.

GBRI management

GBRI has management team of six professionals supported by an additional 29 skilled staff members. This core team of permanent staff consists of 35 individuals who collectively steer the company towards its goals. In addition to this, GBRI also engages over 200 temporary employees, primarily during production activities, to ensure the smooth and efficient functioning of the organization.

1. Mrs. Hadija Jabiri, Chief Executive Officer.

She is a co-founder of the company, possessing extensive experience in both domestic and international export markets. Her tenure has provided her with exceptional insights into market dynamics, operational challenges, and the broader business environment. With her visionary leadership, exceptional managerial skills, and a dedicated team, she has played a pivotal role in propelling GBRI's growth from its modest origins to its current stature. Hadija holds a degree in Business Administration with a specialization in accounting.

- 2. Mr. Chacha Magige, Operations Director and co-founder of the company.** He has a background in safety management, with significant experience in the mining industry. He began his career as a safety officer at Anglo Gold Ashanti, where he quickly rose to a leadership position as Occupational Health, Safety, and Environmental Manager. In this role, he developed safety management systems and strategies to mitigate occupational health and safety risks across various aspects of the mining operations. In 2016, Mr. Magige joined GBRI as the full-time Operations Director. Under his leadership, the company has grown from its humble beginnings of supplying premium horticulture crops to local markets to successfully expanding into international markets. Mr. Magige holds a degree in Environmental Science and Management.

3. Mr. Manase Mlonganile- Chief Finance Officer (CFO)

Mr. Manase is a Certified Public Accountant (CPA) with degree in Accounting and Economics.. Manase is a trusted financial expert with remarkable experiences in auditing, taxations, designing and implementing highly efficiency financial reporting systems and optimizing staff performance, developing financial strategies and he has outstanding track record in supporting executives' board to make informed decisions to come up with financial strategies to drive the company growth and profitability.

4. Mr. Deodatus Changala – Accountant

Mr Deodatus brings over five (5) years of invaluable experience to the accounting field. His role at GBRI primarily centers around maintaining precise financial records, preparing comprehensive financial reports, and overseeing the accounting department. Mr. Deo holds a Bachelor's degree in Accounting from St. Augustine University, providing him with a solid academic foundation in the field. With his dedication to financial accuracy and his academic qualifications, Mr. Deodatus Changala plays a pivotal role in ensuring the financial health and stability of GBRI.

5. Maximillian Mtende - Sales & Marketing Manager

With a Bachelor's degree in Agribusiness and four years of experience in the marketing field, Mr. Maximillian Mtende has established himself as a dynamic Sales & Marketing Manager. He possesses a compelling track record of success in conceiving and implementing marketing strategies that propel growth and elevate brand recognition. Maximillian's responsibilities span both local and international export markets. Mr. Mtende's educational background and professional expertise make him a valuable asset in driving sales, forging strong market presence, and contributing to the success of the organization.

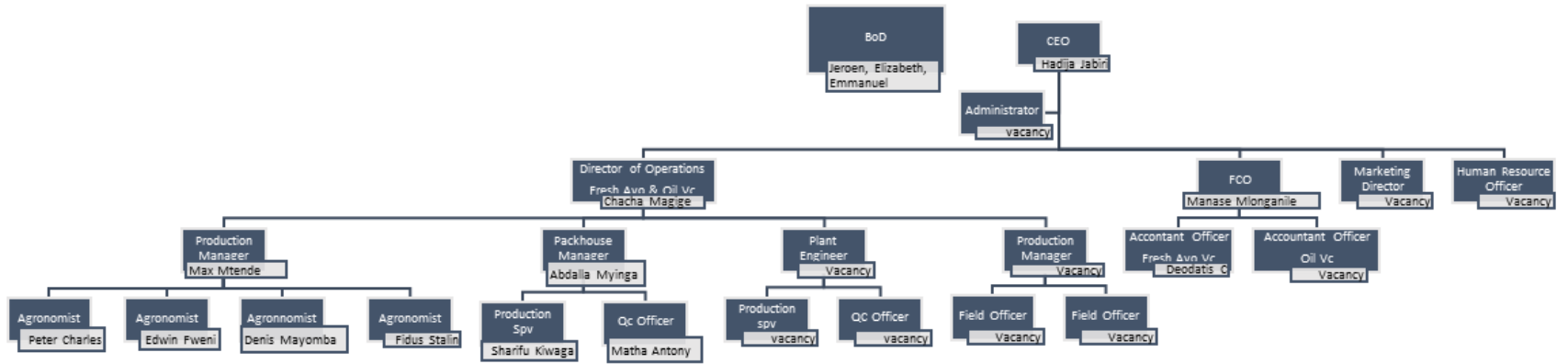
6. Abdalla Myinga- Packhouse manager

He is a highly qualified professional with a degree in Post-harvest Engineering and certifications in Food Safety and HACCP. With four years of experience in the export industry, Abdalla brings a wealth of knowledge and expertise in ensuring the quality and safety of food products during the post-harvest process. His dedication to maintaining the highest standards of food safety makes him a valuable asset in the field of export.

7. Edwin Fweni- Production manager

Mr Edwin is a skilled professional with a degree in Horticulture and certification in Good Agricultural Practices (G.A.P). With three years of hands-on experience, Edwin brings a strong understanding of horticultural practices and a commitment to sustainable and quality-driven agriculture. His expertise is invaluable in ensuring the cultivation and management of high-quality produce. Edwin has been supervising company's extension officers to ensure they are supporting farmers and production targets are achieved.

GBRI ORGANIZATION STRUCTURE



2.1 Current business model

GBRI's value proposition is based on our end-to-end business model addressing farmer's biggest challenges in the whole value chain from farmer organization Agriculture Marketing Cooperatives (AMCOS) development, provision of training, extension services, access to input loans through contract farming and provision of reliable market access to smallholder farmers to improve productivity and reduce post-harvest losses by investing in efficient cold chain infrastructure, agro-logistics and value addition of avocado.

Products:

GBRI offers a range of high value horticultural products both for domestic and international markets. The focus of this application is on high quality Hass avocado and avocado oil which the company export to international markets in Europe and Asia.

- 1. The Hass fresh avocado.** All our product is both Global G.A.P and SMETA certified and traded under EATFRESH brand. The product is only harvest when it reaches the right dry matter maturity level above 24%, packed in either 4Kg and or 10Kg, sizes from 12-30.
- 2. Avocado oil:** Avocado oil is an edible oiled pressed from the fleshy pulp of avocados. Nutritionally, avocado oil ranks comparably to olive oil with a copious amount monounsaturated and polyunsaturated fatty acids. Its also loaded with proteins lecithin, beta-carotene and vitamins A, D and E.
 - Improves blood vessel integrity
 - Prevents cancer
 - Promotes faster healing and better skin qualities
 - Moisturizes hair and skin
 - Controls and modifies blood cholesterol

The company has diversified its avocado product by adding value into more value product avocado oil. There are two avocado oil the company is dealing with.

a) Crude Avocado oil:

It's rich heavy oil, which is deeply penetrating and rich in vitamins A, E and D, lecithin, potassium. Crude oil is green in color as it still contains chlorophyll and is classified as mono-unsaturated oil. It's often used for treating skins that are dry, mature, people suffering from eczema or psoriasis. Also good in treating damaged skin from dehydration and undernourished.

Using manual operated hydraulic pressing machine. The company has successfully exported 12ton of avocado crude oil to France this year. The avocado meets the quality specification free fat acid FFA <1%, and Peroxide 6%.

b) Extra virgin avocado oil:

This type is from the Hass avocado. Its high in monounsaturated fatty acids, and has a high smoke point of 250degrees, making it good oil for frying. Hass cold-pressed avocado oil is a brilliant emerald green when extracted; this color is attributed to the high levels of chlorophylls and carotenoids extracted into the oil.

Extra virgin is gourmet grade and a special variety from crude oil. It is excellent in salad dressing and

gourmet cuisines. Its taste and odor are perceived as those of the fresh avocado, it's free from fatty acids (<0.1% of free fatty acid (FFA)).

Upon securing investment fund, the company will be producing organic extra virgin oils, means with no added chemicals nor flavors in it which has good price in the market.

Production:

GBRI currently works with 2200 representing 2,200 (60% women) organized avocado farmers in 9 AMCOS namely: Itipngi Amcos (Njombe), Isowelu Amcos (Njombe), Matinganjora Amcos (Njombe), Kidugala Amcos (Njombe), Malimbichi (Iringa), Lipuli (Iringa), Mgama (Iringa), Imalinyi Amcos (Njombe) and Matembwe Amcos (Iringa) and produce high valued premium Hass Avocado for GBRI. In total the 9 Amcos has matured 250 ha of planted Hass avocado in 2024.

These cooperatives play a key role in the execution of GBRI's business model in aggregation of produces, bring farmers together and exchange information, provide services, trainings and agronomic supports. In addition, working with cooperatives facilitates the management and communication of the farmers who are widely dispersed and live in remote locations. This is crucial aspect to bring efficiencies in the value chain and ensure that product is uniform in quality and meets health, safety and production standards.

Input suppliers

GBRI has established partnerships with agro-dealers to ensure that farmers have access to inputs that will allow for higher yields and improved quality produce to be presented on the international market. These inputs include seedlings, avocado saplings, farming gear and equipment and crop inputs that allow farmers to maximize their efforts to produce high quality crops for the market. An example of such partnership is with Guavay (a local soil nutrient provider) and its organic certified fertilizer named Hakika. Through GBRI's working relationship with over 2200 farmers organized into 9 AMCOS, Guavay is able to access a grouped market for their soil health solution and in return GBRI's farmers are able to produce higher production yields (30% increase) on their plots, achieving at least an average of 9-10ton per ha from the current performance of 4-6ton/ha.

Finance suppliers

GBRI has assisted farmers to access loans in order to improve on their farming practices by acquiring inputs that increases farmers chances for improved output of produce. GBRI has signed into agreement with TADB to provide loans for over 250 farmers from 4 cooperatives who requested a loan and in return the farmers have signed an off-taker agreement with GBRI to purchase their avocados. It has not only resulted in a reduction of side selling but have also given farmers access to financial support. This option has worked well with the farmers who opted to take a loan. GBRI intends to further explore such farmer finance models in the future with NMB to incorporate more farmers into the model. In addition, transactions made with farmers is executed through fast mobile money (M-Pesa), that allows for digital transaction history to be retained by farmers and ultimately place them in a better position to access additional financial services in the future.

Processing

GBRI have a packhouse installed with automated avocado sorting and grading line with a capacity of 4ton/h, with 40MT cold room facilities in Iringa where the harvested avocado are washed, dried, sorted, packed, palletized and cold stored prior shipped to customer destination through Controlled

Atmosphere containers. This manual sorting the company has been able to successful ship 256 tons to Spain, Netherlands, France, Romania and India.

The company has extracted 12 ton of Avocado oil from avocado rejects fruits by using the hired hydraulic press machine with capacity 100L per day.

Certifications

GBRI is well positioned for export to international markets. It has obtained the necessary certifications.

- Global Gap certification – renewed yearly through Greencert Ltd.
- SMETA (Sedex Members Ethical Trade Audit) – certification renewed yearly by Partner Africa.
- Tanzania and South Africa finalized a bilateral agreement to export avocados following a phytosanitary audit of 3 Tanzanian avocado suppliers in 2021. GBRI was one of 3 companies selected and approved following this audit.

Global Gap certification is the minimum requirement to enter European markets, for without it, buyers will not consider an exporter as a potential supplier. Having, SMETA certification strengthens exporter's position as a trustworthy supplier of avocados. GBRI has both and these are enclosed in Annex 4. GBRI strategy is supporting farmers to obtain organic certification by Control Union as this will allow to company to target a new market niche for both organic fresh avocado and oil that has relatively stable and premium market prices and is not as severely impacted by seasonal supply from Latin America.

3. Market opportunity

3.1 Market position and competitors

Avocado is a fruit that has experienced a growing demand in the last few years, due in part to the international recognition as a “super food” based on its health benefits. The fast growth in demand and prices are setting up avocado as one of the top crops to be traded.

According to the Agricultural Outlook 2021-2030 report from the Organization for Economic Cooperation and Development (OECD) and the Food and Agriculture Organization of the United Nations (FAO), avocado is expected to become the second-most traded major tropical fruit by 2030, after bananas.

In 2020, global avocado production amounted to about 8.06 million metric tons, an increase from the previous year's production volume of 7.18 million metric tons and is expected to reach 12 million tons by 2030, three times more than a decade ago according to FAO.

Currently, more than 80% of the world's avocado production is in the hands of 11 countries. Mexico leads this list with 33.9% of the world production, with annual production of 2.3million tons, It is followed by Colombia (0.87mil tons), Dominican Republic (0.68mil tons), Peru (0.66mil tons), Indonesia (0.61 mil tons), Kenya (0.32mil tons), Brazil (0.26mil tons) and Ethiopia (0.24 mil tons). Tanzania is currently ranked as 20th largest producer of avocado in the world, producing about 40,000 tons annually.

Global Avocado Market was valued at USD 9.14 Billion in the year 2020. The global market is projected to show an average annual growth rate of 5.9% every year during the forecast period of 2018-2026 and the market is projected to attain an overall value of US\$21.56 bn by 2026. During 2013-2020, avocado

market in Europe has quintupled, reaching 667,000 tons. However, this represents only one-third of the consumption in the United States which is the leading consumer of avocado per person annually.

Rising number of buyers for healthy food products either for clinical reasons or for practicing healthy lifestyle are impelling market growth of avocado. Also, rising middle class population and, demand for ready-to-eat avocado and enhanced online and offline distribution channel are expected to bolster the avocado market.

On other hand the global avocado oil market reached a value of US\$ 519.5 Million in 2021 and the market is projected to reach US\$ 770.9 Million by 2027, exhibiting at a CAGR of 6.6% during 2022-2027. The growing consumer awareness towards nutritional and health benefits associated with avocado oil, represents one of the key factors driving the global avocado oil market. Secondly, the technological advancement in product manufacturing industries such cosmetics and pharmaceutical. In cosmetics consumers are looking for personal care products with natural ingredients; they are avoiding synthetic ingredients in cosmetics and personal care products. Avocado oil has unique properties of moisturizing, antioxidant, emollient and toning effect that keeps the skin glowing and helps in reducing blemishes, dry skin, wrinkles and acne making it a favourite choice for cosmetics companies.

4.4.2 Fresh Avocado Market potential

Less than 10 years ago the Tanzanian export avocado supply barely existed. Tanzania managed to grow its exports from 1,877 tons in 2014 to an impressive 9,000 Tons in 2019. The Tanzania Horticultural Association (TAHA) estimates that the country's avocado exports reached 11,237 tons, or 510 containers worth USD 33 million in 2021. This is +12.6% more compared to 2020 sales. TAHA projects that Tanzania will export 15,000 tons in 2023, thus generating USD 45 million in foreign currency.

According to ITC, the total volume of Hass avocado exported in 2019, 90% was exported to the EU market. Major European Union destinations included France, the Netherlands and the United Kingdom. South Africa and India are newly secured markets for Tanzania avocado this year and China is the next potential new market that Tanzania is looking to secure.

Given these figures, GBRI's current share of the Tanzania's total export market size is only 2%. GBRI would be able to capture a larger market share of 6% assuming an increase of packaging capacity and efficiency from the current 112 tons annually to 2000 tons annually by 2026.

Based on these facts, GBRI's main market for exporting its avocado is going to be to European countries specifically to Netherlands, France, Germany, Spain, and United Kingdom and UK. GBRI also aim to diversify to new markets such as India and South Africa. The main reason for the selection of these market are: global market size, growth appetite of the market in importing from Tanzania origin, and bilateral preferential trade agreement with Tanzania¹².

The market potential of each of these target markets is briefly described in the remainder of this section.

The Netherlands

The Netherlands is the second largest non-producing exporter of avocados in the world with market value of \$1.02bil and in the last five years the market value has been growing by 21%. The country is responsible for almost half of Europe's avocado imports and re-exporting to Germany, France, Scandinavian countries and in lesser extent to other countries.

¹ source: <https://www.freshplaza.com/article/9371691/south-africa-and-tanzania-meet-on-avocado-imports/>

² Source: <https://dailynews.co.tz/news/2022-05-066274d83dba909.aspx>
<https://drive.google.com/file/d/1rjIVFtusZ8rNi0TERDXOhbX576KrLQrj/view?usp=sharing>

Table 2 Avocado market size and trend in NL

Avocado Market in Netherlands	
Total value imported in 2020 (USD thousand)	1,027,919.00
Value imported in 2020 (USD thousand) from Tanzania	6,054.00
Total quantity imported in 2020 (ton)	351,035.00
Quantity imported in 2020 from Tanzania (ton)	2,245.00
Tanzania market share in Netherlands's imports (%)	0.6%
Tanzania growth in imported value between 2016-2020	29%
Tanzania growth in imported quantity between 2016-2020	30%

The Netherlands with the population of 17mil people had an avocado consumption rate of 2.2kg per capita in 2020. The World Avocado Organization (WAO), the avocado consumption in euro will reach the same level as in United States (3.8Kg per capita) in the next eight years.

The consumption trends in the Netherlands are characterized by increasing demand for health and wellness products, as well as functional food products that stem from the aging population and increased health consciousness of consumers. Another aspect is the increasing inclination to use cosmetics that constitute ingredients derived from plants like avocado oil which aids in the extending intense moisture and aids in conditioning skin.

In 2020, the Netherlands imported 351,035 tons of avocado. The largest supplier of avocados to the Netherlands was Peru with a share of 30.8%, followed by Colombia 13.7%, Chile 12.8% and South Africa 8.6%. Kenya's share increased from 3 to 5.4% and only 0.6% from Tanzania.

Although Kenya has a significant share as a supplier of avocados to Netherlands, based on information from Dutch importers of avocados who we are currently engaged with, many of them are less optimistic about Kenya supplies because of quality issues due to immature fruits and pesticide maximum residue level interception. In addition, constant delays from the government regulatory when exporters seeking for export approvals and therefore impose a risk for importer not being able to supply products to supermarkets in time. To all product importers interviewed, product supply consistency was one of the most important factors when choosing a supplier. Therefore, they were willing to diversify their supplier base because they couldn't fully depend on their current suppliers from Kenya.

With the above observation in 6 and observation from Fruit Logistica about buyer feedback, this represents an opportunity for GBRI to supply good quality and quantity to the Netherlands.

France

The second European market targeted by GBRI is France. France, is Europe's second largest import destination for high-quality avocados, and is ranked third in the world for avocado imports.

Table 3 Avocado market size and trend in France; Source ITC

Avocado Market in France	
Total value imported in 2020 (USD thousand)	518,846.00
Value imported in 2020 (USD thousand) from Tanzania	8,197.00
Total quantity imported in 2020 (ton)	170,738.00
Quantity imported in 2020 from Tanzania (ton)	3,058.00
Tanzania market share in France's imports (%)	1.6%
Tanzania growth in imported value between 2016-2020	17%
Tanzania growth in imported quantity between 2016-2020	20%

France imported about 170,738 tons of avocado in 2020 with the local demand of 144,000 tonnes. In 2016-2020 the avocado market value has been growing by 8% value, and 6% by volume. France occupies about 7.1% world market share.

Although France offers the largest market for avocados in Europe, consumption growth has been slower with an annual consumption of over 2 kg per capita. Regular price increases also slow down the growth in avocado consumption. Despite the higher prices, organic avocados are taking an increasing share of the market. The largest supplier of avocados to France was Spain 30.8% followed by Peru 21.4%, Israel 10.4%, Mexico 8.4%, Chile 6.8%, Morocco 5.8%, Kenya 5.3% and only 1.6% Tanzania. ITC shows that Tanzania is ranked number 11th supplier to France.

The market trend in table 7 shows that Tanzania is gaining share in France market. Hence, GBRI has a better opportunity to market its avocado in France.

United Kingdom

The avocado consumption rate in the UK is roughly 1.5Kg per capita and it is characterized by increasing demand for health and wellness products, as well as functional food products that stem from the aging population and increased health consciousness of consumers.

Table 4 Avocado market size and trend in UK

Avocado Market in United Kingdom	
Total value imported in 2020 (USD thousand)	348,388.00
Value imported in 2020 (USD thousand) from Tanzania	490.00
Total quantity imported in 2020 (ton)	122,298.00
Quantity imported in 2020 from Tanzania (ton)	852.00
Tanzania market share in UK's imports (%)	6.4%
Tanzania growth in imported value between 2016-2020	0%

The United Kingdom is ranked fourth largest import destination for avocados. It too has high standards requirement and demand is highly influenced by price pressure. GBRI will implement marketing strategies including offering competitive prices on high quality avocado and achieving certified quality standards.

The United Kingdom imported

122,000 tons of avocados in 2020, see table 8. Rising costs and prices due to Brexit (the United Kingdom leaving the European Union) and COVID-19 has tempered recent fruit sales, resulting in zero growth in value for avocado imported from Tanzania in 2020 and there is an increasing awareness of the sustainability aspects of avocado orchards such as their water use. Nevertheless, the consumption of avocados will continue to increase and a growing interest in plant-based diets will keep up the demand.

Spain

Spain is a producer, consumer and also an emerging trade hub for avocados. For an exporter Spain is an interesting target country, because it is likely you will find a broader market than just Spain itself.

Table 5 Avocado market size and trend in Spain; Source ITC

Avocado Market in Spain	
Total value imported in 2020 (USD thousand)	389,303.00
Value imported in 2020 (USD thousand) from Tanzania	1,155.00
Total quantity imported in 2020 (ton)	55,000.00
Quantity imported in 2020 from Tanzania (ton)	610.00
Tanzania market share in Spain imports (%)	0.3%
Tanzania growth in imported value between 2016-2020	37%
Tanzania growth in imported quantity between 2016-2020	38%

Spain has a lower volume of imported avocados reaching 55,000 tons in 2020 compared to other European nations. This is because Spain is also the largest producer of avocados in Europe. However Spanish traders are extremely active in the Europe wide trade of avocados and supplement their traded volumes with overseas imports to complement national

demand but also demand from retailers operating across Europe. This makes Spain Europe's second-largest exporter of avocados after the Netherlands.

Nearly half of the 129,000 tons of imported avocados came from Peru. But there is also an increase in imports from Mexico (13,000 tons) and Morocco (10,000 tons) which overlap with the Spanish season, in 2020 Spain only exported 610 tons from Tanzania. This confirms the Spanish demand for re-export. Most of the avocados traded from Spain have France as their destination (39,000 tons), followed by the Netherlands and Germany (14,000 and 11,000 tons respectively). In the years to come it is expected Spain to become a larger consumer of avocados, currently consuming about 1.54Kg per capita but it will also play a bigger role in the European avocado supply.

The observation on growth of avocado import from Tanzania both in volume and value as shown in table 08 present an interesting opportunity for GBRI to market its avocado to Spain market.

Germany

Germany is in full development. Promotion of health benefits and discount offers are important drivers for a fast-rising avocado market. This makes it an interesting country for exporters.

Table 6 Avocado market size and trend in Germany; Source ITC

Total value imported in 2020 (USD thousand)	387,203.00
Value imported in 2020 (USD thousand) from Tanzania	1,661.00
Total quantity imported in 2020 (ton)	123,365.00
Quantity imported in 2020 from Tanzania (ton)	852.00
Tanzania market share in Germany's imports (%)	0.4%
Tanzania growth in imported value between 2016-2020	71%
Tanzania growth in imported quantity between 2016-2020	66%

Germany is probably the country with the most growth potential besides Italy. Germany has the largest population in Europe and is still developing its avocado market. Currently, the consumption is just over 1.2 kg per capita and rising. Avocados are praised because of their health benefits and the German consumption is expected to

catch up with other northwest-European markets. In 2020, Germany surpassed the demand in the United Kingdom and became the second-largest consumer market for avocados.

Total imports in 2020 increased to 119,000 tones, 22% more than the year before. Favorable consumer prices and the additional attention for healthy eating during the COVID-19 pandemic contributed to growth. Germany is the home country of discount retailers such as Lidl and Aldi, which often take the lead in offering promotions in avocados. At the same time a retailer like Lidl is known to be one of strictest when it comes to pesticide residues, which GBRI strictly need to comply with in order to access the Germany market. Germany also has the highest sales revenue for organic food in Europe, making it an interesting market to explore for organic avocados.

The fact of growth of avocado import from Tanzania both in volume and value as shown in Table 10 presents an interesting opportunity for GBRI to market its avocado to Germany market.

South Africa

South Africa avocado market in 2020 was valued at \$5.4 mil. The largest supplier of avocados to South Africa were Spain worthy \$3.826 mil occupying 70.7% of total imports, followed by Mozambique 12%, Kenya 10.1% with recording 824% growth in imported value between 2019-2020 and Zimbabwe 3.3%.

In Nov 2021 the market access for importation of avocado fresh fruit from Tanzania to South Africa was granted. Tanzanian growers produce their avocado during the South African off-season between December to February when the prices in the local market are extremely high. Another advantage of securing South Africa market is short delivery times as it takes 8-12 days on road transport, making fruits to get into retail supermarkets in fresh and good quality.

GBRI is among of Tanzania exporters granted the permit to export avocado to South Africa market. This achievement gives GBRI a great opportunity to diversify its market to this newly secured regional market in South Africa and reduce risk of being European market dependent.

India

India is a new avocado importer for Tanzania's avocado, which was secured in 2022. Sample pallets of avocado have been exported as trial shipment. In 2020, the Indian market value was \$1.325 million, this presents a better chance for GBRI to export to the Indian market which is new for Tanzania avocado. Moreover, the Indian market present a huge opportunity as it has a population of about 1.39 billion people and the consumption of avocado is rising through an increasingly health-conscious population.

4.4.3 Avocado Oil Market potential

Competitors at country level

The worldwide production of avocados is increasingly competitive, as more nations are engaging in the cultivation of avocados. Historically, the largest supplying nations to the European market were Peru, Chile, South Africa, Israel, Mexico and Kenya respectively. The European preference for Latin American avocados is a combination of avocados being endemic to this region of the world and that this region had first mover advantage by supplying avocados to the global market first. In addition, Peru and Chile were able to consistently supply high quality avocados and develop trusted relationships with European importers. Consequently allowing, these nations to create and maintain a “positive” impression of their avocados with European consumers. Mexico, the other key Latin American producer mainly supplies the U.S. market. However, they have recently lost market share as their avocados sales have been restricted due to their association with organised crime.

Within Africa, Kenyan avocados have recently had quality issues hampering their growth in the European market. South African avocados have been viewed positively but have shorter harvest periods limiting their capacity to supply the year-round demand from the European market.

Tanzania is considered ‘a new kid on the block’ and buyers are still exploring the opportunity for consistent high-quality avocados from Tanzania. In addition, as can be seen in the table below, Tanzania has one of the longest harvest periods compared to other supplying nations. Meaning that it can take advantage of lower global supply and thus higher global prices to secure a leading market position as supplier of premium avocados. Moreover, this unique situation provides an opportunity for all Tanzanian avocado exporters to collectively define the country’s reputation of a premium avocado supplier on the global market.

Table for Avocado harvesting seasons from 10 supplying nations

	J	F	M	A	M	J	J	A	S	O	N	D
Peru												
Chile												
A.Africa												
Israel												
Mexico												
Kenya												
Colombia												
Morocco												
Spain												
Tanzania												

Competitors at company level

The avocado sector in Tanzania that is exporting is growing fast, but still limited to a relatively small number of companies. The details of GBRI’s main competitors with their strengths and weaknesses are described in below.

Table of GBRI's main competitors

Competitors	Strengths	Weaknesses
Rungwe Avocado	Own its own nuclear farm 200ha	Based in Mbeya and do not operate outside of Mbeya district.
Tanzanice	Export organic avocado Provide agronomic support to farmers	Do not offer incentive to farmers growing organic avocado.
Kuza Africa	Experience is export, obtained export permit to South Africa market,	Do not pay farmers on time. Don't provide agronomic support to farmers.
Kibidula Farm	State of art cold chain infrastructure and 500 acres own avocado orchard, obtained south Africa export permit. Export at late season in Sept. The company have certified avocado seedling nursery. Have supplying contract with Westfelia Certifications (G.A.P, GRASP)	Do not source from smallholder farmers.
Lima Limited	Certifications (G.A.P, GRASP)	Company has manual processing line for sorting and grading fruits; therefore, it has limited processing capacity. Do not provide technical support to farmers.
Kenya exporters	Buy from smallholder farmers, transport to Kenya for packaging and export	Have no base in production areas, act as brokers, do not pack or add value at source rather transport avocado to Kenya for packing and export as produce of kenya.
Olivado	Buy avocado for making avocado oil	Do not export fresh avocado fruits, only export avocado oil.
Africado	State of art cold chain infrastructure, mechanical machine line to process fruits and 200ha own avocado orchard Granted South Africa export permit. Export at late season in Jun Financially stable, work on contract with Westfelia Certifications (BRC, SMETA, G.A.P, GRASP)	Only operates in Northern regions part of Tanzania Source from limited number of smallholder farmers
Season	Mechanical sorting and grading machine, high processing capacity	New entrant to the market, do not have website, do not provide agronomic support to farmers
Shikamoo Parachichi	Large avocado smallholder database Financially stable, payment to farmers timely.	Do not provide technical support to farmers. Middlemen (broker), purchasing fruits for Kenyan's company.
Avocado Tanzania	New entrants in the market, have a 100-acre orchard in Njombe and is working with several groups of smallholder farmers	Currently do not have their own packaging facility and rely on renting packhouse facilities at Kibidula farm
AVOAFRICA	State of art cold chain infrastructure, mechanical Have strong customer base Export both HASS and FUERT varieties Financially stable and pays farmers on time Certifications (BRC, SMETA, G.A.P, GRASP)	- Buys from middle men and do not buy directly from farmers. Therefore has established less relationship with farmers. -

Macro-economic factors

GBRI has analyzed basic macro-economic information such as political, economic, social, environmental and technological (PESTLE) factors in Tanzania which have changed or likely to change and influence the future growth of the horticulture industry in Tanzania and cause either negative or positive impact to GBRI business are summarized in the table below.

<p>Political Factors</p> <ul style="list-style-type: none"> • Strong political will to develop agriculture sector. The government has increased the agricultural budget from 294 billion Tanzanian shillings to 954 billion Tanzanian shillings (224.5% increase) aiming to achieve more than 10% growth for the agriculture sector, increasing the value of export of agricultural produce from 1.2 billion U.S. dollars to more than 5 billion, of which 2 USD billion dollar from horticulture produce U.S. dollars by 2030. • Tanzania is politically stable (the country has not experienced any conflict or civil war since gaining independence), providing a conducive environment for business. • National framework strategy to promoting the competitiveness of Avocado industry in Tanzania underway with the key focus on quality certified avocado seedlings production, cold chain and export market development. 	<p>Economic Factors</p> <ul style="list-style-type: none"> • High economic growth potential (the GDP growth over the last 10 years is around 7%, one of the fastest growing economies in Africa) making it reach Middle Income economy July 2020. • Increasing economic stability (inflation down from 16% in 2012 to 4% in 2018) • Africa trade agreement- Strategic location (the country is a gateway to 6 landlocked countries - Uganda, DRC, Rwanda, Burundi, Zambia and Malawi). • Opened new secured market avocado export market to South Africa and India and China.
<p>Social Factors</p> <ul style="list-style-type: none"> • Size of the population is 55, 451,343 (July 2018 etc.) • Poverty decreased by eight percentage points in 10 years, down from 34.4% in 2007 to 26.4% in 2018 (Tanzania Poverty Assessment, 2019) • Increase in urban population in big cities (Dar es Salaam, Dodoma, Mwanza, Mbeya & Arusha). 	<p>Technological Factors</p> <ul style="list-style-type: none"> • Tanzania Leads innovation in the Low-Income group (Global Innovation Index, 2020) • Low technology in agriculture and production • High mobile money penetration
<p>Legal Factors</p> <ul style="list-style-type: none"> • 25% import duty exemption and 0% VAT on cold rooms, irrigation equipment, cold trucks. • FV product traceability and food safety standard for domestic market has little enforcement • 30% import duty for fresh horticulture produce to protect domestic market. • 0% VAT on fresh horticulture products for export. • Registration of avocado nursery producers to control seedlings quality to farmers. 	<p>Environmental Factors.</p> <ul style="list-style-type: none"> • Suitable climate condition, for FV production • Tanzania has a total area of 885, 800 sq km thus providing vast lands which can be used for horticulture plantation. • Availability of cheap land. • Climate change stable – no extreme weather experienced particular in and Southern highland regions give confidence on growth of avocado sector in these regions.

Table of Tanzania basic macro-economic analysis.

3.2 Key strength of your business model

The ability for GBRI to compete and win the competition in international avocado markets is subject to the company's strengths (competitive advantages) which include the following:

- GBRI's value proposition is based on our end-to-end business model addressing farmer's biggest challenges in the whole value chain from farmer organization Agriculture Marketing Cooperatives (AMCOS current with 2200 farmers) development, provision of extension and agronomic support services to farmers for increased productivity and reduced post-harvest losses, investing in efficient agro-logistics and cold chain infrastructure and avocado oil value addition to provide reliable market access for fresh avocado and rejects to farmers guaranteed them a sustainable income to improve their livelihood and give the assurance to the company to attain economy of scale for consistence supply of quality fruits and oil to export market.
- Secured sales contract agreement with three customers (Van der Lans International BV with the demand of 2 containers per week, and Eurobanan LS – demand 2 container per week, Olvea – 220 ton of avocado oil per year.
- International certifications achieved: G.A.P and SMETA and South Africa Import Permit to export avocado to South Africa market. In addition, GBRI have partnered with Guavy (input supplier) for providing certified organic fertilizer (HAKIKA), soil and water use. Furthermore the company strategy is to help farmers attain organic certification and fair trade in order to sell premium prices and niche for both fresh avocado and oil.
- Partnering with Tanzania Agriculture Development Bank TADB to provide financial support to farmers organized in AMCOS through having off-taker contracts with GBRI. This enables farmers to access finance
- **Uses Digital farming seamless** mobile technology for smallholder farmer's traceability management system; enabling the company to digitize end-to-end operations which involve farm operations, harvest/post-harvest, and processing for higher efficiency. Solving the below challenges:
 - Capture the ground data of our farmers to monitor and track farms operations (local offline functionalities - for rural support).
 - Addressing challenges like certification standards and product traceability
 - Package of practices and crop specific production calendar with agronomic best practices (fertilization, plant protection and irrigation advisories to farmers.
 - Cashless transaction M-PESA, mobile money provide convenience to farmers to get paid within 24 hours after harvest.
- Intellectual property owned: brand name "EATFRESH" (trademark).
- Support from TAHA and SAGCOT who are well embedded and experienced in all parts of Tanzania's horticulture value chain.

3.3 Obstacles

The Southern Highlands regions in particular Iringa, Mbeya and Njombe regions with 7000-10000 avocado smallholder farmers producing about 50% of total avocado in the country. The avocado value chain in these regions is currently not set up as an organized industry and it faces the following risks which may hinder the company from successfully implement the business to achieve its long term business goals and vision.

- a. **Low productivity.** The main reasons for this low productivity includes i) inefficient utilization of

agro-inputs, ii) poor soil productivity due to acidic soil affected by soil erosion, soil nutrient depletion and lack sufficient organic matter, iv) lack of proper pest and disease management practices and v) lack of Irrigation practices as the majority of avocado smallholder farmers are applying rain-fed agriculture practices because of little on good agriculture practices and or farmers are not aware with smart technologies of solar powered irrigation method which has low operational cost and high return in long run. Consequently, rain feed farmers do achieve low crop yields of 4-6 ton/ha compared to an industrial standard of 20ton/ha.

- b. **Limited access to credit and finance.** Finance in agriculture in Tanzania mainly takes place through Microfinance Institutions (MFIs) and short-term loans provided by banks. However, most smallholder farmers lack access to such financing mechanisms due to uncertainty of the market to their produce and subsequently high interest rates. Provision of credit, insurance, and payments facilities for smallholders remains a challenge.
- c. **Less developed cold-chain logistics and processing.** GBRI uses the manual fabricated sorting and packing line and cold room with capacity to store 40 tons to handle one container but without pre - cooling cold facility causing insufficiencies in terms of quantity, small capacity and high operating cost. Moreover because of having a lot of rejected avocado fruits which are which are not meeting export quality requirement, the company hired a manual operated hydraulic pressing machine to extract 12 ton of avocado oil. The machine produces 100 Kg per day and inefficiency to meet the quality of oil. As a results most of rejected avocado fruits are dumped as wastes. This situation become more worse when price in the market is extreme low because oversupply¹ from other leading avocado producer like Peru and Mexico all competing in the same Europe market, during this period exporters do disappear and leaving farmers with mature fruits to counting loss
- d. **Inadequate market system** due to disruption from global pandemic effect and other global event like Ukraine and Russia conflict causing severe food chain distribution particular export market. In addition the global competition from bigger producers such Peru, Mexico, Colombia do cause over oversupply due to bumper harvest in the market and the price drop extremely low which result the buyers from country with less comparative advantage stop to buy avocado from farmers. This situation do discourage a lot of avocado farmers to enter into farming and expand their production

To address the aforementioned risks, GBRI has developed the following business development strategies which form a building block toward the company vision of becoming a leading exporter of high value products in southern highland regions Iringa, Mbeya and Njombe.

The risk mitigation strategies are:

1. **Inclusive business and socio-economic development strategy.**

In order to achieve economies of scale production, the company aim to work with smallholder farmers in a formalized groups (AMCOS) both in Iringa, Mbeya and Njombe regions to grow premium quality avocado for export market. The established AMCOS will be strengthened in terms of capacity building on i) business development and entrepreneurship, ii) financial management, iii) governance and leadership and iv) Good agricultural practices on proper land use management, integrated pest management, access to eco-friendly fertilizer, agro-inputs, soil testing, efficiency water use. Moreover through the signed contract with GBRI farmers in AMCOS it enable to access financial support in form of input loans from TADB bank.

¹ <https://thenewdaily.com.au/news/national/2022/05/10/avocado-cheap-dumped/>

2. Cold –Chain and Avocado processing infrastructure improvement strategy

This strategy relates to sustainable hardware implementation of avocado oil extraction machine and cold-chain, ensuring that the technical conditions are created to increase yields, reduce post-harvest losses and process premium quality avocado and avocado oil with value added in an efficient way. The avocado oil product is easier to manage and to transport than the fresh fruit, with a longer shelf-life, consequently enables the company to manage the risk of food industry disruption from global pandemic like Covid 19 and Ukraine-Russia conflict, therefore creating a long term profitability and sustainability of the avocado business to both GBRI and farmers.

3. Market linkages strategy: With securing the investment fund, GBRI to increase production and processing capacities, the company aim to achieve annual export target of 2000 tons and 1122 tons of avocado oil, creating sustainable markets access to contracted avocado farmers who are organized in the cooperatives. Target markets primarily in the EU such as the Netherlands, France, Spain, United Kingdom, and Germany. In addition, due to recent bilateral agreements the Indian and South Arica markets will be targeted.

4. Proposed operational model

4.1 Proposed business model

In the next five years, GBRI plans to improve on building an enabling environment and increase productivity for smallholder farmers in the avocado value chain. In addition, GBRI intends to bring further efficiencies in the agro-logistics and cold chain infrastructures for premium avocado production in Southern Highlands of Tanzania. These ambitions are aimed to ultimately allow for higher farmer productivity, increased farmer participation and capacity to provide consistent quality and larger supply of avocados and avocado oil whilst promoting sustainable agriculture practices for farmers in the Southern Highlands region.

By 2028, GBRI aims to achieve 2000 tons of avocado export annually, 1122 tons of avocado oil, employ around 200 full time staff, and create more than 1000 informal jobs along the entire value chain. Furthermore, GBRI expects to source avocado from around 5,000 smallholder farmers organized in farmer organization (AMCOS), which can potentially increase their income from \$3,250 to \$ 5,500 per ha (69%) by the year 2028. Allowing for a more certain market for their avocados. In addition, GBRI will ensure that these avocado farmers will have reliable market access, Global G.A.P. training, agronomic support, and access to eco-friendly inputs and avocado seedlings, and assist with reducing post-harvest loss from the 30-40% currently to up to 0% (**zero avocado waste**) by processing rejects (wastes) into avocado oil, helping farmers to earn income from all what their produce.

4.2 Client base and growth potential

A brief description of our key clients is summarized as follows:

Van der Lans International BV, the Netherlands

Van der Lans International BV is an independent importer and distributor based in the Netherlands. They are internationally active in the import of (exotic) fruits, vegetables and fruit specialties from more than 20 countries, concentrating mainly in the southern hemisphere. Their products are sold and distributed to various (end) customers within the European market. In 2023, GBRI exported 176 tons (8 containers) to Van der Lans International BV. Signed contract to supply 2 containers per week to Van der Lans in 2024 season.

Contact details:

Phone: +31 (0)35 642 26 22

Fax: +31 (0)35 642 26 44

Email: info@vanderlans.com

Website: www.vanderlans.com



Abacate International, India

Abacate is importer Of Fresh Fruits, Vegetables & Exotic items in Indian the Indian Market for Premium Quality of Imported Fruits. The company is based in Mumbai, Maharashtra. Abacate has signed sales contract with GBRI to supply minimum 1-3 containers of Hass Avocado per month in 2024 season.

Contact details:

Phone: +91 9152522522

web: <https://www.abacate.in/>

Email: info@abacate.in



Select Fruits SRL is a *Romanian* company that specializes in the import and distribution of fresh *fruits* and vegetables. Supplying 1 container every week for 2024 season

Address: Sos Linia de Centura Nr.46, C1

Stefanestii de Jos, Jud Ilfov, Romania, 077175

Country: Romania

Email: anca.constantinescu@selectfruits.ro

Telephone: +4-0758-733-008

Website: www.selectfruits.ro



HALLS FRANCE Family-owned and purpose-driven. Halls is a global fresh produce supplier with sustainability at its core

Address: 7Bd du Delta, Bat DE3 94150 RUNGIS

Country: FRANCE

Email: assistantimport@hlhall.co.uk
ventes@hlhall.co.uk

Phone: +33(0)185001580



Compagnia Alimentare Italiana

The company has secured the sales contract of 10 containers (220 tons) in 2024, worthy \$1.1million to supply to Compagnia Alimentare Italiana, this is an Italian company specialized in Avocado Oil, Flaxseed Oil, Grapeseed Oil, Sesame Seed Oil, Walnut Oil, Rice Oil, Coconut Oil.



Contact details:

Phone: +39 3357708245

Website: www.alimentareitaliana.it

Email: Adriano Mantova info@alimentareitaliana.it

With financial funding support, GBRI sales and marketing objectives includes:

- To achieve annual export target of 2000 tons of avocado and 1122 tons of avocado oil to secure medium- and long-term profitability by 2028.
- Target markets primarily in the EU such as the Netherlands, France, Spain, United Kingdom, Germany. In addition, due to recent bilateral agreements the Indian and Chinese markets will be targeted with potential also targeted from the Middle East. Lastly, the South African market will be targeted to explore the development of a regional market
- Key marketing strategic activities are
 1. Increase brand awareness through attending international Fruits and Vegetables exhibitions e.g. Fruits Logistica in Berlin, Germany, MacFruit –Italy, Avocado Congress – Online, World of Perishables – Dubai,
 2. Active online presence – X, LinkedIn, Instagram,, WhatsApp, YouTube, Website
 3. Achieving and maintaining the international certifications (G.AP. GRASP, SMETA). Consider the opportunity for Organic certification in order to diversify the market.

4.3 Supply

GBRI's scale-up plan is structured under the following produce sourcing objectives:

- Sourcing from 5,000 farmers to deliver the desired quantity of G.A.P certified avocados by 2028.
- Key strategies for production activities include:
 1. Developing the avocado smallholder farmers in organized AMCOS in Iringa, Njombe, Mbeya regions. The current 9 AMCOS which has contract with GBRI are: Itipngi Amcos (Njombe), Isowelu Amcos (Njombe), Matinganjora Amcos (Njombe), Kidugala Amcos (Njombe), Malimbichi (Iringa), Lipuli (Iringa), Mgama (Iringa), Imalinyi Amcos (Njombe) and Matembwe Amcos (Iringa).

2. Training farmers on soil management, Good Agricultural Practices G.A.P., integrated pest management, best use for agro-inputs, soil testing, and showcase efficient water and eco-friendly organic fertilizer use as examples of climate smart agriculture practices on an avocado orchard to improve individual farmer yield by 30% (achieve yield of 9-10ton/ha) whilst simultaneously build relationships and trust between GBRI and the smallholder farmers we work with.
3. Invest in the production of certified avocado seedling production for smallholder farmers at affordable prices.

4.4 Production process

Production objectives

- GBRI plans to procure and implement sustainable hardware, ensuring that the conditions are created to increase yields of farmers, reduce post-harvest losses (both at farmer level as well as at GBRI packhouse level) and to process premium avocados in a time efficient way. This includes the procurement of hardware, to be implemented at the newly constructed GBRI packhouse.
- Invest in packhouse cold chain infrastructure, avocado oil 5ton/hour, cartons folding machine, standby Generator 360KVA, Operation vehicles and harvesting crates. This will ensure that the maximum packaged output can be reached in a short space of time. With a more efficient facility, GBRI intends to reduce post-harvest losses and increase trading volumes between farmers-GBRI and ultimately international off-takers.
- GBRI's sales revenues are expected to increase due to the investment made in value addition of processing avocado oil and in more efficient grading and storage at company level (cold rooms) resulting in less post-harvesting losses and longer shelf life which enables GBRI to sell produce throughout the year.

4.5 Innovation

Our innovations are designed in three aspects:

1. **Business model:** GBRI's value proposition is based on our end-to-end business model addressing farmer's biggest challenges in the whole fruits and vegetable value chain from farmer organization Agriculture Marketing Cooperatives (AMCOS) development to achieve economy- of-scale production, provision of extension and agronomic support services financial access from financial institutions e.g. TADB, and eco-friendly organic HAKIKA fertilizers to achieve climate-smart agriculture to increase productivity by 30% and reduced post-harvest losses from about 30- 40% to less than 0% through investing in efficient cold chain infrastructure and avocado oil value addition and provide reliable market access avocado smallholder farmers for both fresh avocado and rejects.
2. **Digital farming seamless** mobile technology for smallholder farmer's traceability management system; enabling the company to digitize end-to-end operations which involve farm operations, harvest/post-harvest, and processing for higher efficiency. Solving the below challenges:
 - Capture the ground data of our farmers to monitor and track farms operations (local offline functionalities - for rural support).
 - Addressing challenges like certification standards and product traceability
 - Package of practices and crop specific production calendar with agronomic best practices (fertilization, plant protection and irrigation advisories to farmers.
 - Cashless transaction M-PESA, mobile money provide convenience to farmers to get paid within 24 hours after harvest.

These innovation of digital transaction history enable our farmers to build track records that makes easier to the farmers to access financial supports (working capital or inputs loans) from financial institutions to grow their farming business into commercial agribusiness and take agriculture as business.

3. **Avocado value addition** of fresh avocado into high value avocado oil makes the avocado value chain greener to avocado farmers who get loss of about 30-40% of their production from rejects

(wastes) of avocado which do not meet the export quality. The avocado oil product is easier to manage and to transport than the fresh fruit, with a longer shelf-life and fetches a profitable price on an international markets, consequently manage the risk of food industry disruption from global pandemic like Covid 19 and Ukraine-Russia conflict, therefore creating a long term profitability and sustainability of the avocado business to both GBRI and farmers.

5. Development impact

5.1 Targeted impact, innovation, and additionality

This project will enable the company to scale up its production capacity by investing in efficient cold chain infrastructure and avocado oil value addition, strengthening farmers' development to increase productivity with the guaranteed sustainable market access for all their avocado produces (fresh avocado and rejects) to gain a sustainable income to improve their livelihood and give the assurance to the company to attain economy of scale for consistence supply of quality fruits and oil to export market.

Moreover the current situation worldwide (eg Covid 19 pandemic and Ukraine and Russia war) which is creating difficulties on food supply chain, distribution of fruits and vegetables. For business sustainability, the new strategy of investing in avocado oil extraction is necessary because the avocado oil product is easier to manage and to transport than the fresh fruit, with a longer shelf-life and currently with a profitable price too on an international markets, consequently creating a long term profitability and sustainability of the avocado business to both GBRI and our farmers.

5.2 Impact on Sustainable Development Goals³ (SDGs)

GBRI envisions that through transformations of farmer organizations into 'farmer-led businesses', we will enable them to invest in the cultivating, storing and upgrading of their products and ultimately to realize a better income for their members. Their success enables them to make an important contribution to employment, to the fight against poverty and to the economic development of their region through transactions in the value chain.

GBRI monitors its operations based on a result-oriented Monitoring, Evaluation and Learning (MEL) plan which serves to track progress, improve efficiencies, measure overall effectiveness of activities and specific effects on the SDGs, accountability, gather learnings and showcasing. The envisioned results on impact level are described along GBRI's contribution to the following SDGs: 1, 2, 8, 17, 5, 12 and 13 as summarized in Table below.

Ref. no.	Impact indicator	Target	SDG reference
1	No. of smallholder farmers organized and trained in farmer-based organization (AMCOS) to cultivate eco-friendly grown premium avocado and improve their resilience and entrepreneurship providing them with improved access to market (GBRI)	10,000 of which 60% women and 30% youth	1, 2, 5, 8 and 10
2	Reduced post-harvest losses through processing unmarketable avocado into avocado oil, reducing food wastes, generate cleanenergy and eco-friendly organic fertilizers.	<1%	1, 9 and 8

³ For more information on UN Sustainable Development Goals please refer to UN web page [THE 17 GOALS | Sustainable Development \(un.org\)](https://www.un.org/sustainabledevelopment/)

3	Avocado aggregation volume in two years of the project from farmers	16,500 tons	1 and 12
4	Area of land under sustainable cultivation ha/year	20,000 ha of land	1 and 12
5	No. of direct jobs created at GBRI due to scale-up investments.	200 of which 80% women	5 and 8
6	No. of informal jobs created along the value chain due to scale-up investments. (graders, farm activities, transports, services providers)	1,000 of which 60% women and youth.	5 and 8
7	Yield increase kg/per acre from 4-6ton (baseline) to 10ton per ha increasing food security	30%	1 and 8
8	Annual farmer income increase	\$540 to \$850 (57%)	1 and 5

Table of MEL impact indicators

5.3 Poverty profile of end beneficiary

Poverty has declined since 2007 and continues at a modest pace, with a fall in the poverty rate from 28.2% in 2012 to 26.9% in 2016. This decline has been accompanied by improvements in human development outcomes and living conditions. Improved health outcomes have driven this progress, along with robust gains in education and incomes. Though, the country is still one of the world's poorest economies of the world, ranking 154th out of 189 countries on the UNDP's Human Development Index (UNDP 2018).

While the overall poverty rate in the country has declined, those who earn their livelihood from agriculture and who happen to live in rural areas (smallholder farmers) remain trapped in poverty. For example, in 1992 the rural population was 80% of the total population and the poverty rate was 40%. In 2007, after 15 years, the rural population was 74% of the total population and rural poverty rate was estimated at 37.8%. It is apparent that much has not changed in terms of both the share of rural population and rural poverty rates in Tanzania.

5.4 Social and Environmental risks

Agriculture is the most vulnerable sector to climate change and extreme weather events. Climate change affects the Tanzanian horticulture industry and hence the project among others through increased levels of CO₂, declining of crop yield, soil erosion, deforestation of new avocado establishment, loss of soil fertility, changing temperatures, climate variability and frequency of extreme weather events. At the same time, agricultural activities contribute to approximately 30% of total greenhouse gas emissions, mainly due to the use of chemical fertilizers, pesticides and diesel engine powered irrigation pumps. Intensification practices, needed to provide sufficient food for the growing global population, have a further increasing effect.

The avocado farmers have reported to experience some years the rains come late or leave earlier or in case of some areas in Njombe there is excessive cold weather which adversely frost affects to avocado. Farmers have no concrete solutions on how to adapt to such conditions rather than continue applying the same farming methods.

In this project, activities are designed in focus to reduce the exposure of farmers to climate change risks, while also strengthening their resilience by building their capacity to adapt and prosper in the face of shocks and longer-term stresses of climate change:

- **Carbon sequestration in soil.** Carbon sequestration in soil currently presents the best solution to counterbalance the increase of greenhouse gases. The project will integrate applying crop-

specific organic fertilizers pellets/granules to agricultural land which would increase the amount of carbon stored in soils and contribute significantly to the reduction of greenhouse gas emissions.

- **Increasing organic matter.** Also, increasing organic matter in soils may cause other greenhouse gas-saving effects, such as improved workability of soils, improved soil microbial activity and biodiversity, better water retention, less use of mineral fertilizers and pesticides, and reduced release of nitrous oxide.
- **Integrate climate adaptation in GAP.** In addition, the project will integrate climate adaptation in its GAP training activities with a specific focus in various farming practices like crop rotation, the use of drought resistant seedlings, tillage, integration of trees within the farming practice (agroforestry), ground covering like permanent soil cover (with mulching) and the use of water-efficient irrigation technologies such solar powered drip irrigation for water conservation purposes.
- **Circular economy:** GBRI business bring significant positive impact to the environmental and reduce food waste through circular economy approach by applying the best extent possible the principles of 'reduce, reuse and recycle'.

1. Reduce resources.

- a. GBRI will explore the solutions available for efficiency water reuse systems at processing packhouse. At the FRESH-hubs (demonstration plots), irrigation systems like the use of small-scale solar powered systems for pumping irrigation water for avocado orchard irrigation are demonstrated to farmers to learn the methods that optimize the use of water more efficiently.
- b. Moreover, HAKIKA organic fertilizer application will be emphasized to farmers to make sure nutrients are used in the right place, quantities and at the right time. This will prevent nutrient loss and leaching.

2. Reuse materials.

- a. The waste from rejected avocado which is about 30-40% of farmer's production will be used to process high value product avocado oil. For the farmers, this will bring an additional income of which without this option all most rejected waste could go into waste and become loss to farmers.

3. Recycle products and materials.

- a. While most fertilizer products used in horticulture are conventional (inorganic fertilizers) and are chemically produced, this project takes a different angle by the use of recycled organic matter. The project aim to process all avocado rejects (wastes) into avocado oil and the remained wastes after oil extraction will be turned into organic fertilizer and animal feeds and given to avocado farmers at affordable prices. The recycled organic fertilizer demonstrate a circular economy approach.
- b. At the consumer's side GBRI exported products will contain well designed labels that insist and encourage on proper package disposal and recycling.

Social Impact

Farming as a business. The main social impact of this project is to supports farmer organization in the transformation into self-sustaining agri-entreprises through capacity building on i) business development and entrepreneurship, ii) financial management, iii) governance and leadership. The project approach is to encourage and equip the farmer business organizations in collectively operating as a business i.e. procuring, training, marketing services to gradual make an impactful transformation of avocado value chain. Currently GBRI works with 2200 farmers in 9 cooperatives. By 2028 the target is to reach about 5000 farmers with ability to export GAP and organic certified 2000 tons and 1122 tons avocado oil. This achievement provides for a higher level of income, which in turn contribute to great

support for equality and women's economic empowerment, female-led enterprise development, job creation for women and youth (about 6000 jobs created in the value chain), better overall livelihoods (education, healthcare, housing), consequently build and sustain market-based, economic activities.

Moreover the current situation worldwide (eg Covid 19 pandemic and Ukraine and Russia war) which is creating difficulties on food supply chain, distribution of fruits and vegetables. For business sustainability, the new strategy of investing in avocado oil extraction is necessary because the avocado oil product is easier to manage and to transport than the fresh fruit, with a longer shelf-life and currently with a profitable price too on an international markets, consequently makes the avocado value chain greener, creating a long term profitability and sustainability of the avocado business to both GBRI and our farmers. Financial performance

6 Financial plan

The scenarios and forecasts outlined in this section of the business plan are derived from key variables and several assumptions. These variables are namely; the average seasonal price of avocado per carton (4kg), the EURO price inflation for sales based on a sales price inflation of 5% per annum across all scenarios, all Tanzania costs (direct materials, direct labor and direct expenses) increased by an inflation projection from Statistica until 2027, thereafter (from 2028) a generic rate of 5% has been used for inflation, and the number of containers to be sold during a harvest season.

All scenarios include the assumption that the volume of avocados per container is 21120 kg, avocados are packaged in 4kg cartons, 288 cartons of avocados per pallet, 5760 cartons can fit per container and that the avocado harvest seasons that has been extended to start from December to November each year. The dominating factor impacting the scenarios is sales price due to its daily volatility impacting buyer behavior throughout the harvest season. The assumptions can be summarized as follows for best case scenario:

P&L history and forecast.

GBRI's income statement history and forecast are presented in the tables below. The audited financial statements can be found in Annex6.

6.1.1 Best Case Scenario

Table 7 GBRI's income statement Best Case Scenario 2023-2028

IN EURO	PROJECTED INCOME STATEMENT					
	2023	2024	2025	2026	2027	2028
Sales	829,858	1,945,986	3,790,427	5,153,019	6,232,088	7,519,168
Cost of Sales	(604,096)	(1,312,945)	(2,359,158)	(2,974,046)	(3,563,369)	(4,254,736)
GROSS PROFIT	225,761	633,041	1,431,269	2,178,973	2,668,719	3,264,432
Other Income						
Amortization of Grant	81,250	76,937	123,937	123,937	123,937	123,937
Total Revenue	307,011	709,978	1,555,206	2,302,910	2,792,656	3,388,369
Operating Expenses	(147,818)	(184,772)	(249,442)	(336,747)	(454,608)	(522,800)
Depreciation and Amortization	(45,092)	(257,614)	(327,392)	(351,543)	(285,064)	(232,392)
finance cost	(9,184)	(234,263)	(170,549)	(121,274)	(72,000)	(36,000)
Profit Before Tax(PBT)	104,917	33,329	807,822	1,493,345	1,980,983	2,597,178
Corporate Tax-30%	(31,475)	(9,999)	(242,347)	(448,004)	(594,295)	(779,153)
Profit After Tax-Retained Earnings	73,442	23,330	565,476	1,045,342	1,386,688	1,818,024

6.1.2 Balance sheet history and forecasts

GBRI's balance sheet history and forecast 2023-2028 is presented in the tables below.

BALANCE SHEET(In EUR)						
ASSETS	2023(Actual)	2024	2025	2026	2027	2028
Non current Assets						
Property, Plants and Equipment	557,806	1,329,193	1,590,705	2,145,828	1,860,764	1,628,372
Current Assets						
Trade and other receivables	169,340	194,599	379,043	515,302	623,209	751,917
Inventory	79	-	-	-	-	-
Tax Asset		-	-	-	-	-
Cash and bank balance	153,654	1,339,073	1,226,606	1,305,610	2,877,492	4,979,225
Total current Assets	323,073	1,533,671	1,605,648	1,820,912	3,500,701	5,731,142
TOTAL ASSETS	880,879	2,862,864	3,196,353	3,966,740	5,361,465	7,359,514
CAPITAL, RESERVES AND LIABILITIES						
Capital & Reserves						
Paid up share capital	299,712	299,712	299,712	299,712	299,712	299,712
Retained earnings	258,366	281,696	847,172	1,892,513	3,279,201	5,097,226
Total Capital and Reserves	558,077	581,407	1,146,883	2,192,225	3,578,913	5,396,938
Liabilities						
Trade Payables and Accruals	3,846	-	-	-	-	-
Differed Income	45,769	332,363	443,426	319,489	195,552	71,615
Tax payables	63,571	54,110	258,552	655,026	1,187,000	1,890,961
Borrowings	209,615	1,894,984	1,347,492	800,000	400,000	0.00
Total liabilities	322,802	2,281,457	2,049,470	1,774,515	1,782,552	1,962,577
TOTAL CAPITAL, RESERVES AND LIABILITIES	880,879	2,862,864	3,196,353	3,966,740	5,361,466	7,359,514

6.1.3 Forecasted CF statement

GBRI's forecasted cash flow statement is presented in the tables of this section

Table 9 GBRI's Forecasted Cash Flow Statement Best Case Scenario 2023-2028

In EUR	2023	2024	2025	2026	2027	2028
Operating Activities						
Profit Before Tax	104,917	33,329	807,822	1,493,345	1,980,983	2,597,178
Prior Year Adjustments	(4,283)	-	-	-	-	-
Grants Amortized	(42,308)	-	-	-	-	-
Tax Paid	(231)	(19,460)	(37,904)	(51,530)	(62,321)	(75,192)
Depreciation	71,500	257,614	327,392	351,543	285,064	232,392
Changes in Working Capital						
(Increase)/Decrease in Receivables	(92,427)	(25,259)	(184,444)	(136,259)	(107,907)	(128,708)
(Increase)/Decrease in Inventory	16,068	79	-	-	-	-
Increase/(Decrease in Payables)	22,603	(3,846)				
Increase/(Decrease in Deferred grand			-			
Net Cash flow from Operations	91,579	242,456	912,867	1,657,099	2,095,820	2,625,670
Investing Activities						
Acquisition of Fixed Assets	(125,846)	(1,029,000)	(588,905)	(906,666)	-	-
Fixed Assets Sold	-	-	-	-	-	-
Net Cash flow From Investing Activities	(125,846)	(1,029,000)	(588,905)	(906,666)	-	-
Financing Activities						
Increase/(Decrease) in Differed Income-Grants		286,594	111,063	(123,937)	(123,937)	(123,937)
Capital Paid		-	-	-	-	-
Increase/(Decrease) in Borrowings	194,050	1,685,368	(547,492)	(547,492)	(400,000)	(400,000)
Net Cash flow from Financing	194,050	1,971,962	(436,429)	(671,429)	(523,937)	(523,937)
Net increase in Cash and Cash Equivalents	152,739	1,185,419	(112,467)	79,004	1,571,883	2,101,733
Cash at the beginning of the year	916	153,654	1,339,073	1,226,606	1,305,610	2,877,492
Cash at the end of the year	153,654	1,339,073	1,226,606	1,305,610	2,877,492	4,979,225

6.1.4 Forecasted Statement of Change in Equity

GBRI's forecasted statement of change in equity is presented in the tables of this section

Table 9 GBRI's Forecasted Statement Of Change in Equity Best Case Scenario 2023-2028

EUR	2023	2024	2025	2026	2027	2028
Opening Balance at the bigining of the Period	299,712	299,712	299,712	299,712	299,712	299,712
Addition capital during the year	-	-	-	-	-	
Closing Balance	299,712	299,712	299,712	299,712	299,712	299,712
Opening accumulated profit or loss	184,924	258,366	281,696	847,172	1,892,513	3,279,201
Profit/(Loss) for the period	73,442	23,330	565,476	1,045,342	1,386,688	1,818,024
Prior Year Adjustment			-	-	-	-
Accumulated profit or loss	258,366	281,696	847,172	1,892,513	3,279,201	5,097,226
Balance As At the end of the period	558,077	581,407	1,146,883	2,192,225	3,578,913	5,396,938

7 Main risks and mitigants

Risk item description	Actual effect if risk becomes reality	Likelihood	Severity	Mitigation Measures
<p>Political risk</p> <p>Political instability risk due to change of government, sanctions or pressure from other countries' governments, and civil unrest, change of bilateral agreement due to deterioration in diplomacy.</p> <p>Ukraine and Russia conflict</p>	<p>Change of bilateral agreement, business sanction and loss of market.</p> <p>Customers could default on payments if their businesses suffer during times of political turmoil or changing government policies.</p> <p>Businesses may have trouble moving money in and out of the country.</p> <p>Supply chain disruption, loss of Ukraine and Russia avocado markets causing the displacement of ships into different parts of the world, consequently impact in oversupply of avocado in the markets, and pricing of fruits to go down and logistic costs and materials to skyrocket.</p> <p>Trade credit risks, traders with Russian and Ukrainian contracts are likely to suffer payments delays and defaults.</p>	Likely	high	<p>Mitigation strategies:</p> <ul style="list-style-type: none"> • Business to focus on closely monitoring the political situation in the countries in which it operates. • Market diversification to minimize the risk of depending on market to one country. • Secure insurance for all export business. • Strategy to diversify the product by adding value into avocado oil making the product easier to manage and to transport than the fresh fruit in even of global supply chain disruption. Shelf life of avocado oil is 2 years. • Market diversification. GBRI supply both local and export markets.
<p>Environmental Risks</p> <p>Environmental and Health risk due to extreme weather condition unpredictable rainfall, drought, floods, disease and the spread of pests and diseases to new regions.</p> <p>Health risks from Covid 19 pandemic</p>	<p>Interruption and limit all year round production, damage to crops and production infrastructure.</p> <p>Food supply chain disruption due board restriction and lockdown</p>	Likely	high	<p>Mitigation strategies:</p> <ul style="list-style-type: none"> • Training farmers on soil management, Good Agricultural Practices G.A.P., integrated pest management, best use for agro-inputs, soil testing, certified seedlings and showcase efficient water and eco-friendly organic fertilizer use as examples of climate smart agriculture practices and technologies on avocado production to improve yield. Eg train farmer to adapt solar irrigations pumps instead of rain-fed agriculture. • Implement Covid 19 measures such training, policies, procedures and PPE as per health authority directives. In business context, implement the products and market diversification strategy.

<p>Legal Risks</p> <p>Change in exporting Laws and regulations in the market e.g. change in bilateral agreement, imposing stringent food safety regulation</p>	<p>Company could face legal issues related to a number of areas of the business, including customs, contracts, currency, and the liability and intellectual property rights</p>	<p>Likely</p>	<p>Medium</p>	<p>Mitigation strategies:</p> <ul style="list-style-type: none"> • Company to use legal advisor for track, monitor legal compliance and advice legal changes at both local and importing countries. • Stay updated on legal changes by using industry association and other international partners such TAHA, COLEACP (Belgium). GBRI is the member of these two organizations.
<p>Financial risk due to commercial issues;</p> <p>1. Insufficiency market for the product. Risk is low as the global demand of our products is on rise.</p>	<p>Produce loss for failing to sell the product to due to lack of order, company may lose business.</p>	<p>likely</p>	<p>Medium</p>	<p>Mitigation strategies:</p> <ul style="list-style-type: none"> • Product and markets diversification strategy and secure sales contract from internation • Invest in product research and development to continue improve business and profitability. • Invest in adding value of avocado into avocado oil which has long shelf life up to 2 years
<p>2. Failure/inadequate internal control systems, due to</p>	<p>Loss of funds due to fraud, theft, poor performance.</p>	<p>likely</p>	<p>High</p>	<p>Mitigation strategies:</p> <ul style="list-style-type: none"> • Invest in establishing internal control systems, procedures, policies, standards and use technologies to improve and monitor compliance.
<p>3. The risk of nonpayment or default by customers</p>	<p>Financial loss due to nonpayment or default by customers, resulting the cash-flow constrain, company may fail to operate and paying debt</p>	<p>likely</p>	<p>Medium</p>	<p>Mitigation strategies:</p> <ul style="list-style-type: none"> • Perform customer due diligence on creditworthy, historical performance, enter into sales contract prior business engagement.
<p>4. Quality product risk due to product non-compliance with food safety standards requirement, smallholder farmers, not experienced to export standards specification (eg pesticides residue level, immature products).</p>	<p>Product recall or company ban from exportation result in financial loss.</p>	<p>likely</p>	<p>High</p>	<p>Mitigation strategies:</p> <ul style="list-style-type: none"> • Training of smallholder famers on Global G.A.P and Organic practices to ensure smallholder farmer groups are certified on Global G.A.P and organic standards. • Contracting farming model and working with organized cooperatives societies allows to GBRI to enforce the smallholder farmers to produce good quality and safe produce which meets the export market. • GBRI has four professional technical employees to supports farmers with extension services including agronomic training, production program, and provides continuous close supervision right from planting to post-harvest. • Use of horticulture traceability management software to keep record of all production stages.
<p>5. Insufficiency logistics and incapacity cold chain infrastructures, and processing.</p>	<p>High post-harvest losses, poor product quality to customers and can led to loss of customers and market, and high operational costs.</p>	<p>likely</p>	<p>Medium</p>	<p>Mitigation strategies:</p> <ul style="list-style-type: none"> • Investment in efficiency cold chain infrastructure, cold chain tracking system, transport insurance. • Strategy to diversify the product by adding value into avocado oil making the product easier to manage and to transport than the fresh fruit in even of global supply chain disruption.

6. Key details

Name of organization	GBRI BUSINESS SOLUTIONS LTD
Type of organization	<i>PRIVATE COMPANY</i>
Country of incorporation	TANZANIA
Date registered	23TH MAY 2013
Company registration number	99611
Address	P.O.BOX 2083, IRINGA TANZANIA
Website	www.eatfresh.co.tz

7. Affirmations

The application is completed by the undersigned:

Contact details

Name	HADIJA JABIRI
Title	MANAGING DIRECTOR
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Avocado Oil Export Plan



Commissioned by GBRI Business Solutions Limited

Implemented by TechForce Projects B.V.



Date: 12 July 2024

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1 Acknowledgements

TechForce Projects B.V. (hereafter: TFP) developed avocado oil export plan for GBRI Business Solutions Limited (GBRI), including trends in the global avocado oil market, competitor analysis, mapping of potential buyers, step-wise approach for reaching shortlisted buyers, marketing and branding strategy, potential challenges while entering new markets.

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2 Summary

The report outlines a comprehensive methodology that forms the basis of the avocado oil export plan, including trends in the global avocado oil market, competitor analysis, mapping of potential buyers, step-wise approach for reaching shortlisted buyers, marketing and branding strategy, potential challenges while entering new markets, and key findings for GBRI Business Solutions Limited (GBRI) to enter the avocado oil market.

Introduction and market overview

GBRI is a company based in the Southern Highlands of Tanzania. GBRI is a supplier of high-quality avocado, with a track record of exporting over 25 containers of Hass avocados annually. The company is now gearing up to venture into the export of crude avocado oil. GBRI distinguishes itself in the avocado industry with its commitment to quality, starting from the source. The company has extensive experience working with avocado growers and is currently engaged in sourcing, processing, and exporting avocados from more than 2,000 smallholder farmers. GBRI's dedication to quality and sustainable practices positions it as a promising entrant in the avocado oil market. GBRI has the following key highlights:

- **Strong network.** GBRI sources Hass avocados from premium growing regions, including Iringa, Mbeya, Njombe, Songwe and Kilimanjaro ensuring year-round production.
- **Sustainability focus.** GBRI prioritizes ethical practices. Their farmers are Global G.A.P. and SMETA certified, and GBRI continues to provide training to boost productivity while adhering to sustainable methods.
- **Efficient logistics.** GBRI utilizes 20-ton containers for sea freight, minimizing costs and environmental impact. They have developed a reliable supply chain for consistent inventory levels to supply buyers in the EU market.
- **New packhouse.** GBRI's packhouse of a 1100msq provides ample space for expansion and new value addition activities.
- **Frontrunner.** GBRI positions itself as a leader in quality, sustainability, and efficiency within the avocado and future avocado oil industry.

Global avocado oil market trends

The global avocado oil market is experiencing a surge, expected to reach \$1.13 billion by 2034. This growth is fueled by health-conscious consumers and a preference for natural ingredients. Europe and Latin America remain major players, with Europe focusing on both culinary and cosmetic uses and Latin America being a serious producer for high-quality oils. Emerging regions like East Africa (Kenya and Tanzania) are showing rapid growth in production, with both local consumption and exports increasing. Across the globe, regulations are tightening around food safety, labeling, and quality control, with a growing emphasis on organic and sustainable practices. This trend towards premiumization creates opportunities for avocado oil producers who can showcase consistent quality and ethical sourcing.

Potential new markets and buyers

Several potential new markets for avocado oil sales have been identified. The key market for avocado oil export is Europe with strong growth trends seen in production seen in Latin America and East Africa. The Asian region also showed growing demand for avocado oil and had favorable regulatory frameworks facilitating the export of avocado oil to this region. However, the closest and largest market for avocado oil from Tanzania was within the European market. Whereby countries such as Germany, Spain and Italy had the largest number of potential buyers for avocado oil. These buyers present unique opportunities and challenges for avocado oil sales, and the report delves into the specific characteristics of each market.

Four promising European buyers have been identified for GBRI's crude avocado oil from Tanzania:

- **Spack BV (the Netherlands).** A wholesaler specializing in vegetable oils with refining capabilities. They align with GBRI's focus on quality and potentially offer access to downstream markets.
- **Gustav Heess (Germany).** A well-established player in the oil and fats industry, known for high quality and sustainability practices. Their strong market presence and demand for reliable suppliers make them a good fit.
- **Destilaria Levira (Portugal).** A company with a diverse product portfolio across cosmetics, health supplements, and food. GBRI's oil versatility aligns well with their needs, and their focus on sustainability complements GBRI's practices.
- **Procesavo (Spain).** A reputable avocado oil company with expertise in processing, distribution, and quality control. Their wide market reach and openness to new suppliers from East Africa create a good opportunity for GBRI.

These buyers share GBRI's commitment to quality, ethical sourcing, and sustainability. By partnering with them, GBRI can gain access to established markets, enhance their brand credibility, and achieve a strong foothold in the European avocado oil industry.

Competitive landscape analysis

The analysis examined avocado oil producers in Tanzania alongside international competitors to understand their strengths and weaknesses and provided insights as how best GBRI could position itself for the market.

- **Tanzanian producers.** Strengths of Tanzanian producers include the emphasis on organic and sustainable practices, a commitment to fair trade and supporting local farmers, high-quality production with advanced technology in some cases (Kuza Africa, Olivado, Lima), and decentralized processing reduces transport costs and preserves quality (Avomeru). Weaknesses include their reliance on small-scale farmers which can lead to inconsistent supply (Avopro, Lima), maintaining consistent quality across production (Olivado, Lima), and managing supply chain logistics (Olivado, Lima).

- **Global competitors.** Westfalia Fruit (Peru) is a large, established player with a global network, advanced processing facilities, and a strong brand reputation. Their challenges include maintaining consistent quality across a vast operation and navigating international market complexities. Avocare (Rwanda) focuses on sustainability, zero waste, and ethical sourcing. Their strengths lie in advanced technology, community support, and competitive pricing. Challenges include dependence on high-quality avocado availability and maintaining organic standards.

Overall, Tanzanian producers offer high-quality, ethically sourced avocado oil with a focus on sustainability. However, some face limitations due to their reliance on small-scale farming and inability to maintain consistent supply. Global competitors like Westfalia Fruit have a wider reach and established brands, but managing consistent quality across a large network can be challenging.

Differentiation strategy

GBRI would stand out in the avocado oil market by prioritizing quality, sustainable sourcing, and year-round production. Their focus on nutrient-rich crude oil caters to specific needs, while experience in logistics and EU export experience make them a compelling choice for European importers. To further differentiate themselves, GBRI can emphasize rigorous quality control, sustainable practices with certifications, and transparency in sourcing. Highlighting their local community engagement and educating consumers about avocado oil's benefits will also strengthen their brand.

Niche buyers in the cosmetic industry have been identified as their target market. These companies value high-quality, unrefined avocado oil in smaller quantities and are less price-sensitive, allowing GBRI to potentially command a premium. By focusing on building relationships with smaller cosmetic companies, GBRI can secure favorable pricing, payment terms, and repeat business, establishing a solid foundation for future growth.

Marketing and branding strategies

For the cosmetics industry (initial target), GBRI can emphasize their USP: "Ethically sourced, high-quality avocado oil ideal for cosmetics". This message can be delivered through online channels like social media platforms and industry forums, while participation in relevant trade shows allows for direct buyer interaction. GBRI's marketing mix should focus on competitively priced conventional crude avocado oil, highlighting its suitability for cosmetic formulations through targeted brochures and presentations.

For the edible oil market (long-term target), GBRI can develop a brand around "Unique flavor profile: Tanzanian avocado oil for exquisite taste". Market research to identify these unique flavors will be crucial. Reaching this audience may involve trade shows specific to the edible oil industry, alongside online marketing efforts. GBRI can offer tiered pricing to cater to both the cosmetics and future edible oil markets. In the edible oil sector, distribution channels may include partnerships with established distributors and retailers.

GBRI's avocado oil business case

GBRI's plan to enter the Tanzanian avocado oil market hinges on a strategic sourcing approach. They'll target their existing network of smallholder farmers in the Southern Highlands, purchasing an estimated 1,100,000 kg of rejected Hass avocados in their first year. They will offer farmers a competitive price for "unsellable" fruit, therefore minimizing competition with the fresh avocado market. However, GBRI acknowledges the inherent challenge of consistent supply due to reliance on rejected fruits and unpredictable harvests. To address this, they plan to build trust with their existing network of over 2,000 Hass avocado farmers and potentially utilize fixed long-term contracts. Additionally, GBRI will diversify sourcing options by including regions such as Kilimanjaro and Ruvuma during peak demand periods to further ensure a steady flow of raw materials.

Looking beyond initial sales, GBRI recognizes that European buyers prioritize quality and reliability over just price. Therefore, they'll target smaller initial sales (2-4 containers for cosmetics and 4-8 containers for food) to build trust and establish a consistent supply chain. This focus on building strong relationships is crucial for securing repeat business and future growth. Long-term, GBRI aims to expand into the larger edible oil market by highlighting the unique flavor profile of Tanzanian avocado oil. Their ultimate goal is to become a major supplier of both conventional and organic avocado oil, potentially reaching 40-80 containers per year by 2030. This ambitious target hinges on maintaining reliable supply chains, ensuring consistent high-quality crude oil production and delivery, and cultivating strong buyer relationships.

Conclusion and recommendations

- **Competitive positioning.** Understanding buyer preferences is crucial for GBRI's success. Initially, targeting the cosmetics industry presents a strategic advantage. These buyers typically require smaller order quantities (1-2 containers) and prioritize specific functionalities over flavor or color. GBRI can cater to this market by offering competitively priced conventional crude avocado oil. Organic certification, although a long-term goal, can be pursued to unlock access to premium markets seeking higher quality standards. Tiered pricing can be used to cater to both cosmetics and the future edible oil target market, where specific flavor profiles and larger, consistent shipments are desired. GBRI can explore machinery for extra virgin oil production to cater to this segment later.
- **Supply chain disruptions.** Avocado oil production can be vulnerable to disruptions like weather events, pests, or logistical challenges that impact both production and distribution. To mitigate these risks, GBRI should diversify their sourcing by establishing relationships with multiple avocado suppliers across different regions. Additionally, investing in storage and logistics capabilities will create a buffer against disruptions and ensure a consistent supply of raw materials. Finally, monitoring market trends concerning weather patterns, potential disruptions, and other factors will allow GBRI to stay informed and proactive in navigating the avocado supply chain.

- **Strategic pricing.** As GBRI establishes itself, implementing a tiered pricing model can be beneficial. This allows them to offer competitive rates for the cosmetics industry while simultaneously positioning themselves to capture value in the future edible oil market. The edible oil industry demands avocado oil with specific flavor profiles, particularly for salads in Northern Europe. Here, larger and consistent shipments are critical. To cater to this segment, GBRI can explore investing in machinery for extra virgin oil production in the future. This targeted approach would allow GBRI to build strong relationships, secure favorable pricing and payment terms, and establish a foundation for future growth.
- **Building a strong brand identity.** Building brand recognition goes beyond just offering a high-quality product. GBRI should leverage a multifaceted approach, employing both online and offline channels. Social media platforms can be instrumental in boosting brand visibility and fostering buyer engagement. Partnering with local distributors and retailers allows GBRI to tap into established networks and benefit from their expertise. Additionally, capitalizing on the surge in online sales through digital marketing platforms like Agromovil further expands reach.
- **Distribution and partnerships.** Collaboration is key to GBRI's long-term success. Strengthening existing alliances with avocado cooperatives and commercial farmers ensures a consistent supply throughout the year. Exploring paperless traceability solutions through digital platforms such as Mazao Hub can significantly enhance transparency and combat fraud within the supply chain. This not only fosters trust with buyers but also strengthens partnerships among producers, regulatory bodies, and buyers, ultimately fortifying the entire avocado oil industry in Tanzania.

A roadmap to long-term success

Overall, by focusing on quality, strategically segmenting the market, and implementing a well-rounded sales and marketing strategy, GBRI can establish itself as a reliable avocado oil supplier and achieve long-term success. Building trust with buyers is paramount, and GBRI can achieve this by highlighting its unique selling points: pure Hass avocado oil, free from blends, and a commitment to sustainable practices and community involvement. Market research to identify unique flavor profiles for the future edible oil market will further solidify their position. By embracing these strategic insights and recommendations, GBRI is well-positioned to navigate the dynamic avocado oil market and carve out a space for itself as a trusted supplier, not just in Tanzania, but on the global stage.

3 Introduction

3.1 GBRI, a new entrant in the avocado oil market

GBRI is a leading supplier of high-quality avocado, exporting over 25 containers of Hass avocado and is currently developing capacity for exporting crude avocado oil. As a new entrant in the avocado oil market, GBRI stands out with several unique selling points:

- 1. GBRI's commitment to quality begins at the source.** GBRI has several years working with avocado growers and is currently sourcing, processing and exporting avocados from over 2,000 smallholder farmers. The avocados are sourced from high avocado producing regions (Iringa, Njombe, Songwe, and Mbeya), known for their rich soil, ideal growing conditions, and long harvest seasons. During the low season, sourcing extends to the Northern Highlands (Kilimanjaro and Kagera regions), ensuring near year-round production and a steady supply.
- 2. GBRI prides itself on its farmers being Global G.A.P. and SMETA certified.** This underscores a commitment to good agricultural practices and sustainable farming. This certification not only ensures high-quality raw materials but also aligns with the increasing consumer demand for ethically sourced and environmentally friendly products in the EU market. GBRI provides training on good agricultural practices to smallholder farmers; the trainings are tailored and covering key knowledge and skills on avocado production aspects (include site selection, planting, tree orchard management, disease and pests' management, nutrition management, irrigation and harvesting post-harvest practices. The target is to support farmers to increase productivity 30% (4-6/ha) to 9-10ton/ha.
- 3. The company's production focus is on crude avocado oil.** GBRI is positioning itself to cater to a niche but growing segment within the broader avocado oil market. Crude oil retains more of the fruit's natural nutrients compared to refined oil, appealing to health-conscious consumers and manufacturers looking for premium ingredients. In addition, GBRI will be able to include oil refineries as part of their target market group. GBRI anticipates to source 220Mt of avocados in year 1 of operations and 7480Mt of avocados in year 2 of operations. The total is 7700Mt of avocados fruits to be purchased in the first 2 years of operations. The total avocado oil production target set for year 1 (22Mt) and year 2 (220Mt) which accumulatively is 242Mt of crude avocado oil production in the first 2 years of operations.
- 4. GBRI intends to utilize 22-ton flexi containers for transportation via sea freight.** This efficient logistics solution minimizes transportation costs and carbon footprint, which is a significant advantage in the environmentally sensitive European market. GBRI is currently not using barrels but may be an option depending on customer requirements. Flexi containers is mostly preferred by customers and also ensures that the oil reaches its destination in optimal condition, preserving its quality and shelf life.
- 5. GBRI aims to maintain year-round production.** Sourcing primarily from the Southern Highlands, Northern, Western regions of Tanzania, which ensures a reliable supply chain, a critical factor for EU buyers who require consistent inventory levels.

3.2 Structure of the report

The methodology employed on how and which data and information as input for the report has been collected is described in Chapter 4.

Chapter 5 describes the trends in the global avocado oil market, segmented by the European, East African, Latin American, and Asian regions. A competitive analysis to understand the competitive landscape of avocado oil production and comparisons between a few major companies from in and outside Tanzania is presented in Chapter 6

Potential buyers of avocado oil are mapped in Chapter 7, resulting in a longlist which has been further analyzed leading to a shortlist of potential buyers. Chapter 8 presents a step-wise approach on how to engage with shortlisted buyers.

Chapter 9 includes the approach to marketing and branding avocado oil, related to sourcing and production from the perspective of GBRI. The potential challenges when entering new markets and how to mitigate these challenges are listed in Chapter 10.

Following the previous chapters, Chapter 11 provides a narrative of GBRI's avocado oil business case including assumptions made from supplier and buyer perspectives.

Chapter 12 presents the insights and recommendations which can be considered for follow-up by GBRI.

4 Methodology

Data and information as input for the report has been collected through:

- **desk review of existing literature**, including peer-reviewed journal articles, project and program reports, presentations, blogs, and information provided on websites focused on the subject.
- **online interviews with potential buyers**, lasting 1 hour each on average. The meetings and interviews covered a range of issues related to buyers expectations and needs as well as GBRI's product offer.

5 Trends in the global avocado oil market

The global avocado oil market size was USD 604.76 million in 2023 and is projected to grow from USD 637.42 million in 2024 to USD 1,134.81 million in 2030 at a CAGR of 7.48% over the period 2024-2034 period.¹ In terms of volume, the global demand of avocado oil is expected to grow from the 2023 volume of 13.8 kilotons to reach a volume of approximately 19.2 kilotons (approx. 40% crude) by 2028², with the extra virgin type being the most preferred type.

In general, market trends may vary by country and are influenced by factors such as consumer preferences, regulatory environment, and economic conditions. Additionally, market dynamics can shift rapidly due to factors like changes in consumer behavior, technological advancements, and geopolitical developments. An analysis per region is provided in the following sections.

5.1 European region

- **Growth Trends.** Avocado oil consumption continues to grow steadily due to increasing health-consciousness among consumers and a shift towards natural, plant-based ingredients. The market is driven by both culinary and cosmetic applications, with demand particularly strong in countries like Spain, France, and Germany. Some European manufacturers are able to use refined oils in their final products. This is most common in the cosmetic sector, with companies sourcing refined avocado oils from specialist oil refineries in the EU. Companies in the Netherlands, Italy and Germany play an important role in sourcing crude oil and then refining these oils for cosmetics³. Specifically, the Netherlands is an important importer and re-exporter of avocado oils to the rest of Europe⁴.
- **Consumer Preferences.** European consumers prioritize factors such as organic certification, sustainability, and transparency in sourcing and production. There is also a growing demand for flavored avocado oils, including garlic, chili, and lemon-infused varieties, catering to diverse culinary preferences.
- **Regulatory Changes.** Regulatory bodies in the European Union (EU) continue to emphasize food safety standards and labeling requirements for avocado oil products. Manufacturers must comply with regulations related to ingredient labeling, nutritional claims, and organic certification to ensure market access and consumer trust.

¹ Fortune Business Insights. (2024). [Avocado Oil Market Size, Share & Industry Analysis, By Type \(Extra Virgin Oil, Virgin Oil, Pure/Refined Oil, and Blend\), Application \(Food and Beverages, Pharmaceuticals and Medicinal Formulations, Personal Care and Cosmetics, and Others\), and Regional Forecast, 2024-2032.](#)

² Imarc. (2021). [Global Avocado Oil Market to Reach US\\$ 876.5 Million by 2032, Fueled by Rising Health Consciousness Amongst Consumers](#)

³ CBI. (2021). [Entering the European market for avocado oil](#)

⁴ CBI. (2021). [The European market potential for avocado oil](#)

5.2 East African region

- **Growth Trends.** The avocado oil market in East Africa is experiencing robust growth, fueled by expanding avocado cultivation and increasing export opportunities. Countries like Kenya, Tanzania, and Rwanda are investing in infrastructure and technology to enhance production efficiency and meet international quality standards.
 - **Kenya.** Kenya is emerging as a significant player in the avocado oil market, growing rapidly with increasing investments in avocado farming and oil extraction facilities. Kenya produced approximately 458,000 tons of avocado⁵ in 2021, positioning itself as the leading producer in Africa. The Kenyan avocado oil is recognized for its good quality, primarily from Hass avocado, and exports are expanding to Europe, the Middle East and Asia. Kenya's avocado oil exports include both crude and refined oil, catering to various markets worldwide. Kenyan avocado oil producers often emphasize quality and certifications such as organic and Fairtrade, which appeal to premium markets in Europe and North America. The Kenyan government and industry stakeholders have invested in promoting these certifications to boost market access and consumer trust. Several facilities are operation with significant refining capabilities; for instance, the AvoFresh Processors Limited facility in Kisii has a refining capacity of 70 tons⁶ annually since 2023. Other companies like Penatim Ltd⁷ are also contributing to the refining efforts with modern processing facilities; another example is Fairoils⁸, which operates a processing facility in Athi River, capable of processing 750 MT of avocado oil per year; thereby expanding Kenya's avocado oil refining infrastructure rapidly to support its growing production of both crude and refined avocado oil. While comprehensive national data on the exact processing capacity of all facilities combined is not readily available, this example illustrates the growing infrastructure and capacity for avocado oil processing in Kenya, continually expanding to meet demand.
 - **Tanzania.** Tanzania is seen as an emerging player in the avocado oil industry, with increasing production volumes but not yet at the scale of Mexico and Peru. In Africa, Tanzania ranks third after South Africa and Kenya, with an estimated production of 190,000 tons of avocado in 2023⁹. Tanzania is positioned below the established producers like Mexico and Peru but ahead of countries with smaller and less developed avocado oil industries. Tanzania primarily exports crude avocado oil, although there is growing interest in refining capabilities to add value locally. The exports target Europe, Asia and Africa but the government has been proactive in securing new markets including China which have significant untapped potential. The Tanzanian avocado oil is also certified from organic to fair trade with substantial efforts from companies to

⁵ Development Aid. (2024). [Top avocado-producing countries and the industry's sustainability issues](#)

⁶ Food Business Africa. (2023). [Kenya inaugurates 70-tonne avocado oil extraction factory in Kisii](#)

⁷ [Penatim. \(2024\).](#)

⁸ [Fairoils. \(2024\).](#)

⁹ Tantrade. (2023). [Tanzania avocado profile](#)

implement environmental-friendly practices, by using a biogas plant to convert waste into energy and fertilizer, further supporting their environmental compliance and carbon neutrality efforts

- **Consumer Preferences.** Local consumers in East Africa are showing a growing preference for domestically produced avocado oil, driven by perceptions of freshness, authenticity, and supporting local farmers. Additionally, there is a rising interest in organic and natural products, particularly among urban consumers. Both the Kenyan and Tanzanian avocado oils are also consumed locally due to the increased awareness of the health benefits and versatile use in cooking, cosmetics and pharmaceuticals. While the exact numbers of exports versus local consumption are not well documented, it is important to note that the Kenyan local market for avocado oil is significant and increasing as more Kenyans adopt avocado oil in their diets and skincare routines. In Tanzania, the local market is also on the rise, although it remains less widespread compared to Kenya; producers are working to increase local market penetration through value-added products and local branding; the exports still dominate in Tanzania due to higher returns and better market structures abroad.
- **Regulatory Changes.** Governments in the region are implementing policies to support agricultural development and promote avocado oil exports. Regulatory frameworks related to food safety, quality control, and export standards are evolving to ensure compliance with international trade requirements and enhance market competitiveness.

5.3 Latin American region

- **Growth Trends.** The Latin American region is witnessing continued growth in avocado oil consumption, driven by rising demand from both domestic and international markets. The region remains a major player in the global avocado oil market, with countries like Mexico, Chile, and Peru leading in production and exports.
 - **Mexico.** Mexico is the world's largest producer of avocado and leading producer of avocado oil. Mexico produced around 1.9 million metric tons¹⁰ of avocado during 2023, representing around 30% of the world production. The industry is well established with advanced agricultural practices and significant investment in processing facilities. Mexican high-quality oil is used in culinary and cosmetic products and places Mexico to the top in exporting to the US, Europe and Asia.
 - **Colombia.** Colombia is the second largest producer of avocado, with production close to 980,000 tons in 2023. Despite the increase in output, export data shows that the Colombian avocado industry lies behind Mexico, Peru and the Dominican Republic, its commercial value is not so high as they overlap with Peru's harvest period.
 - **Peru.** Despite struggling with adverse weather conditions throughout 2023, the Peruvian avocado sector scored 79% rise in exports¹¹ (36,360 tons) in the first two

¹⁰ Fresh Fruit Portal. (2024). [Latin American crop expands Mexico remains avocado king](#)

¹¹ FreshFruitPortal (2024). [New avocado market players and the rise of peru](#)

months of 2024. The avocado oil industry is rapidly growing with substantial investments in technology and infrastructure. Peruvian renowned high-quality Hass avocado stood at over 770,000 tons in 2023, which are primarily used for oil production and mainly exported to North America, Europe and Asia.

- **Consumer Preferences.** Latin American consumers value authenticity and purity in avocado oil products, with a preference for minimally processed, high-quality oils. There is also a growing interest in specialty and gourmet avocado oils, as well as organic and fair-trade options.
- **Regulatory Changes.** Regulatory frameworks in Latin American countries focus on ensuring compliance with international food safety standards, quality control measures, and environmental regulations. Governments are also exploring initiatives to promote sustainable avocado farming practices and support small-scale producers.

5.4 Asian region

- **Growth Trends.** Asian countries such as China, Japan, South Korea and Singapore have a growing demand of avocado products over a couple of years. Countries like Tanzania are capitalizing on this trend by exporting avocado products, Avomeru being one of the Tanzanian exporters of avocado oil to South Korea. Avocado oil consumption in Asia is on the rise, driven by increasing awareness of its health benefits and versatility in cooking. Urbanization, rising disposable incomes, and changing dietary preferences contribute to the growing demand for premium edible oils, including avocado oil.
- **Consumer Preferences.** Asian consumers prioritize product quality, safety, and authenticity when purchasing avocado oil. There is a preference for imported brands with established reputations for quality and reliability, although domestic production is also gaining traction.
- **Regulatory Changes.** Regulatory frameworks for avocado oil in Asia vary by country, with regulations focusing on food safety, labeling requirements, and import/export regulations. Some countries are strengthening regulations related to organic certification and sustainability to address consumer concerns and promote market growth.

6 Competitor analysis

A competitive analysis was conducted to understand the competitive landscape of avocado oil production and draw comparisons between a few major companies from in and outside Tanzania. The analysis was conducted on the following set of criteria: profile (overview, competitive advantage), marketing profile, target market, marketing strategies), branding strategy (brand positioning), product profile (products, pricing strategy, distribution channels), sourcing strategy (supply chain, sustainability practices), production capacity (annual & monthly output, processing facilities & packaging), sales volumes (monthly & yearly sales, market share), swot analysis (strengths, weaknesses, opportunities, threats).

A summary of the findings is presented the following sections; more detailed information per selected company can be found in Annex 1.

6.1 Avomeru, Tanzania

Established since 2015, Avomeru is a prominent social enterprise in Tanzania that focuses on high-end avocado oil. As of Jan 2024, Avomeru has developed a robust network of 27,000 smallholder farmers across Northern Tanzania. The company emphasizes sustainable production methods and local economic development through its village-based processing facilities.

Annually, Avomeru produces approximately 100,000 liters of avocado oil because of their extensive network of farmers and innovative extraction techniques. Its monthly output is around 8,333 liters of avocado oil. In terms of sophistication of its processing facilities, Avomeru's facilities are moderately scaled but highly effective, leveraging local resources and sustainable practices to produce high-quality avocado oil. The technological sophistication, while not at the highest industrial level since it employs prototyped extraction machines made from local materials, it is well suited to the local context.

Avomeru's model of established village-based processing facilities, which decentralizes production and brings the processing capabilities closer to the source of raw materials, reduces the cost of transportation and preserves the quality of avocado during processing. The use of cold-press extraction methods helps in maintaining the nutritional quality of the avocado oil while minimizing environmental impact.

Avomeru's products are certified organic, cold-pressed, unrefined and cosmetic grade¹². Avomeru supplies both the local and international export markets, focusing on countries where there is high demand for natural and organic products, i.e. North America (Canada and USA), Europe (Germany, UK and the Netherlands) and Asia (Japan and South Korea).

¹² [AvoMeru \(2024\)](#).

While organic certification is certainly a valuable attribute that can contribute to premium pricing, there are other determinants that ensures a company to get premium prices like the overall quality of the oil, the origin of the raw avocados (some regions like Kilimanjaro and Mbeya are well known for their superior taste), the purity, the brand reputation and market demand.

6.2 Kuza Africa, Tanzania

Kuza Africa has established a modern avocado oil facility with an Italian-made machine, operational since 2021. This facility processes both commercial and non-exportable grade fruit from out-growers into high-quality organic extra virgin avocado oil.

Leveraging the ideal growing conditions in Southern Tanzania, Kuza Africa ensures a high yield of premium oil, marketed with a guarantee of 100% traceability. Their marketing strategy focuses on sustainable and organic practices, emphasizing their commitment to quality and eco-friendly production, which appeals to health-conscious and environmentally aware consumers.

By converting non-exportable grade fruit into avocado oil, Kuza Africa maximizes resource utilization and supports local farmers through a mutually beneficial relationship. The company sources avocados from its commercial farms and a network of out-growers in Rungwe region, ensuring a consistent supply while offering competitive and fair prices to maintain high production standards.

Although specific sales volumes are not disclosed, their extensive operations and advanced processing capabilities suggest significant production capacity. Kuza's strengths include advanced technology, organic certification, and strong community ties, while its weaknesses include dependency on the quality of non-exportable fruit and maintaining organic standards¹³.

6.3 Olivado Limited, Tanzania and Kenya

Olivado has a substantial production capacity with facilities in both New Zealand, Kenya (2007) and Tanzania (2007). The company is renowned for its extra virgin avocado oil, which is cold pressed to preserve its nutrients and flavor. Olivado's production utilizes sustainable and organic farming practices, ensuring that their oil is not only high-quality but also environmentally friendly.

The company sources its avocados directly from small, biodiverse farms, primarily in Tanzania (Kilimanjaro, Mbeya, Arusha, Morogoro and Southern Highlands – Iringa and Njombe), guaranteeing farmers a fair price and fostering sustainable agriculture. It is estimated to produce about 150MT¹⁴ of avocado oil annually. This direct sourcing strategy allows for full traceability and ensures premium product quality.

¹³ [Kuza Africa. \(2024\).](#)

¹⁴ [Tridge. \(2024\).](#)

Olivado's market entry and branding strategies emphasize their commitment to sustainability and quality. Their oils are certified organic, non-GMO, and adhere to fair trade principles. Olivado markets their products as premium, health-conscious choices, appealing to consumers who prioritize organic and sustainable goods. The company also focuses on educating farmers and investing in community development, which enhances their brand image as a socially responsible business.

While specific pricing and sales volume details are not disclosed, Olivado's extensive network and large-scale production suggest a robust market presence. Strengths include their advanced production technology, strong sustainability practices, and fair-trade relationships, while weaknesses may involve maintaining consistent quality and managing supply chain logistics. Globally, Olivado is responsible for 60% of all international retail sales of extra-virgin oil¹⁵.

6.4 Lima, Tanzania

Lima operates a significant avocado oil production facility at Elton Farm, Mbeya region, which spans 170 hectares, with 98 hectares dedicated to cultivation and the rest preserved as indigenous forest. The company processes high-quality Hass and Fuerte avocados, both for fresh export and for crude avocado oil production. Their avocado oil is produced locally, which not only ensures a steady supply of raw materials but also supports local employment and sustainable farming practices. By engaging directly with smallholder farmers and offering fair prices, Lima ensures both quality and sustainability in their sourcing strategy.

Lima's marketing and branding strategies emphasize their commitment to organic and sustainable farming. They offer organic and conventionally certified products, catering to health-conscious consumers and those looking for eco-friendly options. Their focus on traceability and fair-trade practices enhances their brand reputation as a responsible and high-quality producer.

Their extensive network of smallholder farmers and local processing capabilities indicate substantial market penetration and production capacity. Strengths include advanced production technology and strong community relationships, and their weaknesses include maintaining consistent quality and managing the supply chain effectively¹⁶.

6.5 AVOPRO, Kenya

AVOPRO Kenya focuses on producing high-quality avocado oil, with a significant production capacity facilitated by a community of small-scale farmers and larger suppliers. Their product range includes conventional and organic extra virgin avocado oil, both rich in nutrients and suitable for various industries, including food service, pharmaceuticals, and cosmetics.

¹⁵ [Olivado. \(2024\)](#).

¹⁶ [Lima. \(2024\)](#).

They employ sustainable practices like intercropping and a circular economy approach to waste management, which enhances environmental sustainability and product quality. Their marketing strategy leverages close relationships with contracted farmers to ensure consistent supply and high standards. Their branding emphasizes sustainability and high-quality production, appealing to health-conscious consumers.

Prioritizing fair pricing and technical support for farmers, and promoting a sustainable supply chain, their strengths lie in their ethical sourcing and advanced production techniques, while their weaknesses are related to the consistency of small-scale farming outputs¹⁷.

6.6 Avocare, Rwanda

Avocare, a Rwandan company, specializes in the production and export of high-quality, cold-pressed extra virgin avocado oil. Their production capacity is bolstered by a facility that adheres to HACCP standards, ensuring the highest levels of food safety and quality. They utilize ripe Fuerte and Hass avocados grown in Rwanda's high-altitude rainforests, known for their nutrient-rich, volcanic soils. This natural environment contributes to the superior quality of the avocados, which are cold-pressed to preserve essential vitamins and minerals.

Avocare's product range includes various bottle sizes, catering to both domestic and international markets. Their branding emphasizes sustainability and zero waste, leveraging Rwanda's ideal growing conditions to produce a premium, eco-friendly product. Avocare's marketing and branding strategies are focused on sustainable and fair-trade practices. They support local farmers by paying a fair price for avocados, significantly above the previous market rates, ensuring a consistent and ethical supply chain. This approach helps to reduce post-harvest losses and empowers small-scale farmers, particularly women.

The company's pricing strategy is designed to be competitive while maintaining the premium quality of their product. Their strong community relationships and ethical sourcing practices position them well in the market. The main strengths of Avocare include their advanced processing technology, commitment to sustainability, and robust support for local farmers. However, they face challenges such as dependency on the availability of high-quality avocados and maintaining organic standards¹⁸.

6.7 Westfalia Fruit,

Through its extensive global operations, established in the last 75 years, and with offices and representatives in 17 countries across the globe, Westfalia Fruit showcases significant capabilities in avocado oil production and export from Peru.

¹⁷ [Avopro. \(2024\).](#)

¹⁸ [Avocare. \(2024\).](#)

They have a state-of-the-art processing facility capable of converting avocados into high-quality oil, emphasizing sustainability and minimal environmental impact. Their production capacity benefits from their diversified global network, including farms and partner growers across continents, ensuring a steady supply of avocados. The avocado oil produced is marketed as organic, extra-virgin, and benefits from the high standards set by Westfalia's rigorous farming and processing practices.

While their specific details about their avocado oil exports from Peru may vary, they export their products throughout the year to: the US, Europe (UK, Germany, France, the Netherlands and Spain); Asia-Pacific (Japan, South Korea, China, Australia); the Middle East (UAE, Saudi Arabia and Israel); South America (Brazil, Colombia and Chile); and Africa (SA, Nigeria and Kenya); these may vary based on market demand, distribution channels and trade agreements.

The company's commitment to sustainable agriculture and quality control ensures their products meet the highest standards and appeal to health-conscious consumers. In terms of marketing strategy, Westfalia leverages its established brand reputation and extensive distribution network to penetrate global markets. Their branding emphasizes sustainability, quality, and innovation, which resonates well with eco-conscious and health-oriented market segments.

They source avocados from their own farms and a network of partner growers, ensuring consistent quality and supply. Although specific pricing and sales volume details were not readily available, Westfalia's focus on fair trade practices and competitive pricing strategies support their market presence. Strengths include advanced processing technology, strong sustainability practices, and a robust global supply chain. However, maintaining consistent quality and navigating the complexities of international markets remain a challenge¹⁹.

Westfalia Fruit plays an important role in importing and distributing their own branded and bottled avocado oil into the EU and UK. Westfalia Fruit is therefore a hybrid actor that is both an exporter and a food ingredient company, marketing both avocado products and dried mango. This hybrid structure allows a good distribution network for the Westfalia avocado oil brand, especially in the UK and in British supermarkets abroad e.g. Spinneys in Dubai.

¹⁹ [Westfalia. \(2024\).](#)

6.8 GBRI vs competitors: how to differentiate

GBRI's unique selling points include its commitment to high-quality, sustainably sourced avocados, strategic year-round production, focus on nutrient-rich crude oil, cost-effective and eco-friendly logistics, and certification that meets stringent EU standards. These factors collectively make GBRI a compelling choice for European importers looking for premium, sustainably produced avocado oil.

To differentiate from competitors in the avocado oil market, GBRI could consider implementing several strategies as recommended below:

- 1. Quality Assurance.** Emphasize rigorous quality control measures to ensure the highest quality avocado oil. This can include using advanced extraction methods, sourcing premium avocados, and adhering to strict quality standards throughout the production process. This aligns with GBRI's quality standards and will require continuous consistency and adherence to the same throughout.
- 2. Sustainability Practices.** Highlight environmentally friendly practices such as sustainable farming methods, (eg organic farming to produce organic avocado oil, eco-friendly packaging, Fairtrade, fair for life certification and reduced carbon footprint by the targeted use of sea transport. Certification further validate these efforts. Sustainability focus will also be determined by the type of buyers targeted and the end-use of the crude oil, but it is important to differentiate GBRI from the rest of avocado oil suppliers from Tanzania by considering to support her contracted farmers to achieve sustainability certification such as organic farming certificate, fair for life certificate.
- 3. Traceability and Transparency.** Offer transparency regarding the sourcing and production of avocado oil. Implement traceability measures that allow consumers to track the journey of the product from farm to shelf, ensuring accountability and building trust.
- 4. Product Innovation.** Introduce unique product variations or formulations to cater to specific consumer preferences or market niches. This could include flavored avocado oils, and organic options.
- 5. Local Community Engagement.** GBRI's demonstrated commitment to the local community by supporting small-scale farmers, providing employment opportunities, and investing in community development initiatives should be emphasized on. Building strong relationships with local stakeholders can enhance brand reputation and foster customer loyalty.
- 6. Educational Marketing.** Educate consumers about the health benefits and versatility of avocado oil through targeted marketing campaigns. Utilize social media, blogs, and workshops to share recipes, nutritional information, and beauty tips, positioning GBRI as a trusted authority in the avocado oil industry.
- 7. Partnerships and Collaborations.** Collaborate with other businesses, chefs, or health experts to create co-branded products or educational content. Partnering with reputable organizations can expand brand reach and credibility while offering unique value to consumers. These partnerships can also serve as distribution channels where GBRI is yet to set foot.

7 Mapping of potential buyers of avocado oil

7.1 Focus on type of buyer

Large processors of oils tend to export in bulk. The product is then shipped in a 20-foot container, which can carry about 20 tons of finished oil. To achieve this scale, a typical avocado processing plant that uses Hass avocados would need to source approximately 200,000 tons of fresh fruit. For local varieties, which tend to have a lower oil content, even more fruit would need to be sourced. Based on an estimated oil content of about 10% of the fresh hass fruit for these varieties, factories would need to process up to 400,000 tons of fresh fruit to fill a container. **Many countries do not produce enough fruit to achieve this volume.**

The bulk market, which is open to lower product quality and could be open to oils produced from local avocado varieties, is thus not a likely market for most processors in Africa, as they are unlikely to be able to access the volume of fruit needed to trade.

If a processor can produce a premium oil from Hass avocados, they may be able to market their product to niche buyers who are looking for smaller volumes of avocado oil, and so is the case for GBRI. Buyers in the niche market can be categorized into two categories:

1. **Edible foods industry**, characterized by:

- a. **Industry.** The edible foods industry encompasses a wide range of companies involved in processing, manufacturing, and distributing food products for human consumption
- b. **Volume.** Edible oil buyers typically require large, consistent shipments of avocado oil, often looking to purchase between 4 - 40 containers in a year
- c. **Application.** Avocado oil finds application in various food products like salad dressings, cooking oils, and even as a healthy substitute for butter or margarine.
- d. **Price Sensitivity.** The edible oil industry is generally price-sensitive, with buyers seeking competitive pricing to maintain product affordability.
- e. **Payment Terms.** Payment terms in the edible oil industry can vary, but standard net payment terms (e.g., net 30 days) are common.

2. **Cosmetic industry and pharmaceutical industry**, characterized by:

- a. **Industry.** Buyers that manufacture cosmetic products such as moisturizers, lotions, hair care products, and makeup. Buyers that refine avocado oil for the food industry.
- b. **Volume.** Purchase between 4-8 containers of avocado oil per year. This indicates a niche market that values quality over bulk purchases.
- c. **Application.** Use the oil in its unrefined state (crude oil) for cosmetic formulations and refining. They may have in-house refining capabilities or outsource this process depending on their size.

- d. **Price Sensitivity.** These companies may be willing to pay a premium for high-quality, ethically sourced avocado oil, especially compared to bulk refiners who prioritize lower costs.
- e. **Payment Terms.** Offering favorable payment terms, such as extended credit or flexible payment structures (larger percentage down payment upon receipt of papers), can incentivize these companies to establish a long-term partnership with GBRI.

GBRI indicated that their focus will be on companies in the cosmetics industry that require **smaller quantities** of high-quality, unrefined avocado oil for their products. These smaller companies are less **price-sensitive**, allowing GBRI to potentially command a higher price for its premium oil. By providing excellent customer service and a consistent high-quality product, GBRI can foster long-term relationships with these companies, leading to **repeat business**. Building relationships with smaller companies is often easier than navigating the complexities of large-scale industrial buyers, **making the relationships more manageable**.

By focusing on smaller cosmetic companies initially, GBRI can establish itself in the market, build strong customer relationships, and develop a solid foundation for future growth, making them a perfect fit for GBRI's initial offerings. This targeted approach allows GBRI to secure ideal pricing, payment terms, and repeat business while navigating the initial stages of operation.

7.2 Longlist of potential buyers

As a result of desk research and follow-up telephone conversations, we have compiled a longlist of 20 potential buyers. The longlist was made by applying the following set of criteria and questions:

1. Specific requirements for avocado oil:

- a. What applications are you using it for (mainly cosmetics, food, industrial)?
- b. What volume of avocado oil do you typically purchase per year?
- c. What quality parameters are most important to you? (FFA level and how do you confirm this level)?
- d. What certifications do you require? (*Origin, Fairtrade, Organic other etc.*)?

2. Industry:

- a. Crude oil for cosmetics industry
- b. Crude oil for refining within the food industry

3. Quality standards and certifications needed:

- a. SMETA
- b. Global G.A.P.
- c. Fairtrade and Organic

4. Volume, the usual order quantities and frequency of orders:

- a. What quantity needs per harvest season (nov - sep)?
- b. Total number of containers/ total kg?
- c. Loading frequency over the season. How many containers per month?

5. Quality specifications:

- a. F.F.A. 5,0%
- b. Stearic < 0,8.
- c. Impurity + Humanity max 1,0%
- d. Will there be reductions in price made if quality factors go beyond these parameters? If yes by what percentage?

6. Price range per kg:

- a. Conventional: USD 4.00 - 6.00/kg
- b. Organic: USD 6.00 - 8.00/kg
- c. Conventional Fairtrade/fair for life certified (CNV FFL) = USD 5-6.75/Kg
- d. Organic Fairtrade/Fair for life certified ORG FFL) = USD 7-8.5/Kg

7. Payment terms and conditions, for example:

- a. 30% a month before loading
- b. 50% within 3 days of receipt of copies of shipping documents by email
- c. 20% within 7 days of arrival and analysis of the oil

8. Shipping documents required

- a. Commercial Invoice duly issued.
- b. Full set of Original Bill(s) of Lading
- c. Packing list
- d. Certificate of Origin
- e. EUR 1 Certificate duly issued by competent authority or REX number.
- f. Phytosanitary Certificate duly issued by competent authority.
- g. Certificate of Analysis (CoA)

9. Miscellaneous

- a. What is your preferred packaging and shipping method for bulk avocado oil?
- b. Are there any specific labeling or documentation requirements for the EU market?
- c. What are your expectations regarding delivery times and lead times?
- d. Do you have any preferences for sourcing regions or sustainability practices?
- e. What is your process for handling quality complaints or returns?
- f. Are there any additional fees or tariffs we should be aware of when exporting to the EU?
- g. What marketing or branding support can you provide to help promote our avocado oil in the EU market?

Contact details of the longlisted potential buyers are enclosed in Annex 2.

7.3 Shortlist of potential buyers

The potential buyers on the longlist have been further analyzed which has resulted in a shortlist of four potential buyers. These four potential buyers align with GBRI's product offering and are described as follows:

Spack BV

Spack BV operates in the wholesale trade of vegetable oils and fats, which directly aligns with GBRI's product offering of crude avocado oil. This capability allows them to handle GBRI's unrefined avocado oil and potentially add value through processing. They have infrastructure to refine crude oil and network to sell the refined product to the wider cosmetic and retail buyers in Europe. This could potentially benefit GBRI by providing access to potential downstream markets for their avocado oil and brand. Spack BV emphasizes high-quality, organic products, which aligns with GBRI's commitment to ethical sourcing and premium quality.

GBRI negotiated minimum order quantities (MOQs) to be 100MT (4-5 flexi tanks per season) for initial. Spack sources avocado oil from various origins and find place high importance on product quality. GBRI will need to demonstrate the competitive advantages of Tanzanian avocado oil, such as quality, sustainability, or pricing.

Gustav Heess Oleochemische Erzeugnisse GmbH

Gustav Heess Oleochemische Erzeugnisse GmbH (Gustav Heess) has a long-standing reputation in the oil and fats industry, known for their high standards of quality and extensive product range. Their expertise and established market presence make them well-positioned to effectively integrate and distribute high-quality crude avocado oil. Gustav Heess understand the growing demand for natural oils and the increased consumer awareness of health and wellness benefits will likely need reliable suppliers of high-quality avocado oil to expand their market reach and supply its customer base.

Sustainability and ethical sourcing are core values for Gustav Heess, and GBRI's avocado oil, produced with sustainable practices, aligns with these principles. This alignment not only meets the expectations of conscientious consumers but also enhances Gustav Heess's brand reputation as a supplier of responsibly sourced products.

Additionally, Gustav Heess's focus primarily on organic certified oils but are interested in conventional crude and extra virgin oil as well. They have noticed an increase in demand for edible oils in the EU market and following price and quality are looking for flavorful dark green colored avocado oil. They currently supply the market with over 100 Mt of avocado oil annually both for the edible food and cosmetic industry.

Gustav Heess's strong market presence in Germany, commitment to sustainability and innovative capabilities with their product offering make them a highly suitable buyer for GBRI's crude avocado oil from Tanzania. The minimum order for GBRI is 1-2 Felix containers (22-44MT) for trial and increase order once satisfied with quality of avocado oil GBRI.

Destilaria Levira

Destilaria Levira is shortlisted for GBRI's crude avocado oil from Tanzania as they have a diverse product portfolio can greatly benefit from the high-quality and versatile nature of GBRI's avocado oil.

This oil can be utilized across various sectors, including cosmetics, health supplements, and food products, aligning well with Destilaria Levira market needs.

The European market is experiencing a surge in demand for natural and organic products, driven by their health benefits and applications in skincare and culinary uses. By incorporating GBRI's crude avocado oil into their offerings, Destilaria Levira can effectively meet this growing consumer demand. Additionally, the sustainable practices employed in the production of GBRI's avocado oil from Tanzania resonate with the preference for eco-friendly and ethically sourced products. Partnering with GBRI would bolster Destilaria Levira commitment to sustainability. Destilaria Levira specified the commitment of minimum order for GBRI to be 5 flexi containers (110MT) of conventional crude oil.

Destilaria Levira has experience purchasing avocado oil from local producers and farmers in Europe, Africa and America allowing them to develop niche and high-demand products that distinguish them from competitors. GBRI would need to assure a reliable supply chain, competitive pricing and consistent product quality to instill further credibility with Destilaria Levira and allow them to meet market demand efficiently. In addition, GBRI would become more attractive for this buyer if they incorporated Fairtrade certification in their sourcing strategy.

Procesavo

Procesavo, a reputable avocado oil company, based in Spain and is a suitable buyer for crude Tanzanian avocado oil due to several compelling reasons. First, they possess extensive expertise in avocado oil production, processing, and distribution. Their well-established infrastructure ensures efficient handling of raw materials, including crude oil. Second, Procesavo maintains rigorous quality control measures, adhering to international standards for purity, freshness, and safety. Third, their wide market reach, both domestically and internationally, can effectively introduce Tanzanian avocado oil to new consumers and markets. Fourth, Procesavo has a wide capacity to refine crude oil in Europe and Latin America and are continuously on the lookout for new crude oil suppliers and partners. They are open to working with new suppliers from East Africa and have experience sourcing from the region. They are currently looking to meet a market demand of 400 Mt of avocado oil annually. The minimum quantity order offer to GBRI is 5 flexi tanks (100MT) per season.

In conclusion, the selection of these potential European buyers/importers of avocado oil from Tanzania is based on their experience, certifications, market presence, commitment to quality, ethical sourcing practices, innovation, sustainability, and alignment with market demand. Targeting these companies can provide GBRI with access to established markets, enhance their product credibility, and strengthen their business case with an initial foothold in the avocado oil industry. In order for GBRI to have a positive engagement with shortlisted buyers, it is suggested to follow a stepwise approach. An example of such a stepwise approach is presented in the next chapter.

8 Step-wise Approach for GBRI to Reach Shortlisted Buyers

A step-wise approach on how to engage with shortlisted buyers is suggested in the following sections. Note that during the marking research study the first step below was completed to all the four shortlisted buyers below whereby initial GBRI introduction to the buyer's contact person was done and buyer's product specifications requirement including the demand for their minimum order and other business terms and conditions were gathered for GBRI to consider and fulfil when it ready to supply the avocado oil to the shortlisted buyers.

8.1 Luxury Cosmetics Industry: Henry Lamotte Oils

Step 1: Research and Personalization

- **Research:** Gather in-depth information about the company, its product line, brand values, and target audience. Look for mentions of their use of avocado oil in their product range.
- **Personalization:** Craft a personalized email highlighting how GBRI's avocado oil aligns with their brand values. Mention specific product lines where it could be a perfect fit (e.g., high-end moisturizers).

Step 2: Initial Contact

- **Email:** Send a concise email with a compelling subject line, such as "Elevate Your Products with Ethically Sourced Avocado Oil." Briefly introduce GBRI, emphasize the high-quality, unrefined nature of GBRI's oil, your experience with Hass avocado export and ethical sourcing practices. Mention your understanding of their brand ethos and how GBRI can be a value-added partner.
- **Offer:** Propose sending a small, complimentary sample of GBRI's oil for evaluation and include a link to your website or a one-pager showcasing GBRI's commitment to quality and sustainability.

Step 3: Follow-up and Building Relationships

- **Call or Video Conference:** After a reasonable wait time (3-5 business days), follow up with a phone call or video conference to discuss their initial impressions of the oil sample. Address any questions and reiterate the benefits for their brand. Demonstrate your commitment to ethical sourcing and traceability throughout the supply chain.
- **Social Media Engagement:** Engage with the company on social media platforms, liking and commenting on relevant posts. Share content that aligns with their brand image and their use of natural ingredients.

Step 4: Addressing Concerns and Closing the Deal

- **Price and Payment Terms:** Be prepared to discuss pricing and payment terms openly, offering competitive rates. Consider flexible payment structures to ease their initial purchase.
- **Minimum Order Quantities (MOQ):** Be aware that new customers will initially ask for a trail container prior as part of their minimum order quantities MOQ. Small orders are likely in the range of 2-4 containers in the first season.
- **Quality:** Agree on quality parameters that your unrefined oil will abide by (F.F.A, stearic acid, impurities and humanity levels).

8.2 Established Cosmetics Manufacturer: Destilaria Levira

Step 1: Research and Strategic Approach

- **Research:** Gather information on the company's size, product range, and existing avocado oil suppliers. Identify any decision-makers involved in the procurement process.
- **Strategic Approach:** Develop a tailored value proposition highlighting the advantages GBRI's oil offers and USPs. Focus on aspects like superior quality, ethical sourcing practices, and potential cost savings.

Step 2: Initial Contact

- **Email:** Craft a professional email addressed to the relevant decision-maker (purchasing manager, head of product development). Introduce GBRI and showcase their unique selling propositions (USPs) - high-quality, ethically sourced oil at competitive prices.
- **Data and Differentiation:** Include data or certifications that demonstrate the superior quality of GBRI's oil compared to competitors. Emphasize the potential for cost savings or improved product performance with their oil.

Step 3: Building Trust and Partnerships

- **Sample Request:** Offer to send a larger sample for extensive testing and evaluation. Focus on building trust and establishing a long-term partnership.
- **Site Visit or Reference Check:** If feasible, offer a virtual or in-person site visit to GBRI's production facilities. Provide images of your facility and share your experience with processing and exporting Hass avocados. Demonstrate your commitment to ethical sourcing and traceability throughout the supply chain.

Step 4: Negotiation and Long-Term Vision

- **Negotiation:** Be prepared for competitive negotiations on price and terms. Highlight the long-term benefits of a reliable, sustainable supplier like GBRI.
- **Contractual Agreements:** Develop a clear contract outlining pricing, minimum order quantities (MOQs) (4-8 containers), quality parameters, delivery schedules, shipping documents and payment terms that are mutually beneficial.

8.3 Established oil refinery for the food industry: Procesavo and Spack

Step 1: Research and Strategic Targeting

- **Research:** Gather in-depth information about the refinery's operations, capacity, existing suppliers, and target markets for their refined avocado oil products. Identify key decision-makers involved in sourcing and procurement.
- **Strategic Targeting:** Develop a targeted value proposition focusing on the bulk volumes GBRI can provide to meet the refinery's needs (10+ containers per year). Emphasize the consistent quality and reliable supply of GBRI's unrefined avocado oil.

Step 2: Initial Contact

- **Professional Communication:** Craft a professional email or letter addressed to the relevant decision-maker (purchasing manager, head of oil sourcing). Introduce GBRI as a reliable supplier of high-volume, unrefined avocado oil specifically suited for large-scale refineries.
- **Data and Transparency:** Provide data sheets and certificates highlighting the consistent quality parameters (low FFA, low stearic acid) of GBRI's avocado oil. Offer transparency regarding production capacity and potential long-term supply agreements.

Step 3: Building Relationships and Trust

- **Sample Request and Technical Specifications:** Offer to send a substantial sample for comprehensive quality analysis by the refinery's technical team.
- **Site Visit and Traceability Assurance:** If feasible, invite the refinery's representatives for a virtual or in-person site visit to GBRI's production facilities. Demonstrate your commitment to ethical sourcing and traceability throughout the supply chain.

Step 4: Negotiation and Long-Term Partnership

- **Competitive Pricing and Flexibility:** Be prepared to negotiate competitive pricing based on bulk volumes. Offer flexible payment terms and consider potential volume discounts to incentivize larger purchases.
- **Contractual Terms and Logistics:** Develop a clear contract outlining pricing, minimum order quantities (MOQs) aligned with the refinery's needs, delivery schedules, and payment terms. Address any logistical concerns regarding bulk shipment and storage.
- **Sustainability and Ethical Sourcing:** Highlight GBRI's commitment to sustainable practices and ethical sourcing, which can align with the refinery's own CSR initiatives. Explore potential certifications relevant to the refinery's target markets. This could include Organic and Fairtrade certification in GBRI's supply chain.

9 Marketing and branding strategy

The approach to marketing and branding avocado oil is related to sourcing and production from the perspective of the exporter (GBRI) and using this information to maximize reach and revenue from international markets. To understand how GBRI can market their avocado oil one first needs to understand how the oil is extracted.

9.1 Unbranded vs branded

Extraction of avocado oil

The process for recovering oil from ripe avocados is a mechanical extraction, similar to olive oil extraction, with the additional step of removing the skin and stone (seed). After this, the flesh is ground to a paste and then malaxed for 40-60 minutes at 45-50°C. This is a higher malaxing temperature than used for olive oil extraction, but it is still considered to be cold-pressed extraction for avocado oil. The slightly higher temperature aids the extraction of the oil from the oil-containing cells and does not affect the quality of the oil. The oil and water phases are separated from the pulp using a high-speed decanting centrifuge, and then the oil is separated from the water in final polishing centrifuges²⁰.

Avocado oil, if extracted from sound fruit (no rots, physiological disorders, or damage), will result in oil with a very low percentage of free fatty acids (%FFA) (<0.5% as oleic acid). In sound, ripened fruit, the level of lipolysis that occurs is low, resulting in low %FFA. The fruit does not need to be processed immediately after ripening, but long delays should be avoided. Generally, a higher %FFA is due to poor-quality fruit, delays in processing ripened fruit, or poor manufacturing practices.

Unbranded Crude Avocado Oil

This is the raw, unprocessed oil extracted from avocados as previously described. Whereby the exporter is responsible for ensuring it meets quality standards like acidity levels and purity. Unbranded oil is a commodity product and can be defined as product sold based on specifications and price, often to industrial buyers or brokers. The benefit of unbranded oil is its wider market reach. European refineries, cosmetic manufacturers, or large distributors might purchase unbranded oil in bulk for further processing or blending under their own brands. The drawback is that you typically receive a lower price per kg compared to branded oil.

Branded Crude Avocado Oil

This involves creating your own brand identity for your avocado oil. This could involve developing a unique label, emphasizing the oil's origin (e.g., "Cold Pressed Tanzanian Virgin Avocado Oil"), or highlighting specific quality aspects (e.g., "Extra Virgin," "High Oleic"). Building a brand allows GBRI to potentially command a premium price in the European market, especially if the target markets are

²⁰ AOCS. (2024). [What is unrefined, extra virgin cold-pressed avocado oil?](#)

interested in unique origins or specific properties of the oil. However, branding requires additional investment in marketing and establishing brand recognition among European buyers. This might involve attending trade shows, creating marketing materials, and potentially partnering with distributors who specialize in higher-end products. The potential buyers identified mentioned that pricing is related to what quality parameters GBRI can share from samples derived during processing. Upon arrival these parameters are inspected again to monitor that the information remains the same. They mainly request for conventional crude product with ffa. Max 3%.

It is suggested that GBRI starts with unbranded oil as an entry point for the European market. As GBRI grows and establishes stronger relationships with European buyers, GBRI could explore developing its own brand to potentially capture a higher profit margin. GBRI can also consider a hybrid approach, supplying both branded and unbranded oil depending on the specific needs of the identified customers.

9.2 GBRI's marketing and branding strategy

It is suggested to adopt the following in GBRI's marketing and branding strategy:

1. **Unique selling proposition.** Identify a specific aspect of the GBRI's crude oil or its production process that sets it apart from competitors. This can be a novel extraction method, a commitment to sustainability or a specific group of workers (women/youth) operating the facilities.
2. **Premium quality assurance.** Emphasize a commitment to producing premium-quality avocado oil. This could involve only using the freshest Hass avocado, implementing rigorous quality control measures and ensuring consistency in taste and texture, and low FFA as mainly request for conventional crude product with FFA Max 5%.
3. **Sustainability and ethical sourcing.** Highlight sustainable and ethical sourcing practices, such as the support provided to farmers to acquire SMETA and GlobalGAP, Organic certifications and maintain them year-out year-in, promoting biodiversity and minimizing environmental impact through shipping by sea freight. This can resonate with environmentally conscious consumers and enhance the brand's reputation.
4. **Health and wellness benefits.** Leverage the health and wellness benefits of avocado oil in branding and marketing efforts. Highlight its nutritional value, including high levels of beneficial fats, vitamins, and antioxidants, to appeal to health-conscious consumers. This is necessary to increase consumer awareness on health food from avocado oil e.g. edible extra virgin avocado oil that can be sold directly to consumers in both local and export market.
5. **Storytelling and origin story.** Develop a compelling brand narrative that highlights the company's journey, values and commitment to quality. Share stories about the founders, the local communities involved, and the unique region of Tanzanian avocados to create an emotional connection with consumers.
6. **Differentiated packaging and labelling.** Invest in eye-catching and informative packaging that stands out from competitors. Use visually appealing designs and clear labelling to communicate the product's unique features, such as origin, production process and health benefits. Using less plastic in packing used for oil helps in recyclability and reduction of GHG. According to the

international Life Sciences Institute of India (ILSI), bag-in-box packaging provides environmental-friendly solutions, is cost-effective, and is a high-performance form of edible oil packaging designed to meet the need of institutional users.

- 7. Targeted marketing and distribution.** Identify key target markets and segments, both domestically and internationally, based on consumer preferences, market trends and distribution channels. Tailor marketing efforts to effectively reach and engage these audiences through digital marketing, social media, trade shows and partnerships with retailers.
- 8. Certifications and accreditations.** Obtain relevant certifications and accreditations, such as organic, fair trade, or non-GMO certifications, to enhance credibility and trustworthiness. These certifications can signal to consumers that the product meets high standards of quality, sustainability and ethical production practices.
- 9. Customer engagement and education.** Engage with consumers as much as possible through educational content, cooking demonstrations, recipe ideas, and tasting events to showcase versatility and uses of avocado oil. Build a community awareness around the brand and foster ongoing relationships with customers. This to increase consumer awareness on health and nutritional benefits from avocado oil eg edible extra virgin avocado oil that can be sold directly to consumers in both local and export market.
- 10. Continuous innovation and adaptation.** As GBRI will be a start-up in the industry and relatively small in size, there should be room to innovate, staying abreast of industry trends, consumer preferences and market dynamics to adapt the product offering and branding strategy. Remain flexible and responsive to maintain relevance and competitiveness.

10 Potential challenges when entering new markets

10.1 Sourcing

Forecasting avocado supply can be a tricky business for exporters, in particular when their supply is sourced from smallholder farmers dispersed over a wide area posing a significant challenge. The following challenges could be faced:

- **Smallholder farmers have inconsistent yields.** Avocado trees have a natural tendency for alternate bearing, meaning they produce a high yield one year followed by a lower yield the next. This inherent fluctuation makes it difficult to accurately predict future avocado availability for oil production.
- **Variable climates have been observed in the Southern Highlands in recent years.** Avocado crops are susceptible to weather extremes like drought, frost, and excessive rain. These factors can significantly impact fruit quality and quantity, throwing off forecasts and potentially leading to shortages. The 2022-2023 avocado season in the southern highlands experienced unexpected heavy rains changing the forecast on expected supply.
- **Competition for fruit by other buyers, middlemen is a common challenge in Tanzania.** The fresh avocado market also offers lucrative opportunities for farmers who sell at the first buyer they encounter. GBRI can face competition from domestic and international buyers for the best quality fruits, further impacting their ability to secure a steady supply.

Avocado exporters face a delicate balancing act when forecasting. Overestimating supply can result in missed sales and unhappy customers, while underestimating supply may lead to contract fulfillment challenges and significant penalties. GBRI is recommended to:

- **Develop strong relationships with farmers.** Building trust with growers allows for open communication about anticipated yields and potential issues.
- **Consider fixed contracts with farmers** who dedicate a portion of their crop specifically for avocado oil production. This can offer more predictability in supply.
- **Diversify sourcing** and continually look for new sources of avocados within and beyond the Southern Highlands. GBRI should partner with multiple farms and regions to mitigate the impact of localized weather events or unexpected crop failures.
- **Leverage historical data** on avocado yields, weather patterns, and global market trends to develop more sophisticated forecasting models and a database of reliable farmers and cooperatives to work with²¹.

By acknowledging the challenges and implementing these suggestions, GBRI can navigate the unpredictable world of avocado oil sourcing and ensure a more stable supply for their customers.

²¹ Markup. (2022). International Market Opportunity Study for Avocado Oil

10.2 Quality control

Avocado oil quality concerns during production, processing and export has been highlighted as one of the key concerns by international buyers. GBRI will need to monitor and address these challenges during such phases when exporting avocado oil. The following challenges have been identified:

- **Ensuring consistent quality from smallholder farmers can be difficult due to varying agricultural practices and levels of expertise.** Farmers may not always follow Good Agricultural Practices (G.A.P.) strictly, leading to inconsistencies in the quality of avocados supplied. Additionally, smallholder farmers may lack access to resources and training necessary to meet the stringent quality standards required for export markets. This can result in variability in oil quality, which could impact GBRI's reputation and compliance with international standards. Ensuring traceability, the ability to track avocados from farm to oil, can be difficult with numerous small producers. This makes it challenging to isolate potential quality issues and maintain consistent standards.
- **Encouraging smallholders to adopt standardized practices for avocado cultivation and harvesting can be a hurdle.** Traditional methods might not be optimized for oil production, potentially impacting yield or fruit quality.
- **GBRI must ensure the exported avocado oil meets stringent international food safety and quality standards.** This can involve investments in testing oil samples and setting up robust quality control procedures.
- **The production process of avocado oil requires advanced machinery and strict adherence to hygiene and processing standards.** GBRI might struggle with maintaining these standards consistently, leading to potential contamination or subpar oil quality, which can lead to lost sales and credibility. Furthermore, the need for year-round production necessitates sourcing avocados from different regions, which can introduce logistical complexities and affect the uniformity of the oil produced.
- **Exporting avocado oil involves navigating complex logistics, including shipping, customs, and regulatory compliance.** Ensuring that all documentation is accurate and meets the requirements of the importing countries can be challenging. Delays in shipping or issues at customs can lead to spoilage or degradation of the oil quality. Additionally, fluctuations in global market demand and transportation costs can affect profitability and market competitiveness. GBRI must also manage the coordination between multiple stakeholders, including farmers, processors, and logistics providers, to ensure a smooth export process.

10.3 Quality control with Smallholder Farmers

To address quality control challenges, GBRI is recommend to:

- Focus on **training and education** for smallholder farmers. Conducting regular workshops and field demonstrations on Good Agricultural Practices (G.A.P.) will ensure consistency in avocado quality. GBRI can implement support programs that provide farmers with essential resources like high-quality seedlings, fertilizers and contact details for the nearest agrodealers to access pest control solutions will further enhance farmer's ability to meet quality standards.

- Establish a system for **regular monitoring and audits of farming practices**. This can be done using the technology of digital service providers such as Mazao Hub who can help maintain and provide compliance data of farmers. Additionally, developing strong relations and records of farmers who consistently meet quality standards will motivate adherence to best practices which can be recorded and monitored on digital service provider platform such as Mazao Hub.

10.4 Production

To meet the preferences and specifications that European buyers of avocado oil have and overcome production challenges, GBRI can invest in advanced processing equipment and technologies in particular for producing extra virgin oil that ensure high standards of hygiene and quality, reducing human error and maintaining consistency. It is advised to take this step once GBRI has developed a track record in the sale of crude avocado oil. It is highly recommended to:

- **Develop and enforce strict Standard Operating Procedures (SOPs)** for every stage of the production process. By establishing a dedicated quality assurance team to oversee the production process will ensure adherence to quality standards and reassure buyers GBRI dedication to quality standards of its avocado oil.
- **Collaborate with agricultural and food processing experts such as the providers of avocado pressing equipment and machinery**. These technicians can provide continuous support in improving production techniques and address any emerging issues especially important in the first years of avocado oil production. This expertise can then be built and shared among GBRI's quality assurance team.

10.5 Export logistics

Navigating export logistics can be achieved by optimizing the supply chain through strong relationships with reliable logistics providers, ensuring timely and safe transportation. GBRI is recommend to:

- **Maintain meticulous records and ensure all export documentation** complies with EU regulations²². These should be managed by experienced export managers as part of GBRI's business development team.
- **Develop contingency plans for potential supply chain disruptions** and stay informed about global market trends using platforms such as FreshPlaza for the latest information.
- **Collaborate with government agencies such as TAHA Fresh for technical support and development opportunities to further bolster export operations**. Implementing sustainability programs to enhance GBRI's reputation in international markets, highlights their commitment to environmental and social responsibility. This can be done by sharing environmental and social impact information on marketing material and sales engagements.

By recognizing these challenges and taking practical steps to address them, GBRI can support smallholder farmers, produce high-quality avocado oil, and successfully manage the complexities of exporting avocado oil.

²² CBI. (2021). [Entering the European market for avocado oil](#)

11 GBRI's avocado oil business case

11.1 Assumptions: supplier

1. It is assumed that 25.7% of the Hass avocado harvest are rejected. However not all these rejected avocados will be sold to GBRI roughly 80 of these rejected avocados will be sold to GBRI for producing avocado oil. It is anticipated that GBRI will source their rejected avocados primarily from smallholder farmers in 4 southern regions, namely Iringa, Mbeya, Songwe and Njombe regions. These will be sourced during the 8-month harvest season of this region from January to September. GBRI has the ability and network of sourcing further afield (Kilimanjaro and Kagera regions) in extreme scenarios if there is no supply in the southern region.
2. It is assumed that GBRI's farmers can produce roughly 100,000,000 kg raw Hass avocado of which around 40% would be rejected or remain unsold. These rejected avocados can be purchased from farmers at prices between TZS 250 - 450/kg. In the 1st year of operations, it is assumed that GBRI will purchase rejected avocados at TZS 500/kg. GBRI set price for 1Kg of rejected avocado is TZS 500 which is believed to be competitive above the average price from other competitors. It will purchase 220,000 kg of rejected avocados with a conversion rate of 1 out of 10 to produce 22,000kg (i.e. 1c container) of avocado oil.
3. With regards to labour, GBRI will require 20 staff for processing, 25 as part of the collection team and 12 field officers who will engage with the farmers and provide technical assistance. Direct expenses will mainly come from operation, packaging and logistic costs. It is assumed that GBRI will be able to collect 60,000Kg of rejected avocados per day and produce 6,000 kg of oil per day in a base scenario. The main costs within these activities are power requirements, water requirements, controlled temperature of the storage tanks, transportation costs and cash for purchasing rejected avocados.
4. Product is shipped in a 20-foot container, which can carry about 20 tons of finished oil. To achieve this scale, a typical avocado processing plant that uses Hass avocados would need to source approximately 200,000 tons of fresh fruit. For local varieties, which tend to have a lower oil content, even more fruit would need to be sourced. Based on an estimated oil content of about 5-8% of the fresh fruit for these varieties, factories would need to process up to 400,000 tons of fresh fruit to fill a container. Many countries do not produce enough fruit to achieve this volume.

11.2 Assumptions: buyer

1. European avocado oil buyers looking to source crude oil from East Africa look deeper than just price. It is assumed that they will purchase crude avocado oil between EUR 3.8 - 8.5/kg. GBRI should negotiate its sales price within this range. While Tanzania might offer competitive pricing compared to established markets, it is crucial to understand that buyers also look at consistency of supply, transparency on quality and adherence to terms agreed within the sales contract. All buyers will sign their initial contract with expectations that the first container matches expectations.
2. It is assumed that buyers who refine crude oil for the cosmetic industry will make initial sales agreements of 2-4 containers and refineries for the food industry will make initial agreements of 4-8 containers.
3. It assumed these demanded volumes will remain the same in the long term (4-8 years) for refineries in the cosmetics industry. However, for refineries supplying the food industry the number of demanded containers can change very quickly based on consistency of supply, product quality and relationships built.
4. It is assumed that following the first 2 harvest seasons whereby expectations have been met that demand could increase 10-fold to 40-80 containers in a year. This is dependent on credibility being established between the buyer and GBRI. It is expected that credibility will likely be developed following year 3 of sales.

11.3 GBRI's business case

This business case explores the potential of GBRI to establish itself as a supplier of avocado oil.

GBRI's sourcing strategy

GBRI plans to source rejected Hass avocados directly from smallholder farmers in Tanzania's Southern Highlands regions first (closest to packhouse in Iringa). These avocados, while unsuitable for fresh consumption, are ideal for oil extraction. GBRI estimates purchasing 440,000 kg of rejected avocados in their first year, offering a competitive price to farmers of between TZS 250 - 500/kg. This strategy leverages a readily available fruit source while minimizing competition with the fresh avocado market. It is recommended that GBRI begins with sourcing from their existing network of 2000+ Hass avocado farmers and subsequently leverages its network of farmers in other regions of Tanzania (e.g. Kilimanjaro and Ruvuma) during peak demand moments to ensure consistent supply.

Production and operational costs

The processing operation will require a workforce of 57 employees for various tasks, including processing, collection, and farmer liaison and training. Operational costs will include power, water, packaging materials, local logistics, avocado purchases and shipping. GBRI anticipates a per unit cost for 1 kg of crude avocado oil to be EUR 2.36 in 2024. This unit cost is set to increase at an assumed 5% per annum inflation rate.

Challenges and considerations

While GBRI's sourcing strategy offers a cost-effective solution, it presents a volume limitation. Traditionally, large-scale avocado oil processors require massive quantities of fresh fruit (200,000 tons or more) to fill a single container. GBRI's reliance on rejected avocados necessitates a different approach.

Forecasting avocado supply for oil production is difficult for exporters due to several factors. Smallholder farmers have naturally fluctuating yields, unpredictable weather can impact fruit quality and quantity, and competition exists from the fresh avocado market. To address this, it is recommended that GBRI builds trust with farmers, have regular engagement and support such as training, extension support, consider fixed long-term contracts with competitive prices and assured market access for both quality and reject avocado, diversify and expand sourcing options to different regions, and leverage data to create more accurate forecasts to secure predictable and reliable supply.

Furthermore, GBRI should continually consider the variations in shipping costs as over the past 5 years there has been considerable fluctuations in the cost of global shipping. Such shocks resulting from international conflicts and pandemics have expanded shipping times placing additional costs and risks to the exporter. GBRI currently has a shipping cost of EUR 0.46 per kg of crude avocado oil. This should be closely monitored to ensure the business remains feasible.

Targeting the right market

GBRI's success hinges on identifying the correct market segment. European buyers seeking crude avocado oil from East Africa prioritize factors beyond just price. Consistency of supply, transparency on quality, and adherence to contracts are equally important. GBRI should negotiate a competitive sales price within the EUR 3.8 - 8.5/kg range for crude avocado oil consistent with market rates. Ideally, GBRI agrees on sales price of around EUR 5.3/kg in order to remain profitable. Discounts can be offered when there is high potential for repeat purchase.

Initial sales strategy

Considering the volume limitations, GBRI should target buyers making smaller initial purchases. Cosmetic industry refineries typically start with agreements for 2-4 containers, while food industry refineries begin with 4-8 containers. Building strong relationships and a consistent supply chain will be crucial for securing repeat business and potentially increasing order volumes in the future. GBRI should attempt to reach and sell 10-15 containers to 4 different buyers spread over the first 2 years of operations.

Long-term growth potential

GBRI's long-term success relies on establishing credibility with buyers. By consistently meeting expectations over the first 2-3 years, GBRI can potentially see a tenfold increase in demand, reaching 40 containers at the low end and 80 containers per year at the high end by 2030. This growth hinges on GBRI's ability to maintain reliable supply chains, ensuring consistent high-quality crude oil production and delivery, and cultivate strong relationships with buyers.

Market entry plan to achieve export targets

GBRI's short term (two-year) plan should aim to achieve specific sales targets as showcased within the avocado oil business case. By building brand awareness through online marketing, attending trade shows and direct engagement, while simultaneously securing reliable Hass avocado suppliers and offering competitive prices for conventional crude avocado oil, GBRI should aim to sell at least 1 containers (or roughly 22,000kg) of crude oil to cosmetics companies in the first year. Year two leverages the groundwork laid in year one, with the expectation of increased sales reaching 10 containers (220,000Kg) to 4 different buyers). Hereby securing a growing base of repeat buyers for high quality crude avocado oil.

Looking towards the long term (year 3+), GBRI should strategically shifts its focus to the larger edible oil market by highlighting the unique flavor profile of Tanzanian avocado oil. This targeted approach, coupled with continued supplier network expansion and the pursuit of organic certification, positions GBRI to become a major supplier across both industries. GBRI's ultimate goal should be to meet bulk demand of 40 containers per season of conventional and organic crude avocado oil which can include refined options (extra virgin oil) by 2030.

Annex 3 provides a timeline of activities for achieving these ambitious sales targets.

Conclusion

The avocado oil business presents a promising opportunity for GBRI. By focusing on a niche market with smaller order volumes, leveraging a readily available fruit source, and prioritizing quality and consistency, GBRI can establish itself as a credible supplier and achieve sustainable growth in the years to come.

12 Insights and recommendations

The following insights and recommendations have been derived from desk research and interactions with buyers in the avocado oil industry.

12.1 Insights

- The buyers we have spoken with were interested in the **relationships exporters have with the farmers**. GBRI should highlight its existing relationships with avocado farmers through the EAT: FRESH project and experience with exporting Hass avocados to the European market.
- GBRI is installing a **brand new oil extraction machine**. This is information buyers like to hear as it begins to install credibility. GBRI should promote its modern production facility. Mention the purchase of a new oil extraction machine from **Italy** and the ongoing training of local staff for long-term management and maintenance of this machine. When engaging with buyers GBRI should include visuals such as images of your facility, Stanley steel tanks for storage, the new avocado grading line and press machines, or share a promotional video of the same.
- **Prices GBRI quotes to buyers should be market-conform**. Ensure your pricing is competitive and realistic to prevent turning off potential buyers. Market conformity is crucial for further negotiations and lasting relationships. Buyers have refused to work with clients who provided unrealistic prices for their avocados.
- Following prices **quality standards** is a critical factor for buyers decision making process. They have experienced customers supplying blended oils that showcased the necessary oil quality standards, including F.F.A. levels below 5%, Stearic Acid below 0.8, and Impurity + Humidity max 1.0% but ultimately turned out to be blended oils (mixed with vegetable oils). This was not so critical within the cosmetics industry it was highly damaging for the buyers reputation supplying the edible oils industry. Buyers would like to know and monitor quality conditions as much as possible throughout the production and delivery process.
- **For the edible oils market southern Europe is a more attractive market**. Their experience with olive oil makes it easier for them to work with avocado oil. However, the palate of Northern Europe still needs to adapt to avocado oil as they have been accustomed to using olive oil in the edible oils industry. If GBRI were to focus on the edible oils market, they would need to ensure that their oil has great flavour profiles suitable for salads to attract a larger end consumer market in Northern Europe.
- Buyers are concerned about the **reliability of a supplier**. Consistent supply and quality predictions are challenging due to a decentralized supplier base, but proving reliability can lead to increased order volumes. Buyers indicated that they have their own forecasts and agreements to meet.
- The buyers engaged with would all **start with a test order** between 1 to 2 containers at the start of the season to monitor quality and reliability and ease of working together. This includes buyers for cosmetics as well as the edible oils industry.

12.2 Recommendations

1. Competitive Positioning

- a. Buyers indicated that they would purchase conventional crude oil but always asked if organic certified crude oil was available. It is therefore advised GBRI to **investigate and take steps towards an organic and sustainable production line**. GBRI could position themselves to become a leader in this niche for East Africa. GBRI should first establish credibility in the market by being a reliable supplier with its initial buyers following successful seasons of exporting conventional crude oil. GBRI can then start with organic certification to further build market credibility and attract higher sales volumes and prices. During this period GBRI should also explore setting up machinery to produce extra virgin oil which is in demand with buyers from the edible oils industry.
- b. GBRI should **initially focus on cosmetics industry buyers** who need crude avocado oil for further processing and are less concerned about taste and color. This is in terms of their marketing efforts and sales development. However, it is recommended to simultaneously engage with edible oil industry buyers for broader market opportunities. This would also allow GBRI to continuously secure demand and process avocados throughout the year. While the initial focus is on smaller cosmetic companies, GBRI should have a long-term strategy to expand its reach. This could involve:
 - i. **Building Capacity:** As production volumes increase, GBRI can gradually target larger companies in the cosmetics industry that require higher volumes.
 - ii. **Targeting oil refineries:** These companies require consistent shipments throughout the year. Minimum of 4 - 40 containers in a year.
 - iii. **Developing Refining Capabilities:** In-house refining could allow GBRI to cater to the needs of industrial buyers who require refined avocado oil.
 - iv. **Diversifying Products:** GBRI can explore offering a range of avocado oil products, such as refined oil for specific industrial applications.
- c. In the first season, GBRI should **share as many samples as possible with potential buyers** and secure test containers with shortlisted buyers to build trust. Larger orders can be expected in subsequent years once credibility is established.

2. **Supply Chain Disruptions.** Disruptions in the avocado supply chain, such as weather-related events, pests' outbreaks or logistical challenges can impact production and distribution. It is recommended to mitigate this through:

- a. **Sourcing diversification** through establishment of relationships with multiple avocado suppliers across different regions.
- b. **Investing in storage and logistics** to minimize the impact of disruptions and raw material availability.
- c. **Monitor market trends** to stay informed about market dynamics, weather patterns and other factors likely to affect the avocado supply chain.

3. Strategic Pricing and Branding

- a. **GBRI should adopt a tiered pricing model for different market segments**, differentiating between buyers for the cosmetics and edible oils industry. It is advised to use promotions, bundled offers, and introductory discounts to attract buyers and secure deals. It is recommended to differentiate based on value by emphasizing the value proposition of GBRI's crude avocado oil, such as superior quality, sustainability through product certification acquired, health benefits, to justify premium pricing
- b. **GBRI can highlight the unique flavor and health benefits** of Tanzanian avocado oil through continuous market research and blind taste tests for the edible oil industry.
- c. GBRI should also highlight that their oil is **pure** Hass avocado oil and is not blended with other oils or other avocado varieties.
- d. By **continuous sharing of production information** GBRI can build a sustainable and authentic brand. GBRI should share stories of local farmers, eco-friendly practices, and community involvement to resonate with conscious consumers. This could lead to further partnerships and production initiatives being developed with potential buyers.
- e. **Seasonality** is another important factor to consider as avocado oil has a relatively short shelf life (18 months). To maximize shelf life, buyers tend to source avocado oil from those countries in production or at the end of their season. They are therefore more likely to seek to source oil from South Africa, Peru, Kenya and Mexico during the European summer months. It is recommended to take this aspect into consideration depending on the targeted market.

4. Distribution and Partnerships

- a. **GBRI should combine online and offline channels for optimal reach.** Leverage all social media platforms for brand visibility and potential buyer engagement. This is also an effective route for brand storytelling, buyer engagement and credibility building. GBRI should collaborate with local distributors and retailers to access established networks and leverage its experience and expertise built with exporting Hass avocados.
- b. **GBRI should capitalize on the surge in online sales globally, especially post-pandemic.** This includes identifying local and international digital platforms for product visibility and sales such as Agromovil.
- c. **GBRI should continue to develop strategic alliances with avocado cooperatives and commercial farmers.** By forging strong partnerships with local farmers GBRI will be able to secure a consistent supply chain and facilitate future quality control and potential organic certification for credibility.
- d. **Explore implementing robust paperless traceability solutions to combat fraud and ensure transparency.** It is suggested explores opportunities with digital service providers such as Mazao Hub. This could have the additional benefit for GBRI to strengthen partnerships among producers, regulatory bodies, and buyers to fortify the supply chain against fraud and bring more efficiency in operations.

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14 Annexes

Annex 1: Competitor Analysis

Annex 2: Contact details of longlisted and shortlisted buyers

Annex 3: Timeline of activities

SALES VOLUME	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Avocado Fruit	2024	2025	2026	2027	2028	2029	2030	2030	2030	2030
Price in EUR-Per Box	8.5	8.9	9.4	9.8	10.3	10.8	11.4	11.4	11.4	11.4
Price in EUR-Per Kg	2.1	2.2	2.3	2.5	2.6	2.7	2.8	2.8	2.8	2.8
Quantity in Containers	35.0	50.0	48.0	53.0	58.0	64.0	72.0	73.0	74.0	75.0
Quantity in Kgs	806,400.00	1,152,000.00	1,105,920.00	1,221,120.00	1,336,320.00	1,474,560.00	1,658,880.00	1,681,920.00	1,704,960.00	1,728,000.00
Subtotal-Sales in EUR	1,713,600.00	2,570,400.00	2,590,963.20	3,003,897.96	3,451,648.79	3,999,151.70	4,723,997.94	4,789,609.03	4,855,220.11	4,920,831.19
Avocado Oil										
Price in EUR-Per Kg	5.3	5.5	5.8	6.1	6.4	6.7	7.1	8.1	9.1	10.1
Quantity in Containers	1	10	20	24	29	35	41	50	60	72
Quantity in Kgs	22,000.00	220,000.00	440,000.00	528,000.00	633,600.00	760,320.00	912,384.00	1,094,860.80	1,313,832.96	1,576,599.55
Subtotal-Sales in EUR	116,193.00	1,220,026.50	2,562,055.65	3,228,190.12	4,067,519.55	5,125,074.63	6,457,594.04	8,843,973.64	11,926,601.33	15,888,521.15
GRAND TOTAL-SALES in EUR	1,829,793.00	3,790,426.50	5,153,018.85	6,232,088.08	7,519,168.34	9,124,226.33	11,181,591.98	13,633,582.67	16,781,821.44	20,809,352.35
PRODUCTION COST										
Avocado Fruits-Direct Costs	1,208,904.34	1,813,356.50	1,827,863.36	2,119,179.08	2,435,056.71	2,821,307.09	3,332,669.00	3,547,903.87	3,776,330.56	4,018,730.16
Avocado Oil-Direct Costs	51,981.08	545,801.30	1,146,182.74	1,444,190.25	1,819,679.72	2,292,796.44	2,888,923.52	3,640,043.63	4,586,454.98	5,778,933.27
TOTAL DIRECT COST	1,260,885.41	2,359,157.81	2,974,046.09	3,563,369.33	4,254,736.43	5,114,103.53	6,221,592.52	7,187,947.50	8,362,785.54	9,797,663.43
Margin/Gross Profit	568,907.59	1,431,268.69	2,178,972.76	2,668,718.75	3,264,431.91	4,010,122.80	4,959,999.46	6,445,635.17	8,419,035.91	11,011,688.92
Margin-%	31.0913632	37.76009618	42.28536356	42.82222453	43.41480016	43.95027758	44.35861613	47.27763291	50.16759316	52.91701892
Mark Up-%	45.11968984	60.66862873	73.26627382	74.89312792	76.72465641	78.41301559	79.72234522	89.67281917	100.6726272	112.3909695