



## Profile

Olivado Tanzania (EPZ) Ltd, a newly signed SAGCOT partner is on course to transform the avocado value chain. The company has built a 2.5 million modern avocado oil production facility from scratch on a 30-acre piece of land at Itulahumba village, Wanging'ombe district in Njombe region producing avocado oil from non-export grade avocados. This investment has made a significant contribution on the commercialization and value addition to the existing value chain of fresh avocado exports while creating jobs, lifting families out of poverty by offering a steady market that creates additional income for non-export grade avocados. In just three years, Olivado is already reaching over 2,500 smallholders, bringing them into a commercial value chain, increasing their productivity and profitability while building their skills.

Olivado Tanzania is part of the Olivado Group, the largest organic producer of edible avocado oil in the world producing 80% of world's organic extra virgin avocado oil an equivalent of 200 metric tons a year. With a current processing capacity of 50 metric tons of avocados daily, Olivado continues to make a positive impact on smallholder farmers.

## Progress and Impact

This investment has added value to an existing value chain of fresh avocado exports and continues to **develop a new value chain of avocado for oil production** further increasing incomes for smallholder farmers in the Southern Highlands. The investment provides market for non-export grade avocados from smallholder farmers in Njombe, Mbeya, Iringa and Ruvuma regions where about 50% of avocados produced by these farmers don't meet export requirements and has historically remained in the farm as a waste. Olivado's business model transforms this waste into an incremental revenue to smallholder farmers and ensures that no avocado goes to waste.

The Olivado investment in Tanzania has three main components including avocado oil production facility, Organic and Fair-Trade program for smallholder farmers and the Biogas plant which converts waste into energy and fertilizer.

## Inclusivity and Sustainable Agriculture

Olivado has taken several steps to ensure social inclusivity and environmental protection compliance. Through its Organic and Fairtrade smallholders' program, the company has employed a team of 12 field officers who provide extension services to avocado farmers as part of a strategy to ensure the highest standards of compliance in sustainable agricultural practices. The company has also trained 24 local personnel on Organic Fairtrade and Global GAP certifications and has introduced a training-of-trainers program. This program focuses on

ensuring that its registered avocado growers are operating in harmony with the global sustainable agriculture standards and complies with all applicable environmental protection laws and international good practices. To date, over 2,500 farmers have been trained.

To ensure competitiveness and promote environmental protection, Olivado is building a Biogas plant which will utilize all waste and by-products from the avocado oil production to produce energy and fertilizer. Upon completion of the Biogas plant, Olivado will become one of the first industrial operations in Tanzania to have zero carbon emissions through the use of carbon-neutral energy. Apart from limiting its carbon emissions to zero, the investment in biogas will boost Olivado's competitive advantage through provision of power for the total requirements of the factory, power for vehicles transporting fruits from farms to the factory and will provide natural fertilizer to farmers.

### **Role of SAGCOT**

The SAGCOT Centre Ltd has supported Olivado since its inception in Tanzania to leverage the power of public-private partnerships which continues to drive transformation of sustainable value chains across the Southern Corridor. SAGCOT Centre Ltd has specifically supported Olivado through;

- Facilitation of linkages with the government and introductions to relevant government authorities
- Facilitation of land and title deed acquisition
- Support on fast-tracking the investment loan from NMB
- Supporting the registration under Economic Processing Zones and availability of fiscal incentives
- Facilitation of Environmental impact Assessment

### **Achievements summary**

- Total of US\$ 2.5 million invested
- 30 acres of land under development
- Current processing capacity of 50MT
- 100MT of fruits processing capacity by next season
- 1,893 farmers impacted in Njombe, Iringa, Ruvuma and Mbeya
- Expecting to reach 5,000 farmers in four years
- 3 billion shillings spent on purchase of avocado from smallholder farmers since 2018
- Shipping 16 metric tons of avocado oil every week
- Direct employment to 250 people. Expecting to employ 450 people by next season.
- Supports 2,500 farmers with logistics related to transporting the produce from the farms to the factory