

## **GO GLOBAL OR GO HOME Limited**

MAVUNO Farm Limited is a locally established and registered company that operates in the southern regions of Tanzania, namely Mbeya, Iringa, and Njombe. The company has its roots in a group of four smallholder farmers who joined forces to initiate this company after securing a huge loan from one of the popular commercial banks in the country. The company is engaged in farming horticulture crops, mainly avocados. After harvesting, the avocados are processed into fresh juice, packed appropriately in 500mls bottles in the small processing plant located in Arusha city and physically distributed to different regions in Tanzania.

Since its establishment, the company has been well known around the three regions for producing high quality, big shaped and sweet avocados. Thus its avocados and the juice itself have gained a wider market in the northern zone and beyond. Furthermore, the standard of avocados grown by the company has been exceptional due to the company's adherence to modern farming practices and modern harvesting technology used during harvesting seasons. The level of technology utilized in the avocado juice production makes the company to be superior in terms of taste compared to its key competitors.

In order to control delays in the production and schedule risks, the management of the company is very serious on managing activities involved in the production of avocado juice. The fruit juice production process mainly includes the following series of activities: fruit raw material pretreatment, juice extraction, clarification, and filtration, which are done in the first 3 weeks of January each year. Also, homogenization, deoxidization, concentration are conducted in the last week of the same month. In contrast, the whole month of February is for ingredient adjustment, the activity which is critical for the good taste of the produced avocado juice. This activity is crucial as all company's shareholders agreed on the same and named the activity "*the magic of Mwembe.*" After successful adjusting necessary ingredients, the first 2 weeks of March, the company concentrates on packaging and sterilization. Then, the distribution of boxes of avocado juice is done in the second and remaining weeks of March and sometimes the whole month of April in each year of production.

Mavuno Farm Limited recently discovered a potential market for their avocados in Rwanda's capital Kigali after the owners participated in the Horticulture International Trade Exhibition (HITE) held in Nairobi, Kenya. In that particular exhibition, horticulture farmers across the East African region came together to discuss the opportunities and challenges in horticulture crops cultivation in East Africa. After attending the exhibition in Nairobi, MAVUNO Farm

Limited owners decided to hold a meeting to reflect on the opportunities presented in this year's exhibition.

According to Mr. Kazikunoga one of the shareholders and co-founder of MAVUNO Farm Limited, claimed that one of the promising opportunity was opening up another avocado processing plant to make avocado juice in Kigali. He insisted on the opportunity by saying, *“We have limited our operations in Tanzania only for so long. Suppose we persist with serving only the local market. In that case, we may become irrelevant, especially if another company decides to engage in cultivation of avocados at the same scale we are in. Let us go global, I believe that we start to explore foreign markets, we can start in Africa particularly through opening a plant in Rwanda.”*

Another shareholder of the company, Mr. Hazembei, nodded his head up and down, signifying his support of Mr. Kazikunoga's opinion. The other two remaining shareholders of the company had to contradict the view concerning an approach to explore foreign markets as proposed by Kazikunoga. In particular, Ms. Mbadi, the third shareholder in MAVUNO Farm Limited, declared that *“instead of opening up a new avocado processing plant in Kigali, we should focus on increasing cultivation in Tanzania and then we can export fresh avocados to Kigali. So we do not have to engage in processing. Let's harvest our avocados and sell them to Kigali.”*

Both Kazikunoga and Hazembei disagreed with her opinion by saying that an increase in avocado cultivation in Tanzania is a risky option as the surplus might be difficult to keep for long due to the perishability nature of the fruit. It might as well increase the inventory holding costs. He further declared that serving foreign markets through export is highly uncertain and is associated with a lot of risks including but not limited to border restrictions and damage to the consignment. Finally, Mr. Kazikunoga clarified to the other shareholders other setbacks and risks of moving their product to the foreign markets rather than opening a processing plant directly in Kigali.

Mr. Kazikunoga concluded by suggesting to his fellow shareholders that the Rwanda market be served by opening a new plant in Kigali where the entire processing of avocado juice will take place, necessitating them to acquire 50 acres of land in the outskirts of Kigali to set avocado plantations. The other three shareholders supported Mr. Kazikunoga's opinion, and they all decided to approach the Rwanda ambassador in Tanzania in the coming days to share their idea for further action.