

# Alfa Agricultura Sociedade Unipessoal Lda.

Mozambique

## Overview

Alfa Agricultura Sociedade Unipessoal Lda was established in 2014 for the sole purpose of commercial farming. The location of the farm, the water availability, the soil and climate make it a favourable and unique opportunity for cultivation of inter alia beans, wheat, corn, paprika, peppadew and cashew nuts. The company intends to expand its production area by 2022, build a cashew processing plant for cashew nuts and peppadew, and begin to distil brandy from the cashew nut apple which is currently being disposed, all intended export.

## The product

The main products are cashew nuts, peppadew peppers and cashew apple brandy. Although cashews are one of the lowest-fiber nuts, they are packed with vitamins, minerals and antioxidants. These include vitamins E, K, and B6, along with minerals like copper, phosphorus, zinc, magnesium, iron, and selenium, all of which are important for maintaining good bodily function. Cashew nut kernels are produced by shelling raw cashew nuts (RCN), which grow at the end of cashew apples. Cashew nut kernels are primarily judged on their size, colour and moisture content. Peppadew peppers offer significant health benefits by being full of vitamin D, vitamin C, potassium, fiber and beta-carotene

## The market

The company is currently selling its products to local clients, and the demand for cashew nuts by traders in some markets in the Federal Capital Territory (FCT) has drastically increased during market days in the recent time. In a recent survey in the FCT, revealed that cashew was fast selling more than any other farm produce in the markets.

The company is currently looking to expand internationally. The world cashew demand is growing strongly in terms of volume and value. Prospects are that world demand for cashew will continue to increase rapidly. Main buyers from US and Europe, but also India, Vietnam and Brazil will have to source from Africa because currently 40% of the cashew world production of Raw Cashew Nuts (RCN) is produced in Africa.

## The competition

Africa's cashew-nut processing industries are merely ticking over. Out of 18 plants in Mozambique, Africa's fourth largest producer of cashew nuts, only seven are still operating, and the continent's main producer, Tanzania, has refurbished only one plant out of the ten set up in the 1980s, the remainder having had to close within five years. The African cashew-nut market is dominated by Indian exporting companies who generally offer planters better prices.

## Key facts

<b>Name of Organization</b>	Alfa Agricultura Sociedade Unipessoal Lda.
<b>Country of operations</b>	Mozambique
<b>Headquarters</b>	HQ: Maputo OP: District of Monapo
<b>Website</b>	N/A
<b>Year operational</b>	2014
<b>Sector</b>	Agro-processing and food
<b>Legal structure</b>	Limited Private Company
<b>Number of employees</b>	N/A
<b>Revenues</b>	USD 570,000

## Proposed investment structure

<b>Proposed investment amount</b>	USD 570,000
<b>Type of investment</b>	Equity
<b>Type of investor needed</b>	Long/medium-term active investor
<b>Use of proceeds</b>	<ul style="list-style-type: none"> <li>Setup of a processing plant for cashew</li> <li>Setup distillery and purchase equipment</li> </ul>

## Management & Advisors

- **Mr Jan le Grange - Managing Director** - 30 years experience as a farmer, farming soybeans, beans, cotton, wheat, paprika, maize and citrus. In 1989 he bought a citrus farm near Marble Hall and started a paprika project with local farmers planting for him and exporting it to various countries which he later sold.
- **Mr JP Le Grange Jnr – General Farm Manager**
- **Mr Luhan Swart – Crop Specialist**
- **Mr Ian Le Grange – Farm Manager**
- **Mr Andre Zeeman - Maintenance Manager**
- **Mr Emilio Novel – Accountant**
- **Mr Tufair Ismael Gopal – Farm Coordinator**
- **Mr Silva Marcelino – Farm Supervisor**
- **Mrs Vivian Elizabeth Maniatis – Personal Assistant**

## Investment Proposal

The company is raising USD 570 000 in equity, in order to:

- Expand production area
- Build a cashew processing plant for cashew nuts;
- Build a distillery and purchase necessary equipment to produce brandy from cashew apples.

The proposal is based on Mr Le Grange's ability and experience to make a success of the new farming ventures that was offered to him by the Mozambique Department of Agriculture.

To use the farm and the water rights to its full potential it is of outmost importance that a pipeline be laid from the river to the farm. It is necessary to irrigate the Cashews in die early stages to make sure the small plants don't die. Cashews deliver 4 (four) times more fruit under more fruit under irrigation than dry land.

To bring the farm to its full potential the company plans to have 300 000 trees planted to the end of 2022. Provision is made for further expansion after this 1000ha is full developed.

## Social Impact

Alfa Agricultra plans on assisting 400 local families by planting 200 cashew trees per family and then purchasing the raw nuts from the families in order to process the nuts for export. Parallel to the cashew nut production program, there will also be a program of incubation of ten (10) young people as future extensions of the community

## Financial details

Company's financials are available upon request.



Fig. 1. Cashew fruit



Fig. 2. Plantation



Fig. 3. Irrigation pump facility



Fig. 4. New cashew plantation

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