

MANGO PRODUCTION AND PROCESSING IN DODOMA REGION

Local Investment Climate (LIC) is a private sector development Programme supported by Danida. LIC addresses critical constraints to business development and economic growth at district level in the two regions of Dodoma and Kigoma in Tanzania. The Programme invests in Public-Private Dialogue (PPD), business service facilities such as One-Stop-Business Centres and Public-Private-Partnership infrastructure in support of business development. The implementing partner agencies of LIC are; the President's Office – Regional Administration and Local Government (PO-RALG), the Regional Secretariats in Kigoma and Dodoma, Tanzania National Business Council (TNBC), Association of Local Authorities in Tanzania (ALAT), Tanzania Private Sector Foundation (TPSF) and Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA).

In April 2018 LIC signed a contract with **Mpunzugulu Agriculture and Marketing Cooperative Society Ltd. (MAMACOSO)** in collaboration with the Chamwino District Council (Dodoma Region) to support mango production and the establishment of a mango juice processing plant.

In Tanzania, the mango industry has a promising growth potential. There is a ready local and regional market for mangoes and at times of low seasonal supply mangoes are even imported from Kenya to supplement local production. A major challenge however is the seasonality of supply. During the peak production season, a lack of processing capacity and processing facilities leads to some of the surplus production going to waste, while at times of low supply, mango products are high in demand. There is however a promising market for mango juice and other processed products, such as mango chips and concentrates. To support business development in the mango sector LIC teamed up with MAMACOSO and the Chamwino City Council to invest in new processing facilities, and enhance mango production. A processing facility will potentially increase the profitability of mango production and allow more farmers to take mango production more seriously, thereby increasing the national output of mangoes.

MAMACOSO is a registered Cooperative Society with the objective to promote mango production and processing. The Society has 200 members including 80 female members and has a combined area of 200 acres. An additional 500 acres will be brought under mango cultivation to increase supply to the processing unit. In addition to producing mango juice other processing options include utilizing the residues for animal feed.

LIC Support to MAMACOSO

LIC Investments are divided into 3 phases

Phase 1

- i. Farm preparation, seedling production and water supply for irrigation and processing
- ii. Prepare land use plan and issue land use right certificates to MAMACOSO members
- i. Establish the company HUMACO Ltd as SPV to manage the program and the processing plant

Phase 2

- ii. Capacity building of AMCOS (agricultural marketing cooperative society), the Board, and SACCOS (savings and credit cooperative organization) members
- iii. Construction of two houses for Agriculture Officer and Production Manager

Phase 3

- i. Construction of a mango juice processing plant
- ii. Procurement of equipment

Highlights and Prospects

Through LIC, MAMOCOSO has managed to obtain a land use plan and customary certificates of right of occupancy (CCRO) for its 175 members, enabling them to enter into contracts and loan agreements with input suppliers and commercial banks. They are now able to use their newly obtained land certificates as guarantees and collateral. The Tanzania Agricultural Development Bank is already looking into options to facilitate loans to MAMACOSO once a solid business plan is in place.

A business plan is being prepared to cater for strategic business investment. The business plan highlights major areas of investments with quick returns, sustainable business operations and management procedures for both farm and processing facilities to be invested in later. The plan will serve as a roadmap for future investment and as working tool for the MAMACOSO management.



Mango farm at MAMOCOSO

Through LIC support to MAMOCOSO, additional employment opportunities are being created in mango production and the processing industry. Furthermore, this investment is opening up new business opportunities for service providers to the mango industry and increased economic activities in the area. More people will be employed along the whole mango value chain, adding to economic growth in Chamwino District and more broadly in Dodoma region.



Mango seedling production at MAMOCOSO, supported by LIC



Parts of the water supply system at MAMOCOSO, funded by LIC

The Way Forward

The planned construction of the processing plant in Phase 3 will add value to the mango production and significantly reduce post-harvest losses. In addition, the marketing of fresh mangoes and the production of dried mango chips and concentrates are earmarked as alternatives to juice production. Value addition will increase the market reach of products and will make further investments into mango tree planting much more secure and viable. There is scope for value addition beyond producing mango juice. The residues can be processed into animal feed and can also be used for biogas production in a future sustainable energy supply strategy.

Until November 2018, **LIC** supported the Mpunguzulu Agriculture and Marketing Cooperative Society Ltd (MAMOCOSO) with approx. TZS 81.4 million. LIC will continue its support to other private sector development projects in the regions of Kigoma and Dodoma until February 2020.

For further information please visit www.lic.or.tz