

MACADAMIA CASE STUDY

Mozambique

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By

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SUMMARY

1. **Mozambique economic and agriculture background**
2. **Macadamia production in Mozambique**
3. **Policies**
4. **Regional Nut Value Chain**
5. **Challenges**
6. **Policy recommendations**

Mozambique's Profile

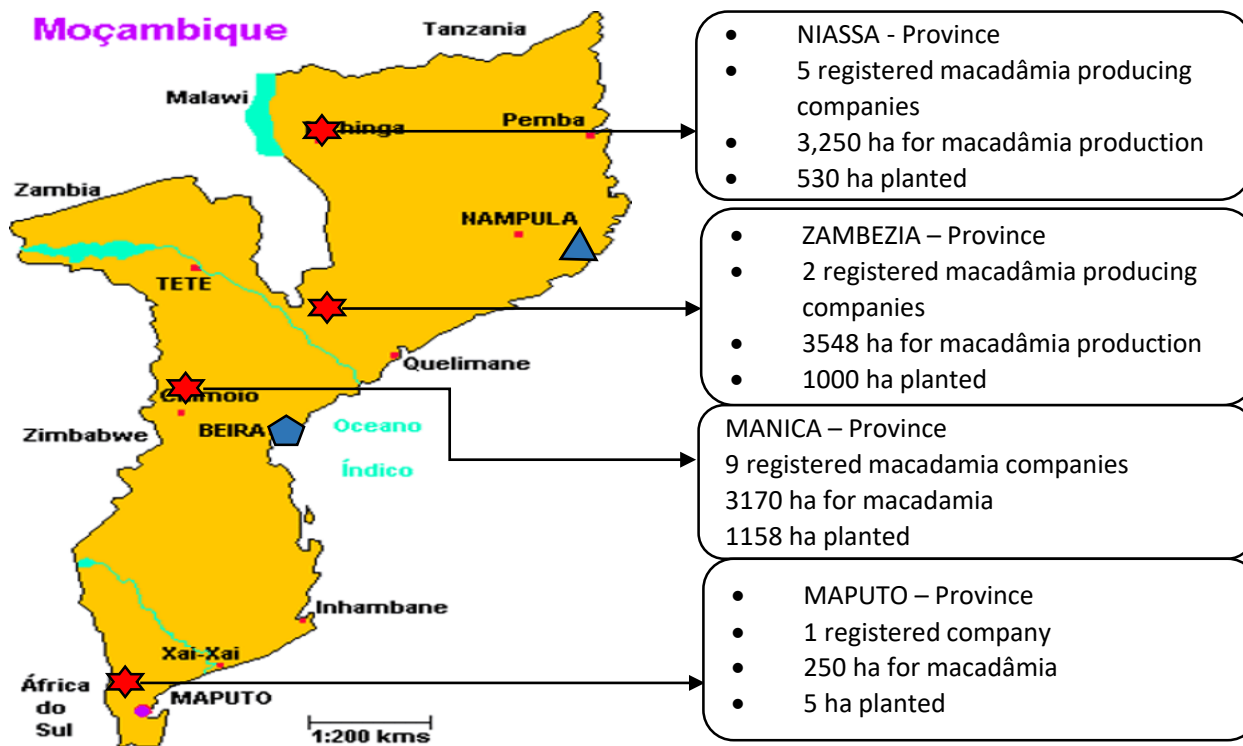
- Population – 28 million
- Population annual growth rate – 2.45%
- Land size – 800,000 sq km
- Agricultural area – 500,000 sq Km (10% under use)
- GDP per capita – 515 USD
- GDP annual growth rate – 3%
- Agriculture accounts for 25% Countries GDP
- Inflation rate 2017 – Ave. 15%



MACADAMIA PRODUCTION IN MOZAMBIQUE

- Macadamia production in Mozambique started around the year 2000 in Niassa province in the North
- The sector still unknown among Government, producers and local private sector
- 17 registered macadamia companies
- Estimated 12.000 ha registered for macadamia production
25% under use
- There are 4 processing units in the country
- In some areas of the country the climate is perfect for macadamia production
- The sector is dominated by SA and Dutch investors
- Over 100 million USD invested in the sector in the last 10 years





Legend:

- Nampula Port is located 514 Km from the macadamia producing area in Zambezia province
- Beira Port is located 200 Km from Chimoio city in Manica province

GOVERNMENT POLICIES AND INITIATIVES

- The National Cashew Institute (INCAJU) is the official body within the Ministry of Agriculture in charge of the macadamia sector;
- The Government of Mozambique recognizes potential the country has to become a major macadamia nut producer in the region in the next 20 to 30 years;
- Legislation on macadamia nut should be ready on the 2^o quarter of 2018 ;

GOVERNMENT POLICIES AND INITIATIVES

- Import of agriculture products e.g. fertilizers and equipment are in list of excise tax exemptions (Law No. 05/2012 of 23 January 2012 and Law No. 2/2013 of 7 January 2013);
- The Strategic Plan for Agriculture Development (PEDSA) is one of the main driving tools that supports agro processing activities by providing policies that are conducive to agricultural investment;
- The “Agricultural National Investment Plan” (PNISA), seeks to identify and prioritize key investment and policy interventions that are critical to enhancing agricultural productivity growth in Mozambique.

REGIONAL NUT VALUE CHAIN

- Mozambique accounts for 70% of Southern African Development Community's (SADC) transit traffic, with logistics corridors linking the deep water coastal ports with neighboring countries;
- Both GoM and the macadamia investors see the potential creation of the regional nut value chain as a positive move has many experiences can be exchanged between the countries;
- Before moving to a regional nut value chain it is important to establish first a national macadamia platform such as Macadamia National Strategic Plan
- SADC trade Protocol

CHALLENGES

- Poor infrastructures (Roads, electricity);
- Red tape (excessive bureaucracy);
- The lack of certified laboratories for testing the finished product;
- Logistics (transport, shipping and);
- Access to more land to increase macadamia nut the production;

POLICIES RECOMMENDATIONS

- There is huge opportunity for develop a strong and reliable macadamia value chain mostly due to availability of land, water, labor most of all is the Government willingness to engage with the sector;
- There's is a need to continue strengthening the sector through the development of public private partnership where different stakeholders can have their intervention via the framework;
- As the industry continues to grow a creation of a Mozambican Macadamia nut association lead by the private sector to allow the producers to come together with one voice in all the challenges related to the sector;

CONT.

- Identification of donors that are willing to support the macadamia value chain in Mozambique through a development of a mid and long term strategic plan for the sector (e.g. Development of a Macadamia Strategic Plan for Mozambique);
- Development of a strategy that would allow a systematic involvement of smallholder farmers;
- Engage with the macadamia investors in developing a legislation for the crop;

THANK YOU