



# **Invest in Avocados**

## **Opportunities in Angola's Tropical Fruit Sector**

**Prepared for the Tropical Fruit Congress  
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# Country profile

## GEOGRAPHY

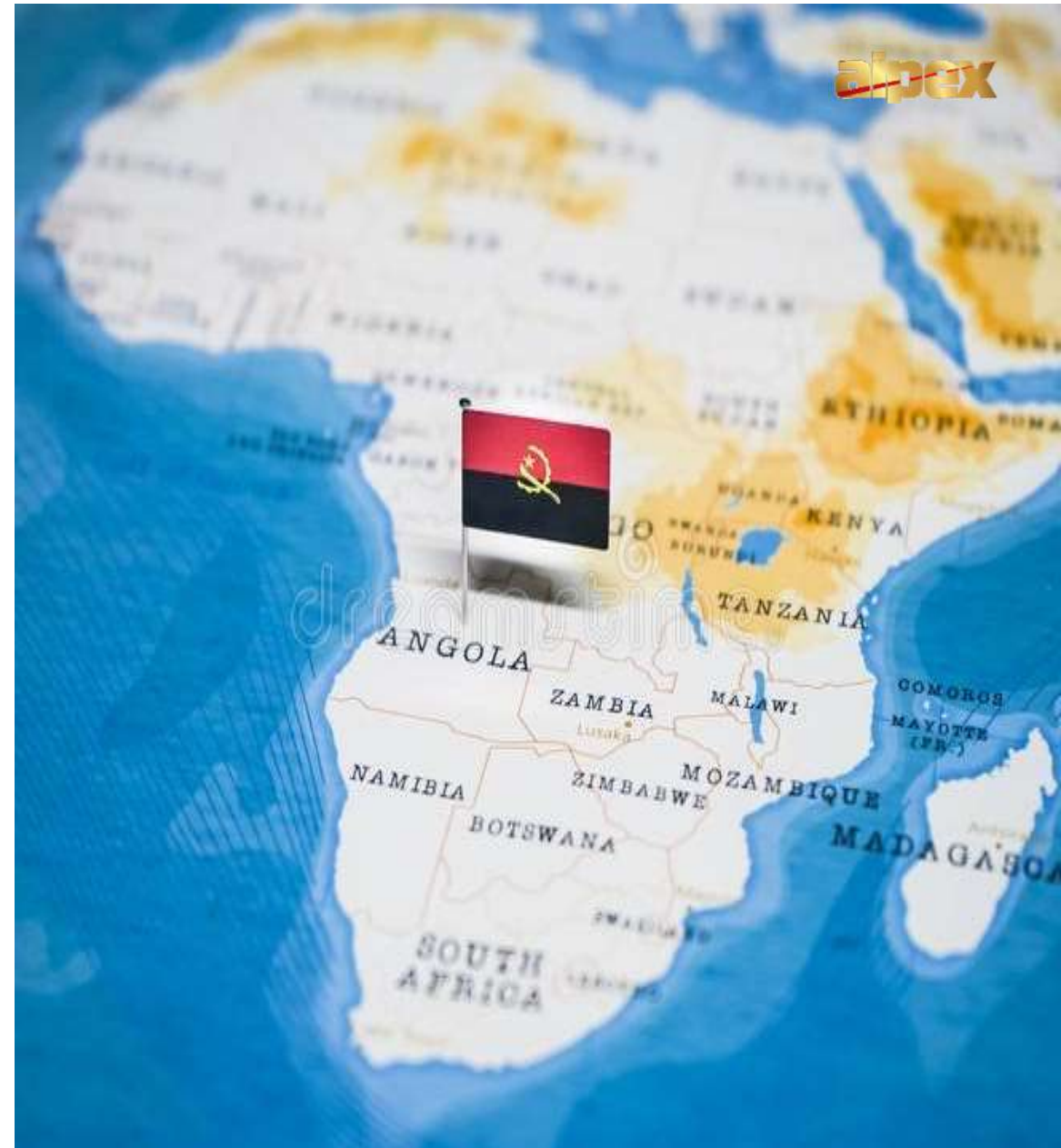
Total land:	1.2 million km <sup>2</sup>
Atlantic coastline:	1,650 km
Neighbours:	Congo, DR Congo, Namibia, Zambia
Location:	West coast of southern Africa

## ECONOMY

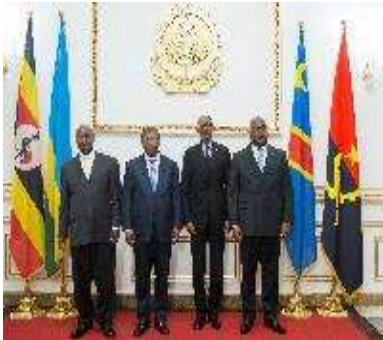
GDP:	USD 66.4 billion (2021)
GDP growth:	0.7% (2021)
Trade partners:	China, India, USA, Portugal, Brazil

## SOCIETY

Population:	32.8 million
Youth under 30 years:	70%
Labour force:	71%



# There is growing investor confidence in Angola



**Angola is a regional leader,** mediator and advocate for stability, peace and security

Second-largest economy in southern Africa, now focused on economic diversification and import substitution

**Angola jumps six places** on the 2021 Corruption Perception Index demonstrative of its commitment



It is one of the sub-Saharan African countries that made the most progress, moving up from 142<sup>nd</sup> place in 2020 to 136<sup>th</sup> in 2021, with 29 points

Fitch Ratings has **upgraded Angola's rating to 'B-'** from 'CCC' and the outlook is stable:



- The economy is forecast to grow by 2.4% in 2022, up from 0.7% last year, after suffering five consecutive years of recession;
- The currency is also expected to appreciate by 15.1%.

Diversifying beyond the petroleum sector, Angola features on the **Top 10 Best African Countries to Invest in 2022**, according to Business Insider Africa

- Trading Economics has forecast that the country's GDP could cross \$100 billion in 2022, up from the current \$66.49 billion;
- The GDP is forecast to hit 32.8 million in 2022

# Agriculture is a rural smallholder business

Farming is neglected due to urbanisation and a misguided education system



- Sector has predominantly family and smallholder farmers
- Productivity is low, despite high production
- Families cultivate around 2 – 3 hectares
- Smallholder famers cultivate 10 – 100 hectares
- Large-scale and national farms cultivate up to 500 and 2000 hectares respectively





# Angola has favourable natural conditions for agriculture



69 million  
hectares of  
natural forest



Regions with  
different climatic  
conditions



2 harvest  
seasons per year  
in some regions



77 river basins  
43 hydrological  
basins



# Angola wants to scale avocado production

Over 88% of the production in Angola is from small-holder farmers



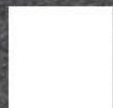
Produced 52,488 tons of avocado in 2020



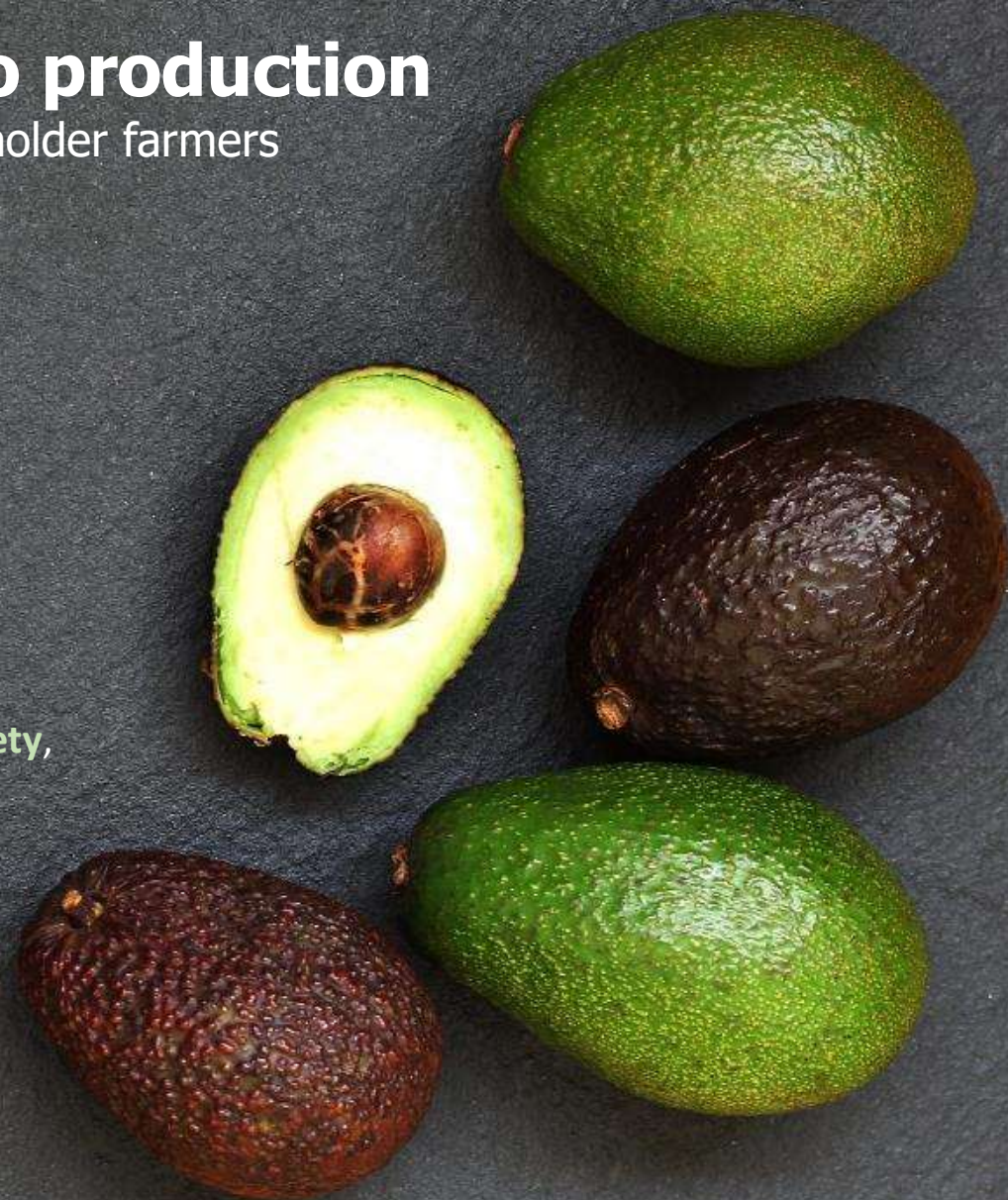
Cultivated 11,358 hectares, but only harvested 3,476 hectares



About 95% of avocado exports are of the **Hass variety**, the rest are from the Fuerte and Ettinger varieties



Main buyers are Portugal and Namibia





# Why invest in tropical fruit production?

**+34M**

hectares  
Arable land

**2**

**seasons**

Dry & Rainy

**+1.2M**

Square Kilometers  
Total area

**+90%**

Land with  
potential  
for use

**+7.5M**

hectares  
Irrigation capacity



# Angola has great potential for tropical fruit production



FDI in commercial farming is necessary to scale production and increase exports

- Cultivated percentage of 14% in use;
- Constant demand for the product;
- A broad market for action that provides the opportunity to diversify production;
- Agriculture is one of the sectors that suffers the least from the economic crisis because it is a food business;
- Good profitability and low initial capital to start;
- Possibility of using avocado fibers and leaves for paper making, crafts and industrial applications;
- Business versatility, which can produce avocado byproducts such as liqueurs, jellies, cosmetics.

# Some fruit produced by smallholder farmers ...

**Banana**



**Oranges**



**Melon**



**Papaya**



**Apple**



**Passion Fruit**



**Mango**



**Lemon**



**Watermelon**



**Tangerine**



**Strawberry**



**Baobab**



**Pineapple**



**Lime**



**Avocado**



**Sap Sap**



**Dragon Fruit**



**Mangosteen**





# Challenges in the field

- Working large fields
- Ploughing, disinfecting and/or fertilizing soil simultaneously
- Planting seeds automatically and systematically
- Capturing and storing water for irrigating fields
- Collecting harvest and clearing fields quickly and efficiently



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# Challenges with processing

- Accessing spare parts and post-sale service on site
- Unavailability of simple agro-processing lines with low maintenance
- High cost of turn-key solutions
- Lack of commercial credit

# Key opportunities in Angola

Agriculture is currently the best prospect industry sector

- Seed varieties, as well as equipment for seeding, planting and harvesting
- • Irrigation systems – i.e. pumps, pipes, etc.
- Veterinary supplies, including livestock production equipment and technologies
- Storage and cold chain solutions – i.e. refrigeration, warehousing, etc.
- Equipment for making natural fertilizers and/or compost
- Food processing equipment
- Forest production
- Training and management services and technology







## Final Remarks

The GoA is changing agricultural policies and regulating practices to be more environmentally conscious;

Farmers are no longer just focused on "what" to produce, but now they are also focused on "how" we produce;

We are building an efficient productivity practice for safety in tropical fruit production at the national level, and scaling market-oriented production to export revenue





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