ADAPTATION OF THE SUPPLY CHAIN FOLLOWING NEW PRODUCTION LAUNCH IN KENYA

CONTEXT
The agriculture sector in Kenya continues to play a vital role in the country’s economy, contributing 26% to the Gross Domestic Product (GDP) with another 27% of the GDP indirectly linked through other sectors. In Kenya, horticulture is the fastest growing subsector in the agricultural sector, recording average growth of 15% to 20% per year. Regarding avocados and despite the growing demand, the market faces a number of challenges such as limited supply, very short shelf-life, ripening problems leading to increased waste and losses. To combat these challenges, diversification is necessary to ensure and improve the sustainability of anyone in this market.

CURRENT STATUS OF THE INVESTEEN
MAVUNO ORGANICS KENYA LIMITED (MAVUNO) is a horticultural export company that purchases, processes and exports organic avocados to the European market. The company sources avocados from a network of 398 farmers, 124 of them are organic certified scattered across several regions. The consistency of the farmers network is good and most of the farmers are loyal, as MAVUNO offers one of the best prices locally, mitigating the risk of side selling. MAVUNO was founded and registered in Kenya in July 2015 as a family-owned business and officially started operations in January 2016. In 2019, MAVUNO acquired the processing machinery, which allowed the company to stop outsourcing the processing and move to its own avocado processing packhouse located in Ruiru, off Kamiti Road.

OBJECTIVE OF THE PROJECT
The main objectives of the project are to identify opportunities in terms of the new avocado and mango products available and demanded in the market (Phase 1); and to launch a new product and adapt the supply chain accordingly to market requirements and specifications in Kenya (Phase 2).

The main expected outcomes are:
- Identify most appropriate products given the local environment in Kenya.
- Increase demand for avocados to help farmers to secure supplies and sales and also get a higher price.
- Adapt of the supply chain following the new production launch in Kenya.