Company profile

Introduction

Mgolole Agro-processing Company Ltd is an agribusiness company registered in Tanzania for the purpose of farming, food processing and consultancy (Registration 62599 of 2007). The company owns a number of medium sized farms in the Mgolole area of Morogoro municipality including Mgolole Mixed Farm (farm No: 2002). The company also own the 1,080 ha Kidago Farm No. 4 (Title Deed Number 31329) located in Kikundi village, Morogoro Rural district which it acquired in 2004.

Figure 1. The Dairy herd at Mgolole Intensive farm and at new Kidago farm and an improved mango/forage project

Major products from these farms are milk, quality dairy and beef heifers and bulls for sale to other farmers, improved mangoes, clean fruit planting materials, forages and hay, bananas, basic seed (maize and sunflower) under contract for seed companies.

Throughout these years, the company owners who are agriculturalists with specialization in intensive and extensive dairy and beef production systems and Food Science and Technology have gained a lot of entrepreneurial skills which they intend to put to good use for the future development of the company.
1.1. The Company Vision

To become a leading investor in the agriculture sector by forming beneficial and profitable partnerships with smallholder farmers and other key stakeholders in Tanzania.

The Company Mission

To produce quality agricultural products using improved production, value addition and marketing innovations for multiple benefits.

Company Objectives

- To use improved crop and livestock production technologies; and innovative marketing techniques for maximum enterprises profitability;
- To form mutually beneficial partnerships with individual farmers, local and foreign investors, farmer groups/associations, traders, whole sellers and enter strategic partnerships with serious investors in agri-business including crop, forage and livestock value chains;
- To process and market quality crop and livestock products at prices that are high enough to meet all production, marketing and management costs along the way making profit;

The company’s current business focus

1. Dairy farming and milk processing

In 2008, our dairy project plan titled “market opportunities for milk producers in Tanzania” was one of the 100 finalist (out of 1,700 entries) projects that were selected world wide to compete for funding under the World Bank managed Development Market Place Programme but was not one of the 22 projects that was funded. Mgolole Agro-processing company intends to form partnership with the Morogoro based Tanzania Milk Producers Associations (TAMPRODA) to develop a sustainable dairy value chain (Figure 1).

The strength of the proposed milk production to consumption model lies in its strategy to exploit the business opportunities offered by different market players along the components of the proposed dairy value chain including the Tanzania Dairy Board managed school milk feeding programme.

The milk processing business idea however, at an advanced stage of development as the company is negotiating an investment partnership with an Indian Investor to implement the project. Other planned projects include a feedlot for beef cattle and shoats that will include a modern abbattor to produce quality meats for the local, regional and export market. The company is however ready to do business with any other serious investor as it is yet to enter in any binding agreement with any investor.
The company will also produce improved dairy heifers, bulls; and hay that will be sold to farmers and pastoralists to improve cattle productivity in smallholder farms and the traditional cattle production systems.

2. Beef production

The company’s current is to expand the current beef cattle and goat enterprise to the production of quality beef by investing in a feedlot with a capacity of 7,200 and 12,000 cattle and goats respectively per annum and a medium modern mult-purpose slaughter house equipped with meat a line-slaughter system, meat processing, chilling facilities and meat packing facilities.

In the long term the company will enter the lucrative meat business mainly to the Gulf States. The company’s Managing Director last year (October 2012) in Dubai and saudi Arabia to explore for markets for processed meat and interacted with prominent importers of live livestock who want to import and to invest in livestock trade in Tanzania.
Support project in forage and crop production

Forage production is an important foundation for an efficient cattle production system. Large scale forage production will be carried out at Kidago farm and foundation forage seed banks will be maintained at Mgolole farms. The company efforts will be focused the production and conservation (into hay) of improved forage species like Rhodes, Briacharia and alfalfa for feeding cattle particularly during the dry season.

While much of the hay will be fed to the company’s dairy and fattening herd, the surplus will be sold to farmers in the urban and peri-urban areas in Morogoro, Coast and Dar es Salaam regions where the demand for hay is very high particularly during the dry season. Hay will also be sold to pastoralists during the dry season allowing them to keep milk producing cows near their kraals while the rest of the herds move to faraway places in search of pasture during the dry season. Production of quality hay has huge un-tapped economic potential that the company could tap into in future for increased company profit.
Picture tour of our farms

Land ready for maize cultivation at the company’s Kidago Farm (February, 2013)

Maize plantation at the 2700 ha Kidago Farm (May, 2013)
The Managing Director hosting potential investors from Dodla Dairy from Indian and Blackwater financiers from the USA at the company’s Mgodole Mixed farms (April, 2013)
The dairy herd at the company’s Kidago farm (June 2013)

Beef Herd at the company’s Kidago Dairy Farm
The Goat breeding and fattening project at Kidago farm (June 2013)

An open shed Feedlot for beef cattle under construction at Kidago farm (August, 2013)