

**2020 IFAMA ACADEMIC SYMPOSIUM**

**Teaching case abstract**

**AGRICULTURE AND FOOD SECURITY IN  
ANGOLA**

**From problem to solution: the strategy of  
"FAZENDA MAXI"**

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## Industry and Setting

The case focuses on the challenges faced by executives of one of the largest supermarkets of the Republic of Angola with 37 stores in the country. This case sets out the “common” challenges for food production and food retail activities such as:

- Supply chain management for fresh products in supermarkets;
- Implementation of standards for “producers - supermarkets” relations;
- Quality control and food safety;
- Value creation and capture along the value chain for fresh food products;

All this coupled with the inherent challenges of an emerging economy in the south west Africa region.

## Synopsis

The Fazenda MAXI Program is a national production initiative done by the Fazenda Maxi supermarket. Is a supplier development program that is set on the basis of promoting family and regional agricultural sustainability and the agricultural sector competitiveness, promoting the consolidation of experiences and the dissemination of good management practices, stimulating the proximity of the farmer to technology, knowledge and industry.

The business rational behind the program is reducing the dependence on imports products, guaranteeing the quality of local products and stabilizing the transaction prices of these products.

The case describes the conditions or requirements for producers to join the program like:

- |                    |                             |
|--------------------|-----------------------------|
| ▪ Location         | ▪ Production area           |
| ▪ Contact          | ▪ Delivery logistics        |
| ▪ Interlocutors    | ▪ Packing                   |
| ▪ Distance to town | ▪ Potential for the project |
| ▪ Early scheduling | ▪ Legal documentation       |

Developing local producers as reliable suppliers of quality products is an innovative concept for Angola and requires to face several challenges like:

- |  |                                |
|--|--------------------------------|
| ▪ Proximity between farms                            | ▪ Timely seedings              |
| ▪ Transport from the farm to the Distribution Center | ▪ Difference in planting dates |
| ▪ Difficulty in carrying out nurseries               | ▪ Common seeds                 |
| ▪ Difficulty in accessing the land                   | ▪ Absent of Phytodrugs         |
| ▪ High temperatures and humidity                     | ▪ Fertilizer application       |
| ▪ Phytosanitary prevention                           | ▪ Perform soil analysis        |

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The case describes the planning, implementation and results (for producers and for the supermarket) of the named program.

The case describes the main constraints and/or inefficiencies to be solved in Angola in order to secure a better future for the Fazenda MAXI business and the viability of the Angola's value chains involve.

Dez 2018 is the time reference and context for the case. At that time, in Angola, the Government defined agriculture production increase as one of the priorities to boost the diversification of the national economy, reducing imports and increasing exports.

The described context leads to the following strategic questions for the management of Fazenda MAXI:

*"How are we going to raise the level of food production to reach future levels of consumption in a sustainable way?"*

*"How can we continue to grow and what new products and services can be developed locally, in order to meet the demands of the market?"*

*"How to boost growth and competitiveness without compromising the sector's sustainability?"*

### **Learning Objectives of the case**

To provide readers with a foundation on strategic planning for agribusiness and food retail organizations with focus on topics such as:

- Sustainable growth in agro-industrial activities in Angola and similar countries;
- Governance in the agro-industrial value chains in south west African countries;
- How to carry out competitive and value-added activities in adverse environments;
- "In-house" innovative processes for agro-industrial and supermarket activities;
- How to implement supply chain systems in emerging economies;
- What characteristics must have the businessmen who lead projects like the ones in this case.

### **Keywords:**

**Angola, food safety, agriculture, producers, value chain, suppliers developing plan, innovation, sustainability.**