

Bolstering the Mazoe brand and expanding into Botswana

# Schweppes Zimbabwe is embarking on a US\$25-28 million citrus project

In an effort to stabilize its supply chain and support the growth of its Mazoe Orange Crush product, Schweppes Zimbabwe has announced a US\$25-28 million investment in a citrus project. This initiative aims to bring under the company's control, the production of oranges, essential for its flagship beverage. Schweppes has acquired 4,000 hectares of land granted by the government and plans to initiate cultivation on 700 hectares within the next two to three years. The move comes in response to the challenges faced in supply and quality from external farmers, which have threatened the sustainability of the Mazoe brand, a significant contributor to the company's revenue.

The project is designed to ensure a steady and quality supply of oranges for Schweppes, marking a strategic shift towards vertical integration. Despite the substantial financial outlay required, with an estimated cost of US\$25-28 million, the company anticipates the venture will yield a considerable return, projecting US\$31.5 million in exports at its zenith. This development is expected to enhance Schweppes Zimbabwe's standing in the regional beverage market, while also impacting various stakeholders.

For the local industry, the project promises economic stimulation and job creation, albeit introducing competition for existing citrus farmers. Consumers might see improvements in the consistency and quality of Mazoe Orange Crush, though initial investment costs could temporarily affect pricing. Current suppliers may face challenges due to reduced market share but could also benefit from potential collaborative opportunities. While the investment will place short-term financial pressures on Schweppes, the long-term advantages include a stable supply chain, cost efficiencies, and increased export potential.

Source: equityaxis.net (<https://equityaxis.net/post/18026/2024/8/schweppes-us-28-million-citrus-gamble-a-new-era-for-mazoe>)

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