



The Small and Mighty Enterprises Feeding Africa and Asia

A SPOTLIGHT ON SMEs FROM GAIN PROGRAMMES





Up to 70% of nutritious foods like fruits, vegetables, dairy and animal sourced proteins are produced, processed or sold by SMEs in Africa.

SME highlights

In low-income countries, poor dietary diversity is driven in large part by the low availability and affordability of nutritious foods like fresh fruits and vegetables, dairy products and other animal sourced foods. In a recent assessment, GAIN determined that small-and medium-sized enterprises (SMEs), or small and mighty enterprises as GAIN likes to call them, produce, process or sell up to 70% of nutritious food sold in low-income markets in Africa.

SMEs face various constraints in their ability to produce safe, nutritious foods. Specialised knowledge on food production, labelling, packaging, and marketing is often difficult to find in low-income countries. Where such knowledge is available, it is often prohibitively expensive for SMEs. Further, there are few networking opportunities or information-sharing platforms available to SMEs involved in the production of safe, nutritious foods.

By providing SMEs with technical and financial assistance, we can enhance companies' operational performance and improve the quality and desirability of the foods they produce. Support to SMEs results in increased profitability of businesses, and increased availability of safe, nutritious foods in the market.

With funding from the Netherlands Ministry of Foreign Affairs, UK Department for International Development (DFID), United States Agency for International Development (USAID) and the Rockefeller Foundation, GAIN has provided targeted technical assistance to over 134 SMEs and has convened and trained over 2,000 businesses in 7 countries between 2013–2019. By working with investible businesses to build capacity, foster networks, and support innovations all along nutritious food supply chains, GAIN is making a sustainable contribution to agriculture, enterprise development and nutrition.

Here are few of the diverse small and mighty businesses that GAIN has supported over the years. Each SME contributes to improving their local food system by increasing access to safe and nutritious foods.

MOZAMBIQUE

Winnua LDA

Winnua Lda. is a Mozambican milling company employing 33 people that fortifies maize flour and processes soy-milk to produce an affordable, enriched porridge for low income consumers. Winnua uses local soybeans in a region where they are not normally consumed despite being highly nutritious.



By combining the soybeans with fortified maize flour and soymilk, the enriched porridge delivers proteins and micronutrients to children through school feeding programmes. Winnua's product needed to be marketed and packaged in order to attract more consumers. GAIN provided Winnua with financial and technical assistance to conduct market research and to design an attractive package that school children would like. Now up to 40,000 consumers have access to Winnua's highly nutritious porridge.

Chicoa Fish Farm

Chicoa Fish Farm is a business with 45 employees that produces, processes, and distributes tilapia in Mozambique. Chicoa's tilapia is an accessible protein-rich food that also contains high levels of omega-3 fatty acid because the fish are fed an enriched premix pellet made by Chicoa. As demand for Chicoa's high quality fish grew, the business began to experience high levels of loss during transportation and saw limitations in their storage and packaging capacity. With a grant from GAIN, Chicoa purchased a large cold storage unit and packaging equipment that has allowed them to increase their production and distribution from 10 to 25 tons of tilapia per month. It has also helped Chicoa to expand to new markets and reduce food waste by incorporating ice into their packaging and distribution models.



INDONESIA

Maslaha

Maslaha was selected as a finalist in GAIN's postharvest loss innovation challenge in 2018 for its portable cold bank. The cold bank is a reusable ice substitute that lasts longer than ice and can be used to preserve fish along the supply chain. Fish is an accessible protein-rich food that also provides vitamins and minerals to many low-income consumers but is highly perishable and susceptible to food safety hazards. After attending GAIN's business development bootcamp, Maslaha has sold more than 18,000 reusable cold banks and counting. In 2020, Maslaha received private investment to scale up the production and is finalising a government contract.



I-Fit Cereal

Rani and her mother, Imelda, started a small business in 2012 leveraging the value of food lost and wasted by processing it into nutritious vegetable and fish products. They experimented with producing a nutritious cereal drink made with dried fish called I-FIT cereal and decided to submit the it to GAIN's postharvest loss innovation challenge in

2019. The I-FIT fish cereal drink was selected as a finalist due to its taste and high amounts of protein, iron, zinc and calcium. They received funding to renovate their production site and purchase improved equipment. Not long after, the Ministry of Marine Affairs and Fisheries ordered 2,000 boxes of the product for use in its Eating Fish campaign and have sold over 6,000 boxes.

ETHIOPIA

ODA Agro-Industry SC

Fresh fruits and vegetables in Ethiopia are often transported to market in wooden crates which causes high levels of food loss and food safety hazards. ODA Agro-industry is a fruit and vegetable business association comprised of 35 farmer cooperatives with over 8,000 member farmers. In the past they supplied wooden crates to their members to transport their produce but in an effort to reduce loss, ODA and GAIN co-invested in 6,000 reusable plastic crates. GAIN has also worked with ODA to provide technical assistance to its members on best handling practices to further reduce loss and food safety risks of fresh fruits and vegetables.



KENYA

Tamuu Nut—Fullspoon Limited

Tamuu Nut purchases groundnuts and processes them into peanut butter, a great source of protein, healthy fats, magnesium, iron and fibre for Kenyan consumers. The peanut butter is packed into economical 40-gram sachets and sold to kiosks in low income areas of Nairobi. Tamuu Nut, a company of 4 people, wanted to scale up its production capacity and create a business plan for potential investors but lacked the resources to do so. With a grant and technical support from GAIN, Tamuu Nut was able to conduct a market survey and adopt quality assurance/quality control standards. Tamuu Nut is now available in over 2,000 small retail shops in Kenya.



Happy Cow Limited

Happy Cow Limited is a dairy manufacturer that employs 100 people and produces a variety of dairy products including fortified yoghurt. In order for Happy Cow to expand their operations from cheese, milk, and cream to yoghurt they needed technical assistance on product formulation, business planning and marketing. With financial and technical support from GAIN, Happy Cow Limited created a drinkable yoghurt with low sugar content containing eight essential vitamins and minerals in a small consumer friendly container. Happy Cow Limited has now increased its distribution capacity and now supplies informal markets as well as leading supermarkets in Kenya.

Kwanza Tukule

Kwanza Tukule is a woman owned business in Kenya that sells precooked beans to local street food vendors who in turn serve them to low- and middle-income consumers. Beans are an accessible protein that provide essential nutrients to many urban Kenyan workers who purchase their meal from street food vendors. Unfortunately, high quality beans are hard to source and they take hours to cook requiring a significant amount of energy. Kwanza Tukule has solved this dilemma by making it easy and inexpensive for vendors to purchase and pay for high quality, precooked beans through an app. As a result, Kwanza Tukule has reduced the time, energy and cost of cooking beans for vendors, who are primarily women, while also improving the quality and safety of the beans sold. GAIN supported Kwanza Tukule with market research, business planning and a grant to support the scale-up of their business model. They can now produce and distribute enough precooked beans to feed 150,000 consumers per day.



RWANDA

FarmFresh

FarmFresh Food Company Ltd has seven employees that process precooked high iron beans to combat anaemia which affects nearly 30% of women and children in Rwanda. They began selling their products to schools in Kigali in 2015 and quickly expanded to markets throughout Rwanda and in Tanzania and Kenya as well. With the increase in orders, FarmFresh began to see the limitations of their low capacity equipment. When they looked into purchasing new equipment, it was too expensive for them to invest in on their own and they couldn't access a commercial loan because of the high interest rates. With a grant and technical assistance from GAIN, FarmFresh was able to purchase high capacity processing equipment and a new sealing machine that allowed them to drastically increase production and improve food safety. In 2020, they hope to supply more precooked high iron beans to 50 new schools in Rwanda, reaching over 15,000 school aged children.



Carl Group

CARL Group is a Rwandan youth-led and owned company with five employees, that processes orange-fleshed sweet potatoes into nutritious bread products. Orange-fleshed sweet potatoes contain high amounts of Vitamin A but were initially considered low-value crops by consumers. By repurposing the orange-fleshed sweet potato into a low-cost, familiar product, CARL Group is helping more low-income consumers access a nutritious snack. However, as a youth-owned SME, CARL Group struggled with their lack of experience in developing a business plan and accessing finance. In 2019,

GAIN supported the company with business planning support and a grant to purchase an industrial mixer as well as packaging and filling machines. With GAIN's support, the CARL Group has increased production to 200 packets of bread per day and is accessing new markets across Rwanda.

NIGERIA

Coolins Foodbank Ltd.

Coolins Foodbank Ltd is a cold storage facility that packages and processes fresh fruits and vegetables in Nigeria. Coolins works with established farmers groups for their supply and packages the fresh fruits and vegetables for schools, hospitals and retail shops. Before distributing to their clients, Coolins aggregated their fresh produce in a warehouse that relied on a common air conditioner to keep the produce cool. However, reliable electricity was a challenge and given the volume of produce stored in the warehouse, the air conditioner just wasn't enough to keep the food cool. As a result, Coolins often had to throw away large volumes of food that had spoiled. In 2018, Coolins received business planning and cold storage operations support from GAIN as well as a grant to purchase a solar powered cold room. Now Coolins is able to store fresh fruits and vegetables for longer and has reduced food loss thereby improving their profit margins and increasing access to more safe nutritious foods.



Alyx Limited

Tomatoes in Nigeria are primarily grown in the north of the country while the major markets are in the south. This creates a long journey for perishable produce to go from farm to market on bad roads, causing many nutritious tomatoes to be lost or contaminated along the way. Tomatoes provide an important source of Vitamin A, which is often lacking in low income consumer diets, particularly for children under 5 years of age. Alyx LLC has engineered a refrigerated semi-trailer to transport fresh fruits and vegetables off the farm to markets. GAIN facilitated a business to business engagement between Alyx Limited and an engineering expert from the United States to exchange knowledge on cold chain systems engineering and maintenance. With the technical support and a small grant, Alyx LLC is now scaling up its renewable solar energy semi-trailer and collaborating with more farmers to get their produce safely from farm to market.



TANZANIA

Organic Foods Associates (OFA)

OFA is a maize milling company producing fortified maize flour and a range of other healthy staple food alternatives that are marketed to low-income consumers in Tanzania. The company packages its maize flour products in small sizes making it more affordable to consumers. OFA struggled to optimise its warehouse operations and capacity to fortify maize flour. With a grant from GAIN, OFA was able to access the international market to procure a grain cleaner, de-stoner and vitamin dosifier so that OFA could begin fortifying the flour with iron. Scaling up OFAs operations allowed it to expand into new markets and scale its distribution of the fortified flour to low income consumers.



GAIN is a proud supporter of the dynamic and innovative SMEs that are making safe nutritious foods more available and more affordable, particularly for low income consumers. But the food system is bursting with ambitious SMEs and GAIN is unable to support them all. The inaccessibility of safe nutritious foods will require many more SMEs to accelerate their growth and to innovate across the supply chain. For this reason, we call on our partners and potential partners to assess whether their business accelerators or SME programmes have a nutrition focus. Is it targeting businesses that produce, distribute and sell safe nutritious foods? If not, we'd love to share our experience.

FOR MORE INFORMATION on how your organisation can join the fight against malnutrition, please reach out to Daniel Alberts at dalberts@gainhealth.org