



TechnoServe

Leveraging private sector support to provide technology and knowledge transfer to small and medium sized food processors for specialized products through the USAID African Alliance for Improved Food Processing

Informing Feed the Future: Integrating Successes
Global Health Council
December 13, 2011

TechnoServe approach for engaging in market-driven nutrition activities

We believe that sustained improvements in nutrition and health outcomes are best achieved through increased incomes and economic growth.

We recognize that there are many complementary, well-proven interventions that can catalyze and accelerate the nutrition and health impacts of economic growth.

TechnoServe, through strategic partnerships, strives to incorporate these critical nutrition and public health insights and programs into our work, to accelerate nutrition and health improvements as incomes grow.

We explore opportunities to maximize nutrition impact of market-driven agricultural activities

- Prioritize efforts which are likely to result in sustained businesses (i.e., those facing consistent and growing market demand – especially for poor consumers)
- To the degree possible, launch programs around pre-existing networks (e.g., value chains, farmer groups, women's groups)
- Support complementary educational, environmental, and health-related activities to accelerate nutritional impacts of income growth
- Support necessary (less easily measured) efforts focused on social marketing and public sector institutional roles
- Work with local institutions/partners to develop their capacity to provide effective and sustainable support to local businesses

Example: African Alliance for Improved Food Processing



New public-private partnership model: integrating world class expertise with proven field based capacity building



Partner Capabilities

General Mills Capabilities:

Food Nutrition, Food Formulation, Process Development, Plant Design and Asset Creation, Packaging Development, Training in Quality Systems and Procedures for Food Processing, Food Safety, Business Planning and Marketing



Cargill Capabilities

Crop Yields & Storage, Supply Chain Management, In depth knowledge of broad range of ingredients including all fats & oils, cereal grains, Price Risk Management, Food Nutrition, Animal Feeds, Food Formulation, Process Development, Plant Design & Asset Creation, Quality Systems & Procedures for Food Processing, Food Safety, & Business Planning



DSM Capabilities:

Food Fortification, Development of nutrition profiles and formulas for the local food/staple food/RUTF/RUSE, Regulatory Support, Nutrition Science, scientific substantiation on role of nutrients in human health, animal nutrition, nutrition Advocacy

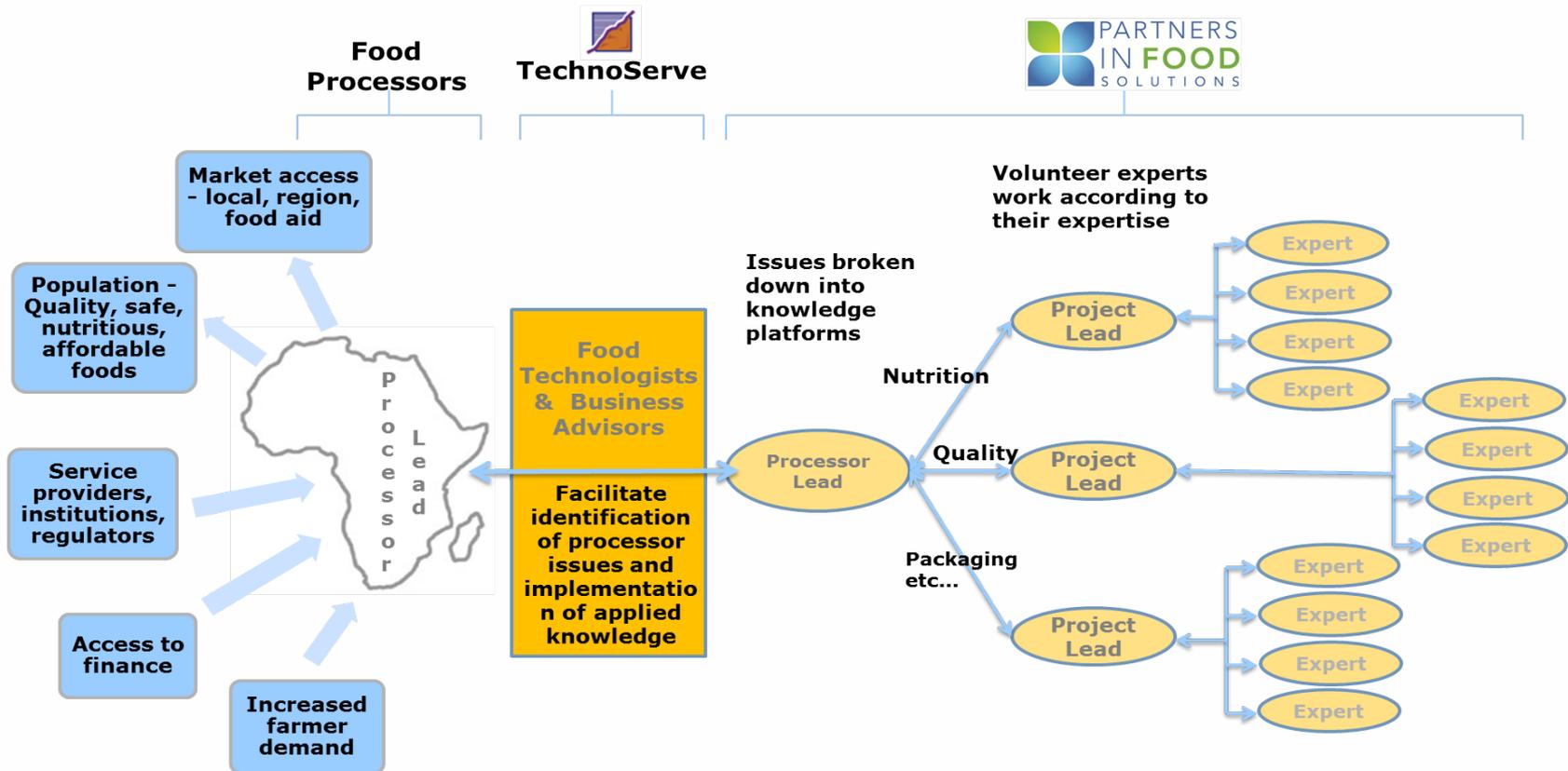


USAID
FROM THE AMERICAN PEOPLE



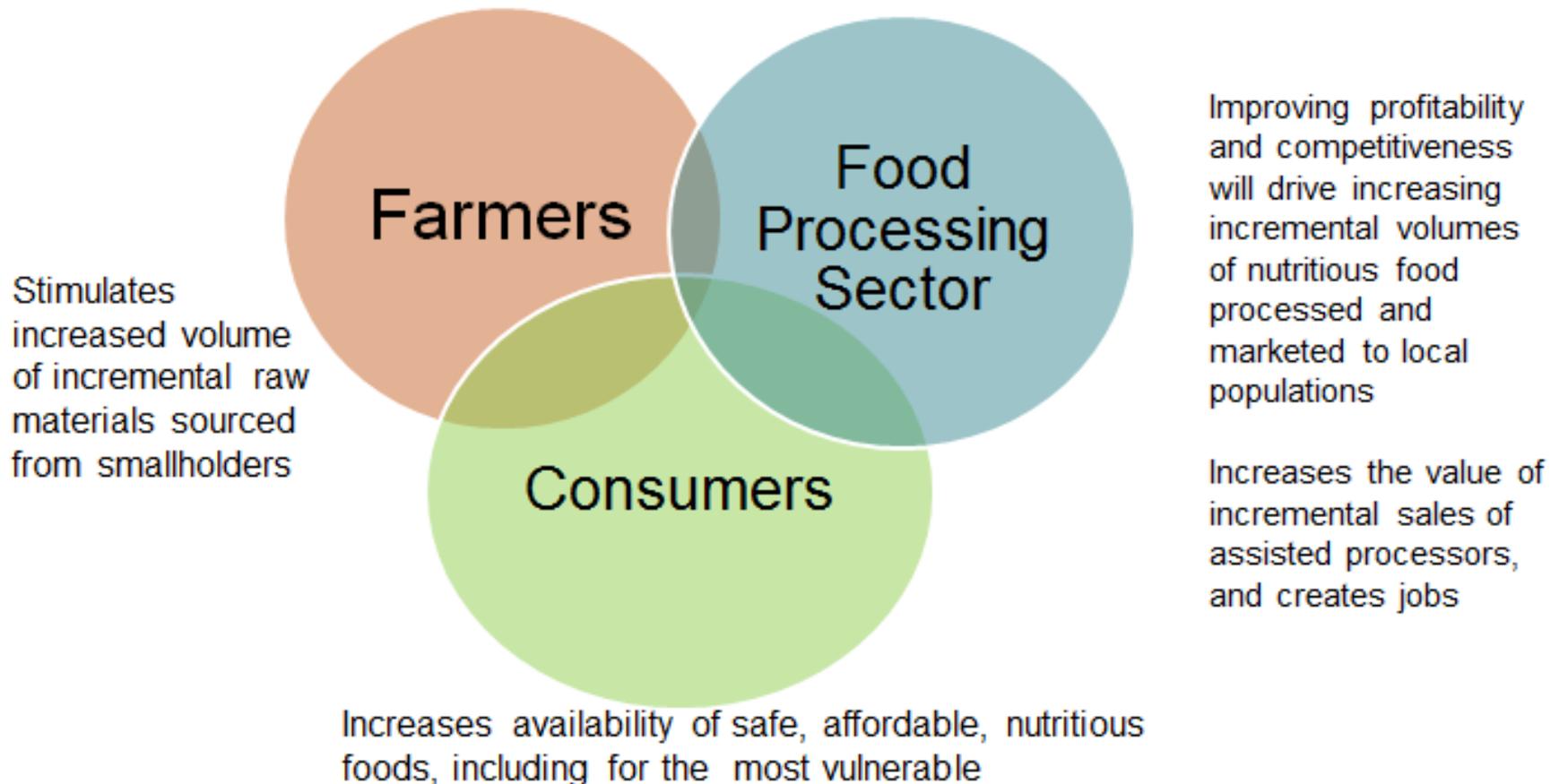
Capacity Building Model

Technology and knowledge transfer



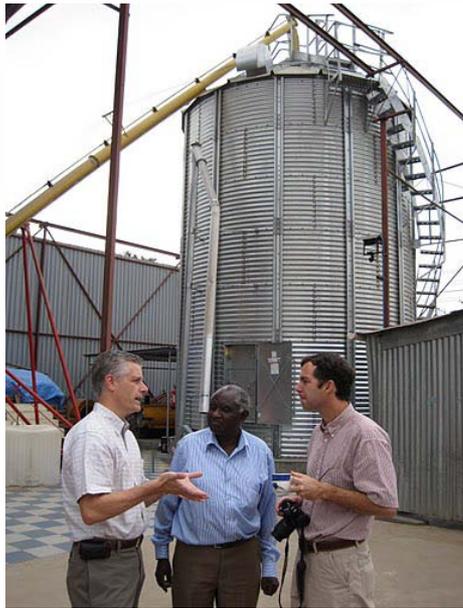
1

Our Development Hypothesis



Reduced poverty, improved nutritional status via strengthened value chains

Food processing mapping in Ethiopia, Kenya, Malawi, Tanzania, Zambia informed targeted country strategies



**Customized technology
and knowledge transfer**
SME food processors



Industry wide trainings
Quality standards, food safety
Nascent and SME processors

Measures of Success

- Value of local purchases by supported food processors
- New technology or management practices adopted
- Jobs created
- Volume of processed products sold to food aid markets
- New processor to market linkages
- New quality standard certifications achieved
- Percent of supported millers meeting WFP/WHO requirements
- Firms operating more profitably

Tanzania: Local production of Corn Soy Blend, high quality fortified flours and other nutritious foods

■

- Identified sources of contamination all the way back in the supply chain;
- Nyirefami procured threshing machines to prevent ground contamination of incoming raw materials
- Received the highest food quality standard in the country for two products
- Business plan and financial model for expanded raw material purchases; financial linkages for \$72,000 working capital loan.
- General Mills designed and tested prototype grain washer/dryer; working with local engineers to build a local version of the machine
- Result: purchases from smallholders increased by 22% annually, increasing household incomes

Nyirefami: Arusha-based grain processor; priority products include finger millet flour, wheat flour, and Quality Protein Maize flour



Kenya Example: local production of CSB and other nutritious fortified foods



Soy Afric: Processing food products from soy, millet, sorghum, and maize since 1994. Facing numerous technology and quality challenges. Though they sell to the local market, failed to realize full potential due to processing and quality bottlenecks

- Prior to General Mills support, frequent equipment breakdowns led to low production efficiency
- General Mills integrated machines along the production process, ensured uniform feeding of raw materials; increased process efficiency.
- Contributed to a 66% increase in net income for target products last year
- Prior failure of WFP quality audit. AAIFP developed quality management for design of new factory.
- With improvements in new factory, expect approval as WFP supplier
- TA on RUTF, peanut butter production
- New branding and market strategy

Agriculture and Nutrition Benefits

“Nyirefami highly appreciates the support.... finished products will now stand in better competitive positioning in the market beyond Tanzania. It is beyond our expectation and belief. The impact for us is to work harder to achieve a higher level of excellence”

Robert Nyirenda, Owner,
Managing Director,
Nyiremfami

“When General Mills helps this company, they are helping the farmers who grow the grain, the people like me who sell the product, and the people who eat the food. You are not just helping a company you are helping Tanzania.”

Omaroi Omyo, Distributor to
Nyirefami Grains, Ltd., Tanzania

What we have learned

- Opportunities for replication and scale of technology and knowledge innovation across countries: (WFP Corn Soy Blend shelf life, etc.)
- Countries have unique needs within their industry due to the differences in diet, production of raw material, infrastructure, education, etc and support is tailored to different needs
- There is desire and policy direction in these countries towards improving local nutrition i.e. by fortification of staple foods; requiring education, technology and know-how