

19 November 2020

Innovations Session N°1

Increased market opportunities
through added-value and
branded products



INNOVATIONS
SERIES





Stawi Foods and Fruits Ltd.



A pioneering Kenyan agro-processor producing global quality, nutritious, branded foods using a gender inclusive model.

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1. Problem- Farmers side (Access to markets, poverty, climate change)

Small holder farmers in Kenya generally do not earn good income from farming due to a couple of reasons:

1. First, middlemen buy farm produce from desperate farmers at throw away prices,
2. Secondly, farmers lack of appropriate methods of preserving perishable fresh produce,
3. Thirdly, surplus production of produce during peak seasons with no ready off-takers,



4. Climate change is making it harder for farmers to produce food.

2. Problem- Consumer side (Malnutrition and poverty)



Coronavirus: Food distribution sparks stampede in Nairobi slum

36.1% of Kenya's population lives below the international poverty line

1.82 million children (26% of <5) are suffering from chronic malnutrition,

27.2% of women of reproductive age have anaemia,

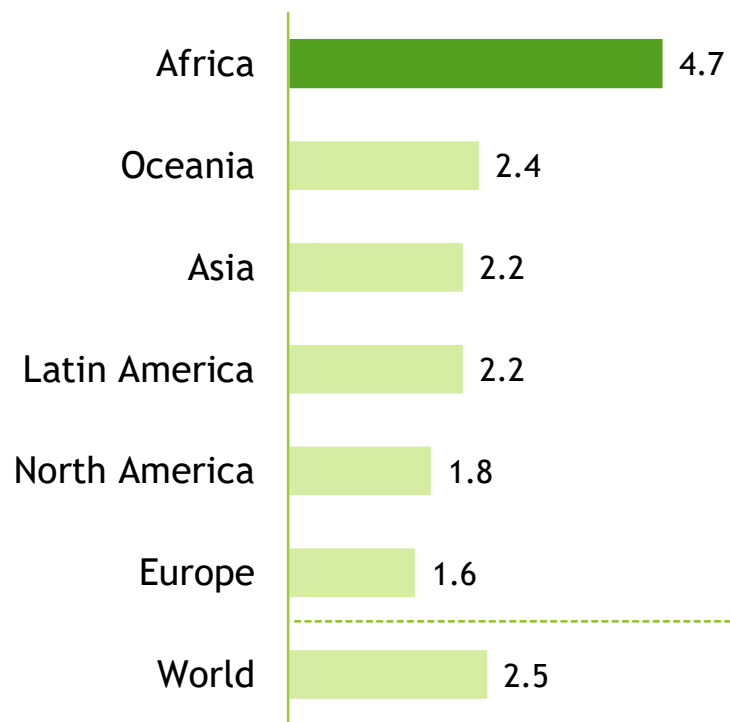
6.2% of adult women have diabetes, compared to 5.8% of men.

Meanwhile, 11.1% of women and 2.8% of men have obesity.

Kenya National Bureau of Statistics (KNBS) et al. 2015

3. Opportunity.....The African food industry represents a huge, attractive industry

Average fertility rate per woman
2013, by continent



UNICEF projection:

1.8 billion

African births between
2015 and 2030, doubling the
continent's population...more
mouths to feed!

Our solution...



Stawi Foods...

- ❖ Aggregates and contracts 5,000 smallholder farmers (80% women, 30% youth) in several value chains including red sorghum, millet, banana, soya, amaranth, maize and wheat.
- ❖ Supports them to produce food sustainably (improved seed varieties, training in GAP + Climate Smart Agriculture + Nutrition training, extension support, post-harvest support, traceability)
- ❖ Buys the harvested produce for processing into global quality, nutritious, branded foods,
- ❖ Distributes the nutritious finished products to Kenyan families to address malnutrition and support healthy lifestyles
- ❖ Creates jobs for women and youth involved in production, processing, logistics, marketing and distribution.

Value proposition

VP for farmers:

- Increased production and secured income by adopting Climate Smart Agriculture CSA
- All-inclusive model for women and youth
- Fair prices
- Access to nutrition training especially for women to feed their households
- Access to income generating post-harvest technology (solar dryers, mechanical threshers, tarpaulins, value-addition)
- Brand affiliation to supporting the economic and social development of youth and women in the counties like Homabay, Kitui among others.
- Access to a digital traceability solution (new) for farm to fork traceability.

VP for end customers:

- Nutritional value- all Stawi products are (bio) fortified with minerals and vitamins especially beneficial to women and children.
- Convenience - all Stawi products are precooked thus saving on time and energy taken for preparation.
- Affordable packaging and price for daily wage earners
- Improved taste due to roasting and hydrothermal treatment.
- Access to affordable nutritious foods through B2B digital distribution strategy (new)
- Stawi products improve breast milk supply for mothers

Stawi's nutritious products



Stawi Junior Porridge Flour 250g, 500g, 1kg

- Fortified with micro nutrients for infants and children from 6-59 months
- Convenient/precooked- ready in five minutes



Stawi Nurture Family 250g, 500g, 1kg

- Fortified with macro and micro nutrients for men and women
- Convenient/precooked- ready in five minutes



Stawi banana

- Made with banana extracts
- Applications in food and baking industry



Healthy Start

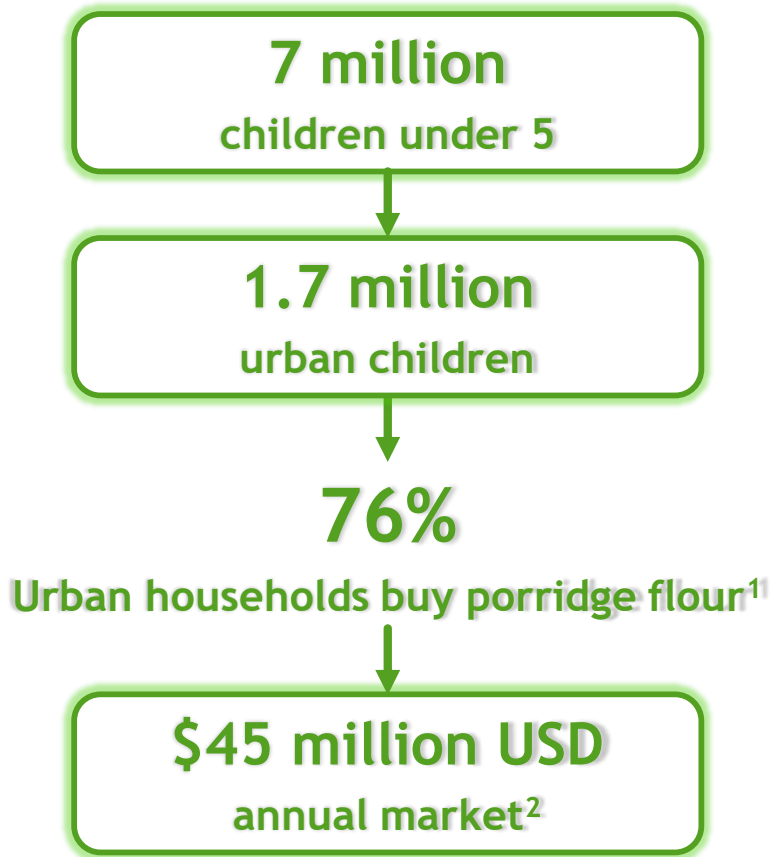
- Fortified porridge flour for institutional market
- Contains maize, soya, vanilla, micro nutrients
- Distributed in rural areas by 2,500 women resellers



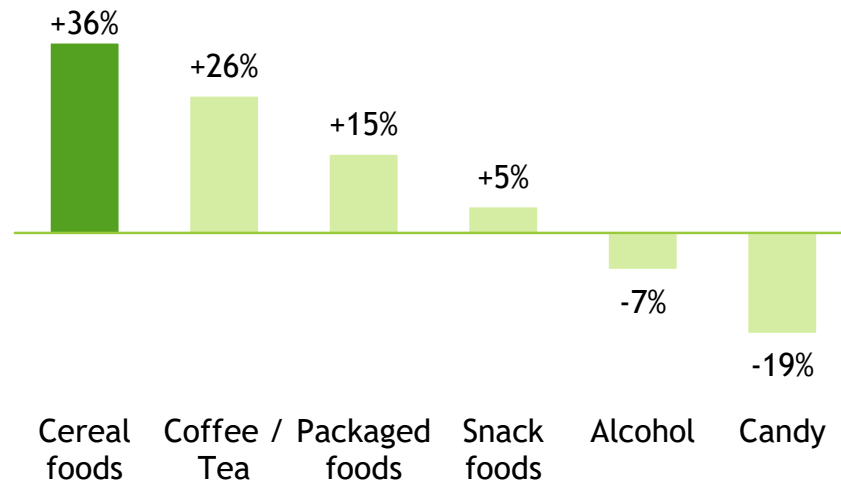
Stawi healthy granola

- Made with hydrothermal treated beans and legumes
- Healthy breakfast option for women

Market: Kenya's growing urban population has a taste for branded porridges



Kenyan spending plan within 12 months
Change from present, grocery categories, 2013



- ▶ 56% of buyers shop in supermarkets
- ▶ 4.4% annual urbanization increase (18th fastest in world)

1. Based on 2012 consumer survey of 150 urban consumers in Nairobi and Nakuru

2. Based on weighted average purchase frequency of survey respondents

Source: UNICEF, TechnoServe Porridge Survey, BCG 2013 Africa Consumer Sentiment Survey, CIA World Fact Book

Customers (formal and informal)



Revenue model

Stawi Foods makes money through:

1. Sale of products in domestic market (60% revenue contribution).

Product offers 50%+ margins and rapid growth despite zero above the line marketing.

2. Contract manufacturing/private labeling (10% revenue contribution).

3. Sale of aggregated and pre-cleaned grains to food processors (20% revenue contribution).

4. Export of specialty products (gluten free flours) to B2B buyers (10% revenue contribution).

5. Charging other food processors to use Stawi's new digital B2B Reseller Platform (new)

The dream team



Eric Muthomi - Founder & CEO

- Mini MBA in Agribusiness Management at Business School Netherlands (ongoing)
- MBA (USIU)
- Executive Leadership in Africa's food security at Africa Management Institute (AMI)
- Bachelor's degree in Law LLB (Honours) at Catholic University of Eastern Africa
- Has founded 2 previous companies
- YALI Fellow 2014

Aswini Alapati - Food Processing Lead

- 8 years experience in international food processing
- Master of Technology in Food Processing Technology
- Knowledge on Food Hygiene and Packaging, Food Processing, Research and Development, Basics of Food Chemistry, Food Safety Management, Food Laws and Regulations
- Qualified to conduct feasibility studies for setting up industry, cost estimation, cost-effectiveness, based on an acquisition of raw materials and manufacturing budgets.



Sangu Delle - Strategy lead and Board Chair

- MBA (Harvard Business School)
- African Studies and Economics (Harvard University)
- Doctor of Law (J.D.) (Harvard Law School)
- Bachelor of Arts (Highest Honours) in African Studies and Economics (Harvard)



Grace Muthoni - Business development, Fundraising, Legal

- Università Bocconi: Private Equity and Venture Capital, Corporate, Finance, and Securities Law
- Corporate, Commercial & Tax Law Expert
- Sustainability & Impact Expert
- Venture Builder
- Enabling Thriving African Enterprises

Banana solar drying by farmer groups



Stawi's impact on women workers and resellers



Stawi's support to banana farmers





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Thank you

