

INNOVATION SERIES

BUSINESS PROFILE



AGROMYX

AMRAHIA, GREATER ACCRA REGION,
GHANA

WWW.AGROMYX.COM

ABOUT AGROMYX

- Company status:
Limited Liability Company, founded in 2017.
- Number of employees:
five full-time staff and 13 part-time employees;
maintaining a 50:50 gender balance.



**David Foli Ayivor,
Founder and CEO**

David is the founder and CEO of Agromyx and has been working in the food industry for the past 15 years. He specializes in food &

beverage management, research & development, big-picture operations and supply chain management and contract negotiation between food companies and contract manufacturers, as well as forecasting and production planning, strategic sourcing, lean manufacturing and streamlining supply chains to maximize profits. He studied business

administration and management at the Ashley's business college Accra, Ghana and holds a Bachelor's degree in hospitality administration and management.

Having started out in the hospitality industry, working for a chain of hotels in Ghana, David became aware of the food wasted due to repeated electricity shortages in the city. After researching solutions to this problem, he formed a strong team of skilled and experienced food industry professionals to tackle the problem.

Mission/vision

Agromyx aims to make a significant contribution to a sustainable food future for Ghana and sub-Saharan Africa by focusing on supporting healthy diets and reducing postharvest loss and waste in the food supply chain.

This series of events is organised by the PAFO and the COLEACP. COLEACP operates within the framework of the development cooperation between the Organisation of African, Caribbean and Pacific States (OACPS) and the European Union, with the support of the French Development Agency.



BUSINESS MODEL

Agromyx is an agrifood processing company created in 2017 which addresses the problem of food waste by working directly with smallholder farmers, purchasing their excess produce.

Postharvest loss and waste in the food chain is a major problem in sub-Saharan Africa. Figures for this region from the Food and Agriculture Organization (FAO) of the United Nations estimate that over 60% of fresh fruits and vegetables and 20% of cereals are lost or wasted between production and consumption. A large proportion of food consumed in sub-Saharan Africa is produced by smallholder farmers. By reducing losses after harvest, Agromyx increases the farmers' revenues and improve their standard of living.

The company initially dehydrated this produce but now converts them into freeze-dried vitamin- and mineral-rich instant cereals and fruit powders, in order to retain high nutrient levels in the resulting products.

Smallholder farmers in Ghana have a long tradition of cultivating ancient or "forgotten" grains such as fonio, millet and sorghum, all of which are suited to the sub-Saharan climate. However, the farmers lack a reliable market to sell this produce and these grains tend to be consumed at a local level only. Agromyx has provided a modern touch by blending and packaging the genetically diverse and nutritional grains for use as instant cereals.

STRONG RELATIONSHIP WITH SMALLHOLDERS, COOPERATIVES...

Agromyx currently works directly with 165 smallholder farmers, 112 of whom are women. From 2020 to 2021, around 27,000 tonnes of excess fresh produce were purchased from farmers at market price for use at the Agromyx processing facility.

Agromyx is encouraging local farmers to transition away from the use of pesticides and toward organic agricultural practices and agroforestry.

The company supports building capacity and market resilience among the partner smallholder farmers through training programmes. Agromyx hopes to soon be able to provide the farmers with upgraded, small portable machines for harvesting, dehusking and sorting. The company would ultimately like to form partnerships with one-third of the smallholder farmers in Ghana to address food security issues at a national level.



PRODUCTS COVERED AND MARKETS

Agromyx has created 10 products under the brand name “Nourimeal”, along two main product lines: instant cereals from ancient grains and fruit powders:

- Millet instant cereal;
- Sorghum instant cereal;
- Fonio fully cooked;
- Fonio instant cereal;
- Coconut powder drink;
- Cocoa powder drink;
- Pineapple fruit powder;
- Mango fruit powder;
- Guava fruit powder;
- Mixed fruit powder.

All Nourimeal products have a one-year shelf life at room temperature. The ingredients used are 100% natural with no added sugar or preservatives, and are free from genetically modified organisms. The powders contain essential vitamins and minerals, including vitamin A, iron and magnesium.

Nourimeal products can be used as ingredient for baking, and to make porridge, fruit juices and smoothies.

Three Nourimeal products are already approved by the Ghana Food and Drugs Authority and the process is ongoing for the other products.

The company has established efficient distribution channels, selling products directly to online customers and wholesale to local grocery stores, hotels and restaurants, schools, and corporate organisations. Nourimeal products are also sought after by the local cosmetics industry and, more recently, for producing confectionary such as chocolate, where fruit powders are preferable to fresh produce.

The company values all interactions with their customers and partners and strives to build confidence in their products. It seeks to continually improve their efficiency, productivity and quality through innovative solutions. The products remain relatively unique in Ghana and the company does not have any direct competition locally. In this way, Agromyx is unique in Ghana and can stand the international competition.



INNOVATIONS: MILESTONES AND EXPANSION PLANS

The Agromyx production facility operates within Ghana's environmental standards and employs local workers to turn locally grown produce into nutritious end products. The company uses biodegradable paper packaging in place of plastic, so to lessen the ecological burden on the country.

The company strives to grow strong partnerships with government departments, including the Ministry of Health, who can be instrumental in spreading awareness and education on nutrient-rich foods, increasing the credibility of Agromyx products. A good relationship with the Ministry of Agriculture would help to form links with smallholder farmers and cooperatives. Agromyx also looks forward to further partnering with agritech companies and research institutes in the future.

Agromyx intends to upscale through further exportation of products from Ghana to other countries across sub-Saharan Africa and into

East Africa, for which they are working to achieve necessary certifications. They are also looking to invest in food processing facilities in low-income communities in these regions to provide jobs and use local natural resources to produce nutritious food. Replicating the original business model, Agromyx aims to tackle societal problems such as food waste, malnutrition and poverty in other countries.

Agromyx also hopes to purchase more processing machines, to meet the increasing demand for their products (estimated at 30,000 tonnes per year, equivalent to US\$300 million) in Ghana's urban areas. The company is expected to reach net revenues of US\$300,000–500,000 between 2022 and 2023, and is forecasted to take a 35% market share within five years.

SUCCESS FACTORS AND LESSONS LEARNED

The zero-waste business model developed by Agromyx strongly supports a circular economy. By reducing postharvest loss and waste in the food supply chain, the company optimises the crop cycle, generates additional revenue for local farmers and improves their standard of living. An increase in revenue (economies of scale) resulting from reductions in yield losses or wastage, in turn allows the farmers to reduce their unit costs. These reduced costs are reflected in more affordable product prices, which will lead to a rise in demand. The greater availability and consumption of nutrient-rich foods within Ghana helps to reduce the prevalence of chronic diseases in the population caused by poor diets. Furthermore, the residues from production can be reprocessed into compost for use on smallholder farms.

David has benefitted from the Land Accelerator Africa restoration entrepreneur training program, which empowers entrepreneurs to pitch impact investors and sell their products more effectively. Agromyx was selected to be part of an incubator programme in 2019 run by Fledge, a global network of company accelerators and investment funds. David has recently attended a joint Ghanaian–German training programme through the Compact with Africa initiative, to learn how to strengthen his company's capacities and global competitiveness.