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## BERI FOOD COMPLEX

### Sebeta, Ethiopia

In the face of challenges from the COVID-19 pandemic, maize mill Beri Food Complex had to halt its operations. After Beri's processing lines restarted, support from Visa Foundation enabled the company to overcome liquidity issues, pay farmers for raw material, and boost their sales to bottom-of-the-pyramid (BoP) consumers.

#### AT-A-GLANCE

SECTOR	MAIZE FLOUR
Challenges from COVID-19	Disruptions to markets, rising costs of raw materials, limited working capital, difficulty of operating safely
CFAI support	Visa Foundation grant of \$30,000 for raw-material procurement and PPE, support in expanding markets and sourcing
Key results	20% increase in production, new linkages to the BoP market

#### About the Coalition for Farmer-Allied Intermediaries

In response to COVID-19's impact on vulnerable food systems, a group of pioneering organizations working with 600+ African food companies joined together to launch the Coalition for Farmer-Allied Intermediaries (CFAI). Its mission is to catalyze a movement around vital small- and medium-sized agro-food businesses in order to transform and build more resilient African food systems. In 2021, Visa Foundation provided resiliency grants and enabled provision of technical assistance to eight Sub-Saharan food processing companies to help them navigate the continuing COVID-19 crisis, adapt to shifting market demands, and return to inclusive growth. TechnoServe and Partners in Food Solutions provided technical assistance to these firms through the Alliance for Inclusive and Nutritious Food Processing program, which is funded by USAID's Feed the Future initiative.

## ABOUT BERI FOOD COMPLEX

Beri Food Complex is a leader in investing in technology and innovation in Ethiopia's food processing sector. The firm has invested in automated technology for its maize milling lines, which can produce 13 metric tons of maize flour daily. BoP consumers are an important segment for Beri, which packages its maize flour in a variety of sizes and packaging.

## CHALLENGES FROM COVID-19

COVID-19 disrupted the distribution and sale of Beri's products, leading to a sharp drop in revenue. At the same time, the firm's operating expenses increased: the price of raw maize surged due to disruptions in the supply chain, while the firm also had to purchase additional PPE for its 33 employees. As a result of its limited working capital, the firm had to suspend its operations for a time, although it kept employees on paid leave.



## CFAI'S RESPONSE

The Coalition for Farmer-Allied Intermediaries (CFAI) supported Beri as it restarted and scaled-up its operations. Beri received a \$30,000 Visa Foundation resiliency grant, of which nearly 90% was used to procure maize. The remainder of the grant was used to purchase PPE so that employees could work safely in the plant.

CFAI partners also provided technical assistance aimed at improving the financial management of the firm, identifying and negotiating with suppliers—including incorporating smallholder farmers into Beri's supply chain—and expanding sales in channels that reach BoP consumers.

## RESULTS AND IMPACT

As a result of support from Visa Foundation and CFAI, Beri's working capital increased by 17%, it was able to expand production by 20%, and sales increased by 40% from the first quarter of 2020. To enable increased production, the company sourced 58 tons of maize from traders and a cooperative union using grant funds, incorporating 120 new smallholder farmers from the union into its supply chain.

Beri has also expanded its marketing to BoP consumers. Following advice provided by CFAI partners, the company participated in a number of bazaars and exhibitions, offering its maize meal at promotional prices. As a result of this exposure, the company has been able to secure deals with several distributors targeting BoP consumers. Through agreements with institutional buyers, Beri's maize meal is also being used to help feed people displaced by the conflict in northern Ethiopia.

The company also purchased two months of PPE for workers and has started conducting regular temperature checks and other safety procedures.

## VISION FOR THE FUTURE

Beri's growth prospects are bright, as a number of food processors that use maize meal in their products have reached out to the company to sign supplier agreements. To satisfy this demand, Beri must continue to secure a steady supply of maize, which continues to rise in price due to the ongoing conflict in the country. Beri has been working with a cooperative union in northern Ethiopia to sign a supplier agreement to purchase maize.