



SUPPORTED BY:



DELISH & NUTRI LTD.

Kiambu, Kenya

Delish & Nutri was introducing an important new product to bottom-of-the-pyramid consumers when the COVID-19 pandemic disrupted both its marketing and sourcing strategies. Support from Visa Foundation and the Coalition for Farmer-Allied Intermediaries (CFAI) is helping the company to once again scale its reach among vulnerable Kenyans.

AT-A-GLANCE

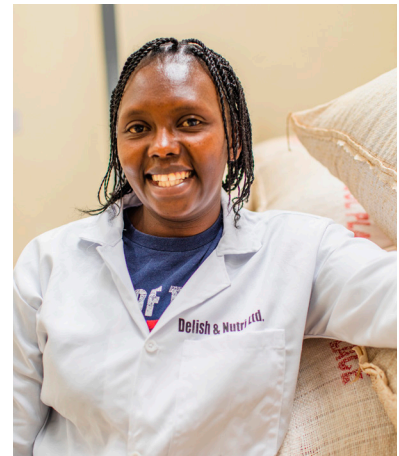
SECTOR	FORTIFIED FLOURS, SUNFLOWER COOKING OIL, RICE
Challenges from COVID-19	Pandemic curtailed in-person marketing, prices for peanuts and packaging material rose, limited cash flow
CFAI support	\$28,000 grant from Visa Foundation to fund procurement, salaries, and safe operation; technical assistance focused on quality control and marketing; development of an inclusive business plan
Key results	Purchase of 19 tons of raw peanuts from smallholder farmers, firm able to pay staff on-time and purchase adequate supply of PPE, business plan for scaled-up operations

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 DELISH & NUTRI LTD.

James Muturi started Delish & Nutri in 2018 with the goal of building a business around nutrition. The company, operating near Nairobi, manufactures a range of products based on peanuts, which it procures from smallholder farmers and other sources. Delish & Nutri's Uno brand is the first and only peanut powder—a low-cost, protein-rich product that can be added to meals—on the Kenyan market and is sold to bottom-of-the-pyramid (BoP) consumers in vulnerable communities where there are few affordable options for protein. Before the pandemic, the company and Uno peanut powder were in growth mode, expanding their reach in kiosks and shops in many key counties around the country. The firm relied on in-store promotions and roadshows to establish the product in new markets.



CHALLENGES FROM COVID-19

The COVID-19 pandemic disrupted Delish & Nutri's procurement, manufacturing operations, and marketing activities. On the marketing side, social distancing regulations prevented the company from carrying out the kind of in-person marketing that had been essential to its growth. At the same time, BoP consumers were affected economically by the pandemic and had even less money to spend on new and novel products, like peanut powder. At the same time, the price of peanuts rose by 40% and packaging materials by 10%. With Delish & Nutri unable to pass the cost increases onto its cash-strapped consumers, its own cash flow dried up, and the firm was late paying its suppliers and workers.

RESPONDING WITH CFAI

Delish & Nutri received three types of support through the CFAI program. First, a Visa Foundation grant of \$28,000 provided the company the necessary funds to procure raw peanuts from smallholder farmers, pay staff salaries, and purchase PPE. Technical assistance provided in conjunction with the AINFP program focused on identifying new marketing channels, improving quality assistance and control, and developing new products, including a low-fat peanut powder and a ready-to-eat supplement food to combat malnutrition. Through the Visa Foundation grant, TechnoServe business advisors also helped Delish & Nutri develop an inclusive business plan to significantly and sustainably scale-up the procurement from smallholder farmers.

RESULTS AND IMPACT

As a result of the support, Delish & Nutri was able to source 19 tons of raw peanuts from smallholder farmers, pay suppliers and workers on-time, and implement a successful social-media marketing strategy, ensuring that the firm was able to continue operating. Working with the business advisors, the company was able to develop an inclusive business plan in which it would ensure an adequate supply of high-quality peanuts by providing a suite of services to local smallholder farmers.

VISION FOR THE FUTURE

Delish & Nutri is working to pilot the inclusive business plan with 70 peanut growers organized around one hub, securing high-quality seeds for the farmers and partnering with a local university to deliver technical assistance and information. Their vision is to expand the initiative to a second hub; in total, it is estimated that this would allow the company to purchase 236 tons of peanuts from local growers. The company is also working to roll out its new low-fat peanut powder and ready-to-eat therapeutic food.