



SUPPORTED BY:



THEDAY AGRO INDUSTRY PLC

Addis Ababa, Ethiopia

Over a decade of hard work, Theday Agro Industry grew from a home operation into one of Ethiopia's leading jam manufacturers. But soaring supply costs, limited cash flow, and other challenges from the COVID-19 pandemic threatened that growth trajectory. A grant from Visa Foundation paired with technical assistance helped the firm get back on track, addressing its acute challenges related to procurement, personnel, and pursuing new market opportunities.



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.

AT-A-GLANCE

SECTOR	FRUIT JAM
Challenges from COVID-19	Rising supply costs and operating expenses, limited cash flow, slowing production
CFAI support	Visa Foundation grant of \$44,700, technical assistance for collections, market research
Key results	30 MT of raw fruit purchased, doubled production, 13 new employees (all female)

ABOUT THEDAY AGRO INDUSTRY PLC

Yezichalem Kassa started Theday Agro Industry to produce healthy, wholesome jam in 2011. Initially working from a humble household kitchen, she was able to manufacture less than 11 kilograms of jam per day. But over time, she and her partner were able to build the business into a successful enterprise.

By the first quarter of 2020, Theday was selling nearly \$80,000 of jam made from locally grown fruit, such as strawberries and mangoes, with the majority of its sales occurring in retail shops and supermarkets in Ethiopia's capital city of Addis Ababa. Yezichalem and the company also prioritized advancing women's economic empowerment, with women comprising nearly three quarters of Theday's workforce.

CHALLENGES FROM COVID-19

COVID-19 presented difficulties to the firm, however. While demand remained strong, the economic downturn that struck Ethiopia made it difficult for Theday to collect on credit sales. At the same time that the firm experienced challenges with cash flow and working capital, it also faced rising costs: disruptions to the supply chain pushed the price of raw fruit up by 75%, while the firm also had to pay higher transportation fees for its employees. Theday struggled to maintain its production levels, and employees were even placed on paid leave as output slowed.

RESPONDING WITH CFAI

In March 2021, Visa Foundation provided Theday a grant of \$44,700 for raw material procurement, packaging, and personnel expenses. The firm used the cash to purchase raw fruit, import additional packaging materials, and pay staff salaries in order to scale-up production.

In addition to the cash grant, business advisors from the AINFP program provided technical assistance to help Theday manage its costs, develop tools to collect on outstanding credit sales, identify new market opportunities, and implement strategies to boost sales. To expand its clientele, the business specifically targeted bottom-of-the-pyramid (BoP) consumers, developing small and affordable packages of jam. Theday expanded its distribution network to include outdoor markets, including Merkato, Africa's largest.

RESULTS AND IMPACT

As a result of the support, the firm was able to double its production capacity and increase its quarterly sales to nearly \$200,000. The firm has sourced 30 MT of strawberries from local commercial farms and aggregators. To keep up with surging production, the company hired 13 new workers, all of whom are women. The company was also able to provide subsidized transportation to its workers during the pandemic.

Finally, the company was able to collect on \$24,000 from outstanding credit sales, putting the firm on a more stable financial footing.

VISION FOR THE FUTURE

With strong demand for its product, Theday's priority is to increase the production capacity of its manufacturing facility and diversify its product presentation to reach different market segments. The company is particularly targeting the BoP market and aims to offer its products in affordable volumes. The firm also plans to offer fortified jams to reach nutrition-conscious consumers.

