COVID-19 Challenges and Responses in Support of Food Processors

Board for International Food and Agricultural Development

Brent Wibberley

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Emerging Crisis

ProSoya Ltd., collapsing due to COVID-19

At risk:

- 1,200MT/year, >45m nutritious meals,
- $4m annual revenue,
- 67 staff,
- 4,000 supplying farmers.

One of 185 similar processors we were supporting
Challenges

1. Lot of confusion

2. What was really needed?

3. What will we need to do differently?
We conducted two surveys:

April – 106 processors
July – 75 processors

ACTIONS

Reach out to industry and adapt
Categorized into 4 major business dimensions: **Markets**, **Workforce**, **Finance**, and **Supplies**, with **Markets** being the most prominent concern.
MARKETING, SALES, AND DISTRIBUTION FINDINGS

Firms in every product category are struggling with marketing, sales, and distribution

75% Firms Reporting Challenges In Marketing, Sales, and Distribution, Related to COVID-19 Over the Last Month

Challenge by value chain:

91% Dairy
77% Flour
75% Other
59% Edible Oils

The market went into shut down, rural customers not traveling into town to purchase products for resale.

DAIRY, ZAMBIA
MARKETING, SALES, AND DISTRIBUTION FINDINGS

Many firms seeking new markets or new routes to market

![Proportion of Firms Reporting Crisis Adaptation Strategy](chart)

- Sought new markets due to disruptions in old ones: 49%
- Scaled back operations: 48%
- Increased social media and online marketing: 28%
- Introduced direct delivery to consumer: 28%
- Formed new partnerships with industry peers: 24%
- Reduced number of product categories: 20%
- Designed new products to meet changing demand: 17%

Many firms seeking new markets or new routes to market due to disruptions in old ones. They have adjusted their strategies by scaling back operations, increasing social media and online marketing, introducing direct delivery to consumers, forming new partnerships with industry peers, reducing the number of product categories, and designing new products to meet changing demand.
FINDINGS

Noticeably higher challenges reported by female-owned businesses

Percentage of Firms Reporting Challenges In a Given Area Over the Last Month

- Sales and market distribution: 75% (All Firms) 70% (Owned by Woman) 73% (Owned by Man) 91% (Joint Ownership)
- Access to supplies and materials: 63% (All Firms) 61% (Owned by Woman) 57% (Owned by Man) 91% (Joint Ownership)
- Workforce: 51% (All Firms) 39% (Owned by Woman) 49% (Owned by Man) 73% (Joint Ownership)
- Access to finance: 40% (All Firms) 36% (Owned by Woman) 48% (Owned by Man) 75% (Joint Ownership)

E.G. NOTICEABLY HIGHER CHALLENGES EXPERIENCED BY FEMALE-OWNED BUSINESSES
TechnoServe’s Response, According to Need

**SURVIVAL**
- Risk management
- New protocols
- Worker safety
- Reduce costs
- Contact markets

**RECOVERY**
- Business plan
- Opportunity assessment
- Product development
- New partnerships
- New markets

**RESILIENCE**
- Optimize
- Plan for growth
- Expand markets
- Automation
- Import substitution
They have a lifeline. 
ProSoya is back in business!

Processors are central agents for any recovery or stimulus plan.
Thank You

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