ALLIANCE FOR INCLUSIVE AND NUTRITIOUS FOOD PROCESSING

Adaptations to COVID-19

Jonathan Thomas, Chief of Party, AINFP
Contact: thomasj@tns.org
IMPROVING ACCESS TO NUTRITIOUS FOODS

Local TechnoServe staff identify businesses that need technical/business assistance

Corporate volunteers advise clients remotely

Improved food security, nutrition and markets for farmers

Leveraging private sector TA to share know-how, build competitiveness of nutritious food processors. Increasing opportunity for smallholder farmer supply and BoP distribution of nutritious products.
### COVID: RAPID SPREAD, LOW TESTING CAPACITY

<table>
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<th>Country</th>
<th>Total Cases</th>
<th>Total Deaths</th>
<th>Total Cases/1m pop</th>
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ADAPTATION TO REMOTE SUPPORT

Challenge
• All staff working from home
• No client visits,
• No in-person training
• Inability to onboard new clients using usual procedures

Adaptation
• Maintaining contact through range of social media
• Introduced some remote training, e.g. HACCP
• New online recruitment and screening [www.ainfp.org](http://www.ainfp.org)
• Client access to online resiliency boot-camp

Priority to reduce risk to staff and clients but to maintain support through critical period
Pivot to remote support where possible
SURVEYED OVER 100 AFRICAN PROCESSORS

- Conducted two surveys in April and July of food processors
- Deeper understanding of the challenges has allowed us to tailor support to immediate needs
- Four main areas of challenge:
  - Workforce
  - Marketing, Sales & Distribution
  - Supply Chain
  - Access to Finance

Important to maintain production through crisis period and build longer term resilience
PROTECTING HEALTH & MAINTAINING PRODUCTION

Challenges
- 51% report continued workforce challenges
- Protecting staff health
- Maintaining physical distancing
- Remote working
- Downsizing/layoffs

Program Adaptation
- Advice on enhanced hygiene practices, use of PPE, screening
- Provision of reliable health information
- Sharing examples of staffing adaptation
- Advising on business critical decisions

Workforce challenges less critical than 3 months ago as clients learn & adapt
25% surveyed processors have laid off staff
SALES MOST CRITICAL CHALLENGE

Challenges
• Significant disruption to sales
  - Hospitality/institutional
  - Dairy
  - Longer shelf life products
  - Staples (Maize/wheat flour)
• Increasing optimism (😊 59%)
• Reduced consumer purchasing power

Program Adaptation
• Linkage to new markets (49% adjusted)
• Increased support to digital marketing/online presence

75% processors report sales challenges – persistent demand reduction
Shift to online sales (urban) likely to stick
LOCAL SUPPLY CHAINS MORE RESILIENT THROUGH CRISIS

Challenges
• Border disruptions, slow down at ports
• 63% report supply chain challenges
• Cost of transportation up
• Imports disrupted – e.g. China/India/RSA
• Local sourcing (40% processors)

Program Adaptation
• Advice on local sourcing options
• Alternative solutions e.g. packaging, raw materials, hands-on TA

Increased demand for local supplies – compromise on quality
SQUEEZE ON WORKING CAPITAL

Challenges
• Reduced cash flow
• Inability to pay raw material suppliers on time
• Loan repayment burden
• 40% processors difficulty accessing new finance

Program Adaptation
• Increased remote business advisory
• Introduction of new analytical tools
• Negotiation with lenders to payment holidays, loan restructuring (32%)
• Improving liquidity through debt collection
• Piloted resiliency grant with PFS/Root/Bain (CFAI) – funded by Cargill & USADF

Banks reluctant to extend loans to non-optimal operations
CFAI pilot – 10 loans @ $50K
SURVIVE TO THRIVE

SURVIVE:
Response
- Risk management
- New protocols
- Worker safety
- Reduce costs
- Contact markets

APRIL

RESTRICTURE:
Recover
- Business plan
- Opportunity assessment
- Product development
- New partnerships
- New markets

JULY

OPTIMIZE:
Resilience
- Plan for growth
- Expand markets
- Automation
- Import substitution

COVID-19 critically endangering resiliency of food systems
Processors critical linchpin – require support to ensure business continuity
FEED THE FUTURE
The U.S. Government's Global Hunger & Food Security Initiative

www.feedthefuture.gov