

NUTRITION

Under the Private Enterprise Programme Zambia

Private Enterprise Programme Zambia (PEPZ) Case Study



List of Acronyms

CEO	Chief Executive Officer
CFB	Canada Foodgrains Bank
CSO	Central Statistical Office
CSR	Corporate Social Responsibility
FAO	Food and Agriculture Organization
FMCG	Fast-moving consumer goods
GoZ	Government of Zambia
HACCP	Hazard Analysis and Critical Control Point
KII	Key Informant Interview
MEL	Monitoring Evaluation and Learning
MOH	Ministry of Health
MSME	Micro, small and medium enterprises
NDC	Non-Communicable Disease
NDP	National Development Plan
NGO	Non-Governmental Organisation
PEPZ	Private Enterprise Programme Zambia
PSD	Private sector development
SADC	Southern African Development Community
SHF	Smallholder farmer
SME	Small and medium enterprises
SUN	Scaling Up Nutrition
ZBGF	Zambia Business Growth Fund

NUTRITION

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Section 1: Background

1.1 Nutrition in Zambia

Zambia consistently ranks among countries with the highest levels of inequality and poverty globally. It has one of the highest rates of childhood undernutrition in the world; according to the FAO report on State of Food Insecurity and Nutrition in the World, the rate of undernourishment in Zambia is still among the highest in the world—a fact that has not changed significantly between 1992, 2014 and 2018¹. About 40 percent of the population experience hunger on a daily basis².

The Global Hunger Index which evaluates the key parameters of nutrition (undernourishment, stunting, wasting and mortality) ranks Zambia 115 out of 119 countries, meaning that Zambia suffers from levels of hunger that are alarming³.

35 percent of children under the age of five are stunted and 12 percent of children under the age of five are severely stunted, according to data collected through the Zambia Demographic and Health Survey 2018. An analysis of age groups has shown that the nutritional status also varies with age. At the early age of one month, more than 20 percent of all children are already stunted. Stunting increases with age; 50 percent of all children at 32 months are stunted. It gradually decreases again among children between 32 months and five years to reach the lowest level of 15 percent at the age of 59 months.

1 Ministry of National Development Planning, 2017. 7th National Development Plan 2017-2021.

2 FAO, et al., 2018. The State of Food Security and Nutrition in the World 2018.

3 WHH & CWW, 2018. 2018 Global Hunger Index: Forced migration and hunger.

Geographical location also has an impact on the stunting level of a child: children living in urban areas are less likely to be stunted (32 percent) than children living in rural areas (35 percent) with further variations depending on province⁴.

Equally, children of mothers with lower education levels and lower wealth (which are prevalent in rural areas) are more susceptible to stunting. Stunting ranges from a low of 18 percent among children whose mothers have more than a secondary education to a high of 45 percent among those whose mothers have no education. A similar inverse relationship is observed between stunting and wealth: children in the poorest households are much more likely to be stunted (47 percent) than children in the wealthiest households (28 percent)⁵.



Comparing, the level of wasting in children under the age of five is lower. Four percent of children under five are wasted and two percent are severely wasted. Geographical location has no impact on wasting levels, with five percent of children living in urban areas and four percent of children in rural areas being wasted. The proportion of children who are wasted generally remains steady regardless of the mother's education and wealth levels.

Malnutrition often starts before the birth of a child—babies born to malnourished mothers often have low birth weight and are at high-risk of illness and death at birth. In Zambia, motherhood starts early; about 60 percent of adolescent girls are mothers at the age of 19 or earlier. However, adolescent girls are also more likely to be malnourished themselves. The risk of malnutrition is therefore significantly higher among children born to girls under the age of 18⁶.

4 CSO, MOH, and ICF International, 2018. Zambia Demographic and Health Survey 2018.

5 CSO, MOH, and ICF International, 2014. Zambia demographic and Health Survey 2014.

6 CSO, MOH, and ICF International, 2014. Zambia demographic and Health Survey 2014.

Zambia's poor performance on nutrition is closely linked to the Zambian diet. Diversity is a key principle of a healthy diet and especially for the healthy development of infants and young children. Diets should be composed of whole grains, vegetables, animal-source foods or other protein-rich foods. Fats and sugars should not constitute more than 10 percent and 30 percent respectively of the overall energy intake⁷.

The WHO links low-quality and monotone diets to various serious health issues such as stunting, wasting, micronutrient deficiencies as well as non-communicable diseases such as hypertension or diabetes.

However, the food system in Zambia is currently not delivering adequately on any of the elements of food and nutrition security, and diets are characterised by monotony and periods of seasonal scarcity⁸. Traditionally diets in Zambia are very high in starches and mostly vegetarian. One of the most prevalent staple foods in Zambia is Nshima, a maize meal porridge which is only occasionally accompanied by seasonal vegetables.

Various studies in the last decade have shown that the leading contributors to energy supply in Zambia are cereals, starchy roots, fat and oils as well as sugars and sweeteners. Further to that, the consumption of calories from fat, oils and starchy foods has increased by 100 percent whereas availability of pulses, fruits and vegetables and animal protein has decreased⁹. This is mainly attributed to high production and consumption costs of animal-sourced foods, fruits and vegetables. Smallholders that are able to produce these products often have a preference for selling rather than consuming.

Malnutrition is a widespread health issue in Zambia and a major burden on the human and economic development in the country. The Global Nutrition Report 2016 determined that the economic consequences of inaction on nutrition result in losses of 11 per cent of gross domestic product every year in Africa and Asia alone, whereas preventing malnutrition delivers investment returns of USD 16 for every USD 1¹⁰.

How to define

Stunting is the result of long-term nutritional deprivation and often results in delayed mental development, poor school performance and reduced intellectual capacity. This in turn affects economic productivity at a national level. Women of short stature are at greater risk for obstetric complications because of a smaller pelvis. Small women are at greater risk of delivering an infant with low birth weight, contributing to the intergenerational cycle of malnutrition, as infants of low birth weight or retarded intrauterine growth tend to be smaller as adults.

Wasting in children is a symptom of acute undernutrition, usually as a consequence of insufficient food intake or a high incidence of infectious diseases, especially diarrhoea. Wasting in turn impairs the functioning of the immune system and can lead to increased severity and duration of and susceptibility to infectious diseases and an increased risk for death.

Malnourishment goes beyond calories and signifies deficiencies in any or all of the following: energy, protein, and/ or essential vitamins and minerals. Undernutrition is the result of inadequate intake of food in terms of either quantity or quality, poor utilization of nutrients due to infections or other illnesses, or a combination of these factors. These, in turn, are caused by a range of factors, including household food insecurity; inadequate maternal health or childcare practices; or inadequate access to health services, safe water, and sanitation.



7 WHO, 2015. Healthy Diet; Fact sheet N394.

8 Willett, W. et al., 2019. Food in the Anthropocene: the EATLancet Commission on healthy diets from sustainable food systems.

9 Mwanamwenge, M. & Harris, J., 2017. Sustainable Diets for All: Agriculture, food systems, diets and nutrition.

10 International Food Policy Research Institute, Global Nutrition Report 2016: From Promise to Impact: Ending malnutrition.

Section 2: Nutrition and the Private Sector

2.1 PEPZ'S Nutrition-Related Interventions

Since 2017, Private Enterprise Programme Zambia (PEPZ) has identified the Food and Agriculture sector as a high-priority sector for its interventions. This is a priority sector within the 7th National Development Plan and an important sector in Zambia to drive economic growth and employment. It also has a significant inclusive growth potential as it is the main source of livelihood for the majority of Zambia's rural population, many of whom live in poverty and face significant barriers to productive job markets and associated routes out of poverty.

While subsistence farming is one of the dominating farming practices in Zambia and informal markets are the main market for smallholder farmers and the rural population, commercial agriculture and formal food markets are growing, especially due to Zambia's emerging middle class. This has opened up new business opportunities for businesses across the country, especially those able to identify and respond to the increasing demand for high-value fruits and vegetables, animal protein such as meat, eggs and dairy as well as value-added processed food.



PEPZ works with a diverse set of partners (from smallholder and commercial producers to aggregators and processing companies) to increase the competitiveness and presence of Zambian-grown and processed food products. With its 30 partners in the Food and Agriculture sector, PEPZ has designed interventions that fall into one of four programme initiatives: 1) value chain strengthening, 2) rural enterprise linkages, 3) input financing, and 4) small livestock. These initiatives are all designed to contribute to PEPZ's targeted outcomes of job creation, value addition and private sector investment.

Though not included in the programme's logframe and outcome targets/objectives, some of PEPZ partnerships in the Food and Agriculture sector are generating nutritional benefits which are currently not captured by the programme. These partners have identified nutritional benefits in their products and services and are focused on bringing more nutritious foods to Zambian shelves. Together with these partners, PEPZ has designed interventions to increase production capacity and volumes, expand operations and facilities, and build management and financial capacity as well as technical expertise. There are, however, various challenges for businesses working in the Food and Agriculture sector that are inherent to the nutrition space, due to the public attitude and knowledge of nutrition issues, national policies and the prevalent formula/structure of agriculture in Zambia.

This case study showcases the support provided by PEPZ to these firms, the challenges that they face working as producers of nutritious food in Zambia, and explores lessons that can be learnt from PEPZ interventions so that the private sector can provide sustained access to effective and affordable nutritious products at scale.

2.2 Key Findings

Government of Zambia should increase focus on Nutrition as a priority issue

A key theme raised by each of the businesses was that the Government of Zambia is not sufficiently prioritising nutrition as a public health issue.

Advertising and awareness raising on HIV is prevalent even in remote areas of Zambia. From billboard advertising along main roads throughout the country, through radio and TV adverts down to education in schools, HIV receives a significant amount of attention.

Most of the Zambian population knows about the disease and it is a priority topic on the national agenda. Awareness raising efforts for malnourishment and promotion of good nutrition are very poor to non-existent and the severity of the status quo has not yet reached the public ear. Further to that, the interviewees spoke about how the poor regulatory environment with regards to food labelling and advertising counteracts the efforts of businesses that produce foods high in nutritional value.

Today in Zambia any product can be labelled and advertised as nutritious irrespective of the actual nutritional values. This was called out as competitive distorting by both Seba Foods and Java Foods during the interviews.



PEPZ-supported producers of high-nutritious foods often only reach high-end consumers

PEPZ's Food and Agriculture initiatives involve a wide range of different partners such as livestock and aquaculture producers, grain processors or food distributors. Many of them produce highly-nutritious foods such as meat and other animal products, fish, soy and other nutritional grains or vegetables and fruits.

However, only a limited number of PEPZ grantees (including interviewees Java Foods, Seba Foods or Shais) are able to reach the malnourished segment of Zambia's population due to offering more affordable products such as High Energy Protein Supplements and otherwise fortified cereals, meat substitutes and fortified meals and flours.

Conversely, other PEPZ grantees who produce and/or distribute high-nutritious foods such as fruits and vegetables, meat or fish often only reach high-end consumers through supermarkets, hotels or restaurants, as their prices are often too high for low-income Zambians.

Muchini Dealers for instance distribute locally-produced vegetables, fruits, meat, fish and other farm products like nuts and dried beans to hotels in the Livingstone area. Vyazala have set-up a fish-processing plant in Kalumbila North-Western Province and source their products from fish farms in deeply rural locations in order to meet the growing demand from urban communities and the mining industry.

Clearwater Farms is operating Aquaponic (AP) farms (a combination of fish farming and hydroponics) to grow lettuce, rape, Chinese cabbage and herbs while simultaneously raising Tilapia fish. While implementing an out-grower scheme to enable local producers to use their AP systems and thereby increase and secure their income, the commercial objective of the project is to serve domestic premium markets and create linkages to premium customers such as supermarkets and restaurants.

Snapshot 1

CLEARWATER FARMS



Aquaponic Farming



Lusaka

Who is Clearwater?

Clearwater Farms Ltd is a company registered in Zambia and led by Dr. Steve Clark, a UK entrepreneur resident in Zambia. Clark cofounded a technology company, Navtech, in the UK in 1999 and then in 2015 founded Clearwater Farms as a for-profit social enterprise in Zambia.

Clearwater Farms started operating its Aquaponic (AP) reference farm south-east of Lusaka at Nchute in 2016 where they grow lettuce, rape, Chinese cabbage, basil, parsley, and oregano) through AP farming, while simultaneously raising Tilapia fish.

They target SHFs or cooperatives to help them construct and operate their own AP system, build their capacity on packaging, branding and storing, access local markets and generate income.

AP farming is a combination of fish farming and hydroponics (a method of growing plants without soil, by instead using mineral nutrient solutions in a water solvent).

Before the PEPZ grant, Clearwater Farms employed 8 people, three of whom were women.

Mission and impact

Clearwater's mission is to put AP production capacity into the hands of smallholders, help them grow high-quality fresh vegetables and supply their products to premium markets within Zambia, thereby reducing the need for large quantities of fresh produce imported from South Africa.

Work with PEPZ

Clearwater was selected through an investment panel as a PEPZ ZBGF grantee and received funding to support the construction of a pack house and cold storage facility at the Clearwater reference farm, purchase of a refrigerated transport vehicle, and training for Clearwater Farms staff and out-grower's staff on AP operation, safe packaging and handling of food.

Achievements of PEPZ grant

Through the grant with PEPZ, Clearwater was able to complete their pack house and cold storage facility, in addition to upgrading it with a 5kVA solar power system to ensure consistent power supply.

They also constructed a new AP system and made it available to at least ten individual out-growers that have been trained and contracted with help of the PEPZ-funded project.



Snapshot 2

MUCHINI GENERAL DEALERS



Distributor



Livingstone



Who is Muchini?

Muchini General Dealers (Muchini) was founded in 2016 and is an owner-managed small firm that operates in Livingstone and supplies perishable and non-perishable goods to the tourism & hospitality industry.

Victor Banda, the CEO of Muchini, worked for many years in the procurement department of a major hotel and therefore has a good understanding of the demand and procurement processes.

Before the work with PEPZ, Muchini only stocked items with a long shelf life such as:

- Oils for cooking (olive oil, pommies oils, sesame oil etc)
- Jams (various sizes, flavours and brands)
- Pastas
- Cereals
- Spices
- Non-alcoholic beverages (coffee, mixers, cordial drinks)
- Nuts
- Dried fruits
- Canned fruits
- Canned vegetables

Mission and impact

Hotels and lodges in Livingstone usually buy most of their supplies from abroad. This is because not

all items are available from local suppliers and their supply is often inconsistent.

Muchini is capitalising on that opportunity; it is already supplying eight hotels and lodges and has a growing market. Some of these lodges grow their own vegetables whereas some buy at Shoprite. Muchini's mission is to work with local food producers and provide a consistent supply of locally-grown farm products to their clients which will deliver freshness and quality within a short distance from farm to table.

Work with PEPZ

Muchini was selected through an investment panel as a PEPZ ZBGF grantee and received funding to accelerate the business expansion by developing an out-grower scheme for local producers of fresh vegetables in Southern Province. Through the ZBGF, Muchini received support to purchase cold storage for its warehouse and a truck for its distribution.

Achievements of PEPZ grant

Through the grant with PEPZ, Muchini increased the capacity of smallholder farmers in the Southern Province by providing training on quality control and HACCP for the production of fresh vegetables and fruits. This allowed the farmers an opportunity to supply to the hospitality industry, thereby increasing their income potential.

Diversity is a key principle of a healthy diet but farmers don't diversify

Introduced during colonialism, maize quickly replaced indigenous and more nutritious crops such as sorghum, finger and pearl millet or cow peas and has since dominated the crop sector. Maize farmers have received large amounts of subsidies and Nshima has become the most popular local food.

Even today, there are still very little incentives for the crop sector to diversify away from maize production to more nutritious crops. The dominance of maize is still driven by the government and its large agricultural programmes through which the national budget for agriculture was largely allocated to the Farmer Input Support Programme (FISP) and the Food Reserve Agency (FRA) which on one hand subsidise maize inputs for smallholder farmers, and on the other hand buy maize from farmers at guaranteed prices and forms a strategic grain reserve to modulate national grain prices.

Conversely, high taxes are due on fortified products. Though the policy framework in Zambia is changing, the 7th NDP provides a foundation for diversification and the Second National Agriculture Policy prescribes a shift away from the mono-crop production, there is still a lack of practical government measures and initiatives.

All PEPZ partners that were interviewed have stated that they experience serious challenges when procuring new farmers for other crops than maize. They are often required to allocate significant resources for the promotion of new crops amongst farmers as buy-in for these crops is very low.



“What is good nutrition?” – lack of knowledge and awareness

A major challenge for businesses operating in the nutrition space is the lack of awareness about nutrition issues in the Zambian population.

A large share of the population, especially the rural population who are mostly affected by poor nutrition and its consequences, have only very little understanding of what nutrition means and why a balanced diet is important.

Naturally Zambians turn to Nshima for any meal, the most accessible and affordable food in Zambia, and are neither aware of the low nutritional value of maize nor of nutritional benefits of other products. The lack of education is therefore a major inhibitor on the market for more nutritious crops as consumers have no appetite to change their diets.

“Stunted children don’t look malnourished to someone who doesn’t know better. As long as the hunger is stilled, people are happy. They don’t know that Nshima is not enough for their children to grow big and healthy.”

- Mirriam Chipulu, Shais Enterprise Ltd., CEO and business owner

Soy products are too investment intensive

Even though soy is universally known as a healthy and high-concentrated substitute of animal protein, soybeans and soy products are still not a popular protein source in Zambia. Therefore, most of the soybeans produced in Zambia are processed for animal feed and the processing sector has adapted technologies that are only suitable for animal feed production.

Processing companies in Zambia do not have the technology and technical expertise to achieve the quality required for human food formulas. Hence, businesses that wish to bring soy products to supermarkets are required to invest large amounts into the establishment of processing plants, acquisition of technical expertise and formulation of recipes.

Finger millet – a women’s crop

Shais Enterprise Ltd. whose mission it is to improve food security at a household level and create a sustainable source of income for smallholder farmers, particularly for rural women and youths, has emphasised the importance and potential of finger millet in the context of nutrition.

Finger millet is known as a women’s crop in Zambia and is mainly grown by women farmers. In the same way as maize, it can be processed into meals and used to prepare Zambia’s favourite food Nshima. However contrary to maize, the nutritional value of finger millet is significantly higher. Apart from improving nutrition for subsistence farmers, finger millet has an additional advantage as it can contribute to women’s economic empowerment. Shais works with women finger millet farmers who grow their own crops and thereby earn their own money. According to Shais, these women farmers were able to take ownership of their income and were more likely to allocate their resources for nutritious food for their families.

Snapshot 3

SHAIS ENTERPRISE LTD



Agro-processing



Lusaka

Who is Shais?

Shais Enterprise Ltd. is a fully locally-owned agro-processing enterprise focused on processing drought-resistant and nutritious crops that can be grown locally. The founder, owner and CEO of Shais is Miriam Chipulu, a female entrepreneur with a background in hospitality.

Shais is specialised in processing finger millet and orange maize to provide and supply healthier grain-based food supplements, with the goal of enhancing the traditional mono-diet of their customer base which consist mainly of consumers from the low-income market segment.

Shais started as a private initiative for Miriam as she was aiming to improve her son’s diet to help him deal with sickle cell anaemia (a NDC that affects red blood cells and is particularly common in Sub-Saharan Africa).

Miriam quickly identified a business opportunity due to the lack of nutritious staple foods in Zambia that are affordable and accessible for the poor population of Zambia. Operating as a micro-business from her own home and selling informally at the beginning, she eventually submitted her samples to the Zambia Bureau of Standards for certification and quickly received positive feedback: her products conformed to hygiene standards and were market-ready.





Mission and nutrition impact

Shais' vision is to improve food security at a household level and create a sustainable source of income for smallholder farmers, particularly rural women and youths. Specifically, Shais aims to combat malnutrition in its various forms:

- Stunted growth in children below the age of five
- Combating obesity in women
- Poor nutrition in the general population both in urban and rural population which causes non-communicable diseases.

Shais works with several development partners on nutrition such as WFP Zambia and Save the Children to support linking SHFs to producers and markets. Shais also supplies the Canada Foodgrains Bank (CFB) with millet flour to distribute amongst families at need.

Work with PEPZ

In 2019, Shais signed a grant agreement with PEPZ to receive funding to scale up production and operationalise the factory by purchasing new machinery, procure new farmers and deliver crucial training to these farmers.

With PEPZ's support, Shais trained 2,000 farmers: 1,500 women in growing finger millet (known as a women's crop) and 500 men in growing Vitamin A-fortified orange maize. They distributed 200 bags of 50 kg millet seeds and 100 bags of 10 kg orange

maize/fortified maize amongst newly-contracted farmers.

Shais also purchased a cleaning, milling and packaging machine which is expected to scale up production from 400 kg per day to 1,000 kg per hour. With the enhanced processing capacity, Shais will be able to buy from more farmers, meet demand and supply new markets.

Achievements of PEPZ grant

Soon after the PEPZ grant project started, Shais was able to establish a processing plant and operate from an industrial setup rather than her home.

When higher production capacity was achieved, the partnership with the CFB was established. Shais is now one of CFB's main suppliers and reaches 4,000 families every month with millet flour as hunger relief food.

The training for farmers was conducted in the Northern Province where a large share of the population relies on fishing in Lake Mweru. Severe droughts however, have led to lake water depletion and livelihoods are at risk.

Through the training on finger millet and Vitamin A-fortified orange maize production, Shais has successfully diversified the skillset and income opportunities for 2,000 farmers (of which 1,500 are women).

2.3 Lessons Learnt and Recommendations

Private sector development programmes should incentivise their partners to reach low-income consumers

All the affordable nutritious products supported through PEPZ fall into the category of Starchy Foods as identified and categorised by the UK Government's Public Health "Eatwell Guide"¹. Whereas nutritious products from the remaining four food groups appear to be marketed and sold mainly to high-end producers, which makes it challenging for low-income Zambians to achieve a healthy diversification of their diets.

The accessibility and affordability of nutritious products remains a major obstacle in the fight against malnutrition; despite efforts to grow and diversify the food sector, there are no real incentives for businesses who produce highly nutritious to tap into markets serving low-income customers. To address this, private sector development programmes should incorporate incentives for such businesses to access these markets, diversify their product range and sell affordable but nutritious foods or explore the potential for nutritious by-products.

Snapshot 4

VYAZALA CROPS LTD



Who is Vyazala?

Vyazala Crops Ltd. is an SME involved in sunflower, vegetables and aquaculture out-grower schemes with farmers in deeply rural locations in the North-Western province. The company is based in Solwezi and was established in 2014 by the Managing Director and owner, Allan Mbale and his father Alison Mbale.

Prior to the PEPZ grant, Vyazala had eight permanent employees and was working with 80 young farmers in the region. In a partnership with Yapasa, a joint UN Programme funded by the Government of Sweden and implemented by the ILO and the FAO, Vyazala was engaged to expand enterprise and employment opportunities for rural youth through aquaculture value chains in rural Kalumbila.

Mission and impact

Vyazala's mission is to grow their business by providing affordable, reliable and high-quality goods and services to clients, increase the skills and resources of the poorest young Zambians and promote economic growth in rural farmlands.

Vyazala's main objective is to fill a gap in the aquaculture value chains by servicing its fish farmers under the out-grower scheme, facilitate

market access and meet the growing demand from surrounding urban communities and mines.

Work with PEPZ

Vyazala was selected through an investment panel as a PEPZ ZBGF grantee and received funding to set-up a fish processing plant in Kalumbila North-Western Province to enable them to process up to two tonnes of fish per day and increase their out-grower scheme to 100 farmers. Through the ZBGF, Vyazala received support to purchase a refrigerated vehicle, build their factory and establish the fish processing plant.

Achievements of PEPZ grant

Through the grant with PEPZ, Vyazala was able to expand their business and invest in the growth and development of the rural youth community by helping young farmers create a whole new source of income generation.

The young fishermen are trained on how to create the ponds, stock, breed and finally crop. Vyazala supplies them with tools that they use to create the pond as well as fingerlings and feed for the breeding process. By the end of the project, Vyazala had contacted more than 130 fish farmers, exceeding their target.

¹ British Nutrition Foundation, 2016. The Eatwell Guide – how to achieve a healthy, balanced diet.

Capacity building on nutritional benefits should be mainstreamed in agricultural market development interventions

Shais incorporated education modules on basic nutrition and nutritional benefits into the crop training they deliver to their farmers as part of the PEPZ grant project. It trained 1,500 women smallholder farmers on the production of millet and orange maize as well as the benefits of each product.

As a result, Shais distributed 200 bags of 50 kg finger millet seeds and 100 bags of 10 kg orange maize to its newly-identified female farmers. Unfortunately, most companies in Zambia do not have the resources to deliver such trainings, so private sector development programmes should allocate resources for community-wide capacity building on nutrition when working with partners from the agricultural sector.



The retail sector should be a key stakeholder in changing consumer behaviour

The retail sector, especially large supermarkets, have a large influence on customer purchasing habits. Promotions, product placement and pricing strategies often control the tastes and preferences of buyers.

Supermarkets can therefore significantly influence what ends up on the family table in a household and could be crucial partners in promoting nutritious foods. They can implement several initiatives in this regard, such as nutrition-themed promotions or the placement of nutritious and healthy snacks in prominent areas of the supermarket. Supermarkets should be key stakeholders engaged in any programme that aims to improve nutrition, especially through linkages to local producers of nutritious foods.

Nutrition should become a priority public health issue

All interviewees agreed that there is not enough discussion around nutrition as a health issue. Neither the public nor the private sector currently allocate the adequate level of attention and budget that the promotion of nutrition deserves.

Knowledge about nutritious products and healthy diets needs to be more publicly accessible. To address this, the public sector should start nationwide campaigns to promote healthy diets and nutrition through various tools and methods including advertising and children's education. Particularly, pre-natal care and nutrition education need to be addressed as a priority issue.

Stronger regulation on food labelling especially on nutritional values is required

Improved and stronger regulations on food labelling are required to avoid the distribution of false information and concealment of unhealthy products. The government should therefore implement stronger regulations on food labelling to support producers that invest in the production of nutritious foods.

A national nutrition certification could increase the competitiveness of businesses working in the nutrition space and create more transparency in the food sector, thus ensuring that consumers can make better-informed purchasing decisions when aiming to improve their health and nutrition.

Private sector should endeavour to incentivise production of nutritional value crops by SHFs.

Co-funded through the PEPZ grant, Seba Foods recently ran their first radio advertising in Luapula, Muchinga and Northern province. Through these adverts, Seba was able to quickly recruit new farmers to participate in their soy out-growers schemes in each province. In comparison to previous years where only minimal resources were allocated to advertising, Seba confirmed that the response and interest from farmers was significantly higher, and facilitated a smoother procurement of farmers. Increasing private sector investment in on-the-ground marketing and input supply for crops with high nutritional value could attract more smallholder farmers to grow more nutritious crops and diversify crop production in Zambia.

Snapshot 5

SEBA FOODS

 **Agro-processing**  **Lusaka**

Who is Seba Foods?

Seba Foods is a food producer of extruded corn and soya-based products and is well known for its Golden Goodness brand of Tasty Soya Pieces and Seba's Instant Thobwa.

It has over 20 years of experience in Africa and aims to be the market leader of high quality nutritious foods at affordable prices. When Seba started 22 years ago, soy was not produced and consumed as a protein supplement/substitute in Zambia. Seba therefore decided to create an affordable and tasty product to bring a more nutritious protein to the market. Its focus over the last two years has been improving storage facilities; they have set up silos of 16,000 sqm in Lusaka.

Seba is specialised in the production of:

- High-protein soy-based meat substitutes
- HEPS (High Energy Protein Supplement): a super cereal which is fortified with vitamins and minerals. It is primarily consumed to prevent or address nutritional deficiencies and conforms to WFP guidelines and requirements.
- Thobwa (instant drink made of soy, corn, sugar, salt)
- Corn snacks

Seba has 148 full-time staff and 250 part-time staff and is working with 1,200 SHF during the 2019/2020 agriculture season.

Mission and nutrition impact

To improve nutrition, support local agricultural produce, and boost farmers' incomes, through enhancing the Pro-Vitamin A (pVA) maize value chain and soya value chain, whilst continuously making protein rich foods and beverages from soybean and making this available in the most rural parts of Zambia. Seba also works NGOs such as Mary's Meals, World Vision and Children International who supply mineral and vitamin-fortified meals to schools.



Work with PEPZ

In 2018, Seba Foods approached PEPZ to support the expansion of the business into the Northern Province and build a factory and production site similar to that in Lusaka. PEPZ contracted business advisors/technical experts, to conduct a feasibility study which showed that the expansion idea was financially not feasible.

The recommendation was made instead to establish a warehouse in Kasamwa. Subsequently, PEPZ signed a grant agreement with Seba Foods in 2019 to support the construction of the warehouse in Kasamwa, upgrade machinery in Lusaka, train 100 farmers, develop and air radio adverts and contract 10,000 new farmers for maize supply.

Achievements of PEPZ grant

Seba Foods has successfully created new markets and provided jobs for over 1,000 families. For the 2019/2020 farming season, 1,364 farmers were contracted to grow and supply Vitamin A-fortified orange maize. As part of their supply chain, Seba Foods established relationships with 54 rural shops in the Northern Circuit.

Seba foods is also supplying nutritious and affordable foods to hundreds of small stalls in the Northern Circuit. For the 2019 marketing season and in preparation for the 2020 marketing season, Seba foods constructed a warehouse in Kasama, which will also serve as an aggregation centre.



Business development services and capacity building interventions should focus on SMEs in the nutrition space

More than 60 percent of foods in Zambia are produced by SMEs which face serious challenges when formalising their businesses and commercialising their products. Besides market demand, interviewees stated that the main challenges for all SMEs in Zambia are food safety certifications, formulation of recipes, consistency in quality and labelling as well as marketing.

Although PEPZ does not have a nutrition focus and has therefore not prioritised businesses working in the nutrition space when addressing these challenges for SMEs, there is opportunity for future private sector development programmes to focus their business development and capacity building initiatives on working with partners whose products have high nutritional values.

Future programmes can do this by providing technical assistance through nutrition and sector experts and engaging with large supermarkets and off-takers, which in turn will lead to increasing the competitiveness of these businesses, creating new markets, and improving the availability of nutritional products.

Promote women's economic empowerment in order to fight malnutrition

Gender inequality is both a cause and effect of malnutrition and hunger. Hence, when a woman has decision-making power over her own resources, the entire family's nutrition and health is more likely to improve.

Promoting women in agriculture and providing women farmers the same access to productive resources as men could support women's economic empowerment, thereby improving the nutrition of whole communities.

Especially within crop production, low-hanging fruit such as finger millet could help to diversify the sector, increase women's autonomy and decision-making power and sustainably improve diet.

Include nutritional value as critical criterium for value chain selection

The selection of value chains for agriculture and PSD programmes is usually purely based on economic development factors such as their growth and job creation potential. Potential benefits on social and human development aspects usually do not factor in the decision.

By including nutritional value as a critical selection criterium of value chains, private sector development programmes could increase their impact on nutrition. For instance, the fisheries sector in Zambia has a high potential to improve nutrition levels.

However, it is still underexploited with local fish production accounting for only about 65 percent of the total demand with most of it generated through wild capture instead of aquaculture. By working with value chains of nutritious products, private sector development programmes could significantly improve access and availability of nutritious food whilst creating employment opportunities.

“Nutrition is about partnerships!”

- *Monica Mosunda, Java Foods CEO and business owner*

Promote partnerships between the private sector and education, public health and other public sectors

Concrete partnerships between private sector companies and institutions from other sectors such as education and health could have a significant impact on malnutrition. In Zambia, large private sector companies such as mines or manufacturing companies are required to provide lunch to their workers.

These companies should establish partnerships with suppliers of nutritious foods to improve the nutrition of their workers and could extend these partnerships to schools within the communities of their employees as part of their CSR plans.

Through business networks such as the SUN movement, companies from the food and agriculture sector should continue to engage with partners from government, civil society, United Nations agencies and donors to promote nutrition and raise private sector challenges.

In comparison to other land-locked countries in the region, Zambia has an abundance of water and fertile land, as well as a historically favourable climate for agricultural production.

Ground water and surface water resources in Zambia account for about 40 percent of the total water resources of the SADC region offering real opportunities for agricultural production.

Though rich in natural resources and low population density, Zambia's agriculture sector has not yet reached its full potential.

Almost 60 percent of Zambia's total land area is considered medium or high-quality agricultural land but only 15 percent of this land is utilised.



Snapshot 6

JAVA FOODS



Who is Java Foods?

Java Foods is a food producer that offers high-quality, affordable foods developed from local produce. The company was established in 2012 and currently employs 25 full-time and 15 part-time employees.

Its products include Zambia's top-selling eeZee instant noodles which can be purchased from most retailers across Zambia as well as in informal markets. The recipe for eeZee noodles includes essential nutrients such as Vitamin A, Vitamin B6 and B12, protein and calcium. Java is seeking to further fortify the product with valuable micronutrients to respond to consumers' desire for high-quality, nutritious and affordable food. Java's other main product is the family-friendly eeZee Supa Cereal, an affordable highly-nutritious cereal made from locally-sourced corn and soy and fortified with 13 vitamins and 3 minerals.

Mission and impact

Java's mission is to become a leading food manufacturer in Southern Africa and to deliver affordable nutrition, increase local production using local products, develop innovative products and enhance the value of shareholder investments while ensuring the fulfilment of their employees, customers, suppliers and community.

Java's CEO was appointed by the UN Secretary General to be a member of the Lead Group of the Scaling Up Nutrition Movement Foods. She founded the Scaling Up Nutrition (SUN) Business Network



Food-processing



Lusaka

in Zambia which intends to mobilise and intensify efforts of the private sector in supporting the global SUN Network.

As part of its community efforts, Java supports small shops and businesses in low income communities in order to help generating income for and increasing the sustainability of whole communities. Support is offered through minimised order sizes, marketing and shop branding support and regular presence of Java's employees in and around their businesses. Further to that, Java has launched a job scheme for youth through which groups of young adults are recruited as roaming sales agents. These agents sell eeZee instant noodles and eeZee supa cereal in marketplaces and households in their community and thereby learn valuable business skills such as marketing, sales, negotiation and soft skills.

Work with PEPZ

Java has worked with PEPZ through two grant agreements. The first grant agreement was signed in 2015 under the Business Linkages Programme. Through the BLP, Java received support in developing their financial management and management information systems. As part of the grant agreement, Java hired new full-time sales, marketing and accounting staff to strengthen its business operations.

The second grant with PEPZ was signed in 2018 when Java requested support in preparation for final investment negotiations with the investor. Through a cost-sharing arrangement, a business advisor was contracted to support the finalisation consolidation of term sheets as well as other relevant documentation and to support final investment negotiations.

Achievements of PEPZ grant

Through the first grant with PEPZ, Java significantly improved its business operations. It has been able to strengthen business relationships with its largest off-taker Shoprite by increasing sales volumes. It also successfully established the eeZee brand as Zambia's only local and leading instant noodle brand. With support from PEPZ and the business advisor contracted through the second grant, Java Foods was able to close a large investment deal in 2018.