



Food and Agriculture
Organization of the
United Nations

Boosting the capacities of small-scale producers and small and medium-sized enterprises for the nutrition of the most vulnerable



FAO's vision for nutrition is a world where all people are eating healthy diets from efficient, inclusive, resilient and sustainable agrifood systems. Multiple actors need to be mobilized to enable this transformation, and small-scale producers and small and medium-sized enterprises (SMEs) are particularly important, as they form the backbone of food systems in most countries.¹ However, they face critical finance, policy and capacity development challenges in making their businesses more nutrition-sensitive.

In response to these challenges, FAO is working towards leveraging the potential of local small-scale producers and SMEs as a key to reducing hunger and malnutrition, and improving livelihoods among the poorest and most vulnerable. In 2021, the Organization launched the project, **“Protecting the diets of the most vulnerable people as part of COVID-19 response and recovery programme”** (GCP/GLO/489/IRE), with funding from Ireland's Department of Agriculture, Food and the Marine.

The countries targeted by the project, Kenya and Malawi, are among those struggling with persistent poverty, income disparities between rural and urban areas, and food insecurity and malnutrition – all of which are further exacerbated by the current food crises.

¹ The criteria for defining SMEs vary by country and sector, with different upper and lower limits. To facilitate comparable data, the term is used here in a generic sense, and includes producer organizations with business purposes, as well as microenterprises.



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Project: GCP/GLO/489/IRE

Donor: Government of Ireland

Duration: April 2021–April 2024

Budget: USD 713 992

Target: Kenya, Malawi, Global

Outputs:

- › Enhanced capacities for small-scale producers and SMEs to provide market access to affordable, adequate, diversified and nutritious local foods.
- › Evidence-based practices documented to attract private sector investment, inform policy dialogue, and influence national and global policy processes.

SDGs: 1 and 2



Matching supply and demand for nutritious food

The goal of the project is to strengthen the matching between the supply and demand of safe, nutritious and locally produced food by enhancing the capacities of small-scale producers and SMEs. The project also aims to increase access to food for consumers whose nutritional requirements put them at high risk of malnutrition – such as women of reproductive age, and children. The different components of the project are presented in Figure 1.

Activities

Assessing food demand by mapping territorial markets

A mapping of territorial markets was conducted in Kenya and Malawi to identify retailer and consumer characteristics, along with consumer constraints with regard to the purchase of nutritious local foods.² In Kenya for instance, mothers with children under 2 years of age are constrained by the lack of minimally processed products that are easy or quick to prepare, and suitable for young children. This need for more suitable products – coupled with consumer perceptions of product safety – opens up significant possibilities for improved

food processing, thus offering business opportunities for local processors and increasing product desirability and availability for consumers. Based on the mapping of territorial markets, district-level decision-makers in both countries were able to agree on where in the value chains to best focus for investment opportunities and capacity development programmes for SMEs.

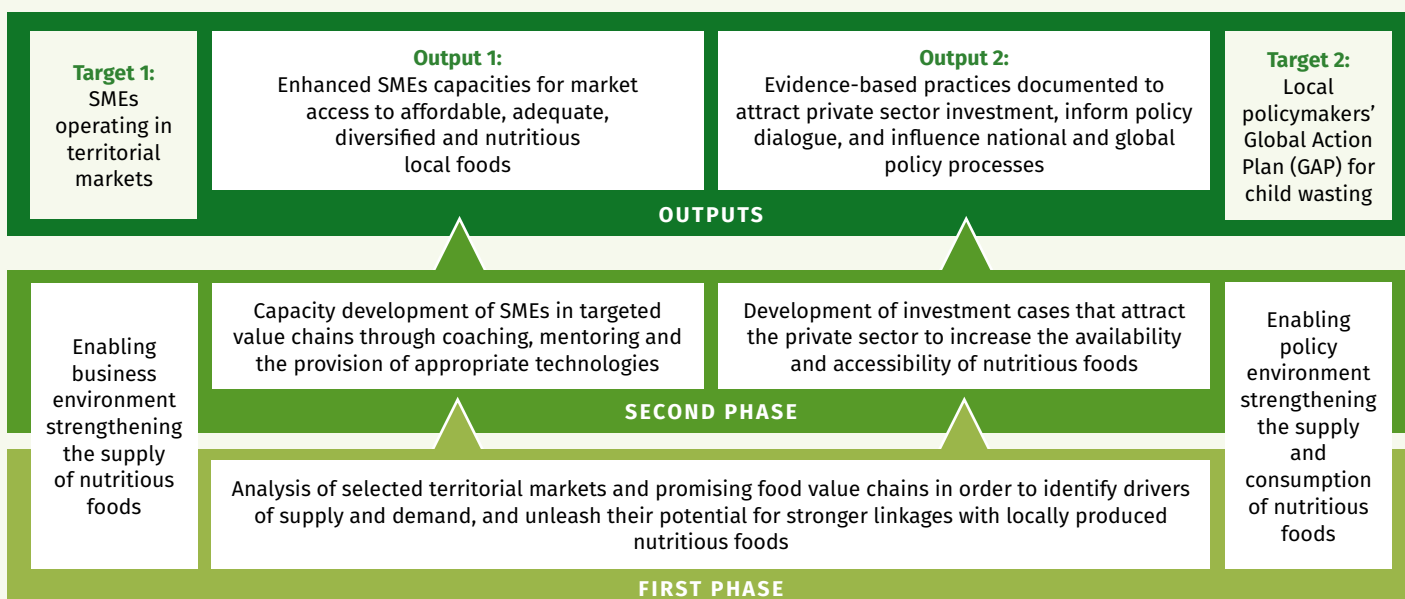
The mapping of territorial markets in the two countries showed that food purchasing was also strongly impacted by restrictions related to COVID-19, for example, due to the limited availability of casual workers, reduced income for businesses operating in open markets, reduced demand for fresh foods, and higher transport costs. Capacity development efforts that aim at leveraging the potential of local SMEs are therefore particularly important at this time.

Assessing food supply through groundnut value chain analysis

In Kenya’s Turkana County, the groundnut value chain was identified as key to addressing low rates of protein and micronutrient consumption in the area. Value chain analysis was conducted in order to determine constraints and opportunities for small-scale producers and SMEs to successfully produce, process and retail groundnut products. Solutions to the identified constraints include enhancing access to quality seed, improving food safety and minimizing the risk of contamination by aflatoxin, as well as adding value by processing groundnuts into flour and paste, and improving market infrastructure and access to appropriate equipment in aggregation and processing sites.

² The mapping of territorial markets in Malawi and its related report ([Mapping territorial markets in Malawi: Summary report](#)), were developed and funded under FAO’s regular budget.

Figure 1. Project approach for increasing the supply and demand of nutritious and sustainably produced local foods as part of COVID- 19 response and recovery programmes.



Source: Authors’ own elaboration.

Developing capacities for small-scale producers and SMEs

As a first step in developing the capacities of small-scale producers and SMEs in key value chains for nutrition, the project identified a number of SMEs to profile and assess their learning needs. This profiling and assessment aimed to identify their business models and practices, as well as specific gaps to address in order to help them improve the supply of nutritious foods.

A total of 167 SMEs were profiled in the two countries, across a variety of value chains. In Kenya these included nuts/groundnuts, meat/fish, pulses and legumes, green leafy vegetables, and grains, roots and tubers. And in Malawi they included fish, pulses, and fruits and vegetables.

In addition, 131 retailers were profiled across three territorial markets in Kenya, and 423 retailers were profiled across six territorial markets in Malawi.

Based on the profiling and learning needs assessments, the project developed a coaching and mentoring programme to the selected SMEs.

Developing investment cases to enable access to safe and nutritious food

The development of the following investment cases to complement capacity development efforts aims to document good practices in support of agrifood SMEs that attract private sector investment and promote policy dialogue to increase availability and access to nutritious food for the most vulnerable.

The development of the following investment cases aims to complement and integrate capacity development efforts for agrifood SMEs, in particular by attracting and encouraging private sector investments that can contribute to more inclusive, resilient and sustainable food systems, as well as increased availability and access to nutritious foods for the most vulnerable.

- › **Malawi:** Using solar tent dryers to improve fish processing techniques, thereby maximizing nutritional gains and reducing food safety hazards. By enhancing the quality and safety of dried fish, these dryers provide significant nutritional benefits. By reducing food loss, they also increase product availability.
- › **Kenya:** Promoting healthy diets and food security by investing to increase livestock sector productivity and milk product availability for both sale and own consumption. Such interventions increase the availability and consumption of milk and other animal-source foods, thereby improving health and nutrition – particularly among women and children.
- › **Kenya:** Maximizing nutritional gains in the groundnut value chain (under development).



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Voices from the field

Bahati Musaba is the owner of the Umoja Group, a company that produces and distributes dried vegetables, fruits and herbs on the outskirts of Kakuma, a town in Turkana County, Kenya. Musaba created the company in 2019, using the knowledge and techniques she learned in her native Congo. Today, she is an example of a successful woman entrepreneur, running a business that employs others and contributes to improved nutrition among the most vulnerable in her community.

“I am a social worker and a mother to four of my own children and two orphans. I decided to create this project upon my arrival from Congo. At the moment I have 12 people working with me, of different nationalities such as Burundian, Congolese and Sudanese.”

The Umoja Group uses the premises surrounding Musaba’s small house to dry mangoes, okra and cowpea leaves. They find the best quality vegetables that are available in the area, and use a very rudimentary process to dry them. For instance, okra is washed, dried for around two days, and finally crushed into a powder that serves as a base for a local gravy. Musaba can then sell it to traders for resale, or directly to consumers.

In 2022, Musaba participated in the mentoring and coaching programme organized by FAO. The programme included a joint planning component to ensure the mentorship process was tailored to the needs of each SME. For example, the Umoja Group required assistance in training on fruit drying and juice extraction, distribution and marketing. Follow-up sessions – both in-person and online – have also been planned to systematically provide advice, coaching and training, as well as support for any emerging or ongoing challenges. In Musaba’s case for instance, this may involve more equipment to help improve on the simple drying process: *“Here it’s windy, and sometimes the vegetables get covered with sand. We need to have new facilities to reduce our losses.”*

Way forward

Project implementation has resulted in considerable analysis and evidence on existing barriers to the supply and consumption of nutritious food, as well as capacity development approaches and tools that may be useful in tackling such barriers.

In order to make the best use of this information, key results of the analyses, investment cases, training materials and tools developed by the project are being organized and adapted for efficient use and sharing through existing networks at the global level (e.g. the Agriculture-Nutrition or Ag2Nut Community of Practice, the Secure Nutrition Platform and the SUN Business Network), as well as at regional and country levels (e.g. the SUN Business Network country networks, private sector networks and networks of academic institutions).

FAO aims to capitalize on the current capacity development experience for SMEs, to pave the way for similar processes in other countries and to inform capacity development processes in the global context.

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Acknowledgements

Content developed by Annalisa De Vitis, Manuel Anta, Pilar Santacoloma, Elvira Uccello, Florence Tartanac, Marcello Vicovaro, and Patrizia Fracassi (Food and Nutrition Division, FAO).

