



# 2SCALE

## Partnerships for Profit

Toward Sustainable Clusters in Agribusiness through Learning in Entrepreneurship

2SCALE consortium:



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# AACE FOODS

**AACE Foods** processes spices, vegetables and staples for the Nigerian market. This partnership began with a handful of demonstration plots of new seed varieties and expanded rapidly. Today, AACE buys peppers, ginger, maize and soybeans from farmers in seven states; and helps to test and roll out new technologies such as high-performance seeds, low-cost solar driers and labor-saving processing methods.

**TARGET:** *by December 2017, supply chain expands to 43,000 farmers (12,700 women), supported by 85 agribusinesses; 21,000 vegetable farmers, 15,000 soybean, 7,000 maize.*

2SCALE clusters that work with AACE have grown with the company. For example, the 1500-member Jaba cooperative (formed under a previous Netherlands-funded project and expanded under 2SCALE) has increased ginger production six-fold in five years. Farmers in the Madakiya cluster have tripled their soybean yields by upgrading to newer technologies.

The partnership is also helping small-scale farmers obtain bank loans without collateral,

through tripartite contract financing. LAPO Microfinance Bank lent 10 million Naira (\$60,000) to a chili producers' group, on the strength of a contract with AACE. Repayment terms were tailored to match the harvest cycle. The scheme is being replicated with other chili clusters.

New pilot programs, launched in 2015, are developing marketing strategies for two products – seasoning and fortified flour – for low-income families. For fortified flour (maize-soybean blend), retail price has been halved, the product rebranded and new flavors added. For seasoning, single-serving packaging has been developed. Students in the Netherlands, through a competition hosted by 2SCALE, have created new packaging designs for both products.

The AACE partnership was the subject of a special session at the Africa Works conference held in Leiden in October 2014. It was voted one of the top three sessions at the conference.

[www.2scale.org](http://www.2scale.org)

