



2SCALE

Partnerships for Profit

Toward Sustainable Clusters in Agribusiness through Learning in Entrepreneurship

2SCALE consortium:



Supported by:



GUTS AGRO

GUTS Agro Industry is an ISO 22000 company producing a range of processed foods from cereals to table salt and baby food. In July 2015 it launched Supermom's, Ethiopia's first locally produced high-protein corn-soya blend, made from maize and soybeans supplied by 2SCALE farmer groups.

TARGET: *by December 2017, supply chain expands to 20,000 smallholder farmers; cumulative purchases of maize and soybeans (2015-2017) reach 9,000 tons.*

Supermom's is the result of a unique partnership. Dutch industry experts (through the PUM program) helped design production processes and train GUTS technicians. 2SCALE teams assisted with design and branding. GUTS invested heavily in new equipment and out-of-the-box marketing; the product is sold door to door by women micro-entrepreneurs.

Supermom's is targeted at young children and expectant and nursing mothers, especially in low-income households. A 200-gram pack costs 10 birr (about 50 US cents). It's being rolled out

initially in three cities (Hawassa, Adama and Dire Dawa) and will reach nine cities by mid-2016.

GUTS has contracted to purchase more than \$ 1 million worth of maize and soya from 2SCALE farmers. Demand is growing rapidly, and this partnership is helping to ensure that supply can keep pace. Training programs have helped increase crop yields and reduce post-harvest losses. Farmers are testing three new soybean varieties and yield-enhancing Rhizobium inoculants. Moisture meters and row planters are being introduced next season, to reduce production costs and improve quality.

Future plans include soya cooking oil and cattle feed from soya cake. Feasibility studies have been completed. GUTS is investing in feed processing, and exploring finance options for working capital and capacity expansion. The partnership is extending into new areas such as forward delivery agreements between farmer cooperatives and GUTS, and development of new food products in collaboration with Awassa University.

