



Ministry of Foreign Affairs of the Netherlands



REACH FOR RESULTS

Potato Processor Builds Capacity to Compete with International Brands

Psalms Food Industries Limited (PFIL) has expanded its factory space to install improved processing equipment and machines that has resulted in increased output of potato crisps from 600 kgs to 1,000 kgs per day in partnership with the International Fertilizer Development Center (IFDC) in IFDC's Resilient and Efficient Agribusiness Chains in Uganda (REACH-Uganda) project.

THE CHALLENGE

Until 2018, PFIL was processing 5.2 metric tons of potato crisps per month, using manually operated, second-hand equipment and machinery without proper process flow and quality control systems. They were sourcing only the locally available potato varieties of Kinigi and Rwangume through agents. The factory was located in a converted residential house with a separate house for storage, which meant limited space for any additional processing machinery. Thus, production was slow and labor intensive, and it was difficult to meet the large market demand.

STRATEGIC POSITIONING

As part of PFIL's strategic positioning for its brands to create market demand whilst competing with the international and other local brands, it has improved its quality control mechanisms, built more capacity, and expanded its factory space to approximately 213 square meters.

The REACH-Uganda project, under the funding of the Embassy of the Kingdom of the Netherlands in Uganda, embarked on tactical support to improve the branding and packaging of the potato crisps with the aim of increasing shelf life, visibility, and sales of PFIL crisps on the market.



The newly acquired potato crisp fryer machine at Psalms Food Industries Ltd in Nansana Kampala.



Psalms' new crisps packaging has boosted sales and improved product shelf life.



BEFORE: Potato crisps were packaged by hand prior to Psalms' investment in new machinery.



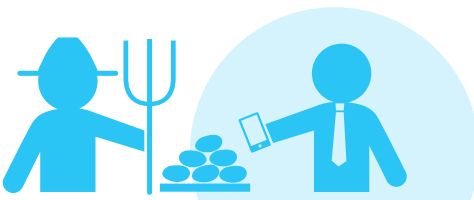
AFTER: The new equipment has increased production speed and can package 120 units every 5 minutes.

IMPROVED PRODUCTION CAPACITY

PFIL purchased a semi-automatic line that has increased the production speed from 75 kgs to 125 kgs per hour, and a new packing machine that packages up to 120 packets of crisps under five minutes. PFIL has increased its production capacity to 22mt metric tons of potato crisps each month registering 66% increment. This was achieved through a co-investment of 525,828 USD, with PFIL contributing 435,112 USD and REACH-Uganda 90,671 USD.

Dennis Ngabirano, the Chief Executive Officer of Psalms Food Industries spoke about the company's future plans, "Not only have we been able to increase our production capacity by 25%, the quality of product has also improved in terms of reduced 'oil-pick' and crispness. We have also hired more staff to match the increased capacity."

IMPROVED BUSINESS GROWTH



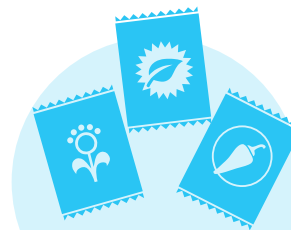
Linkages to Potato Farmers

The REACH-Uganda project established linkages between PFIL and project-affiliated potato farmers to supply varieties suitable for processing, thereby improving the sourcing capacity of PFIL to meet the anticipated increase in demand.



Employment

As a result of IFDC's intervention, the total number of employees increased from 75 to 109.



New Product Lines

PFIL has added five new flavors of crisps to its product range.



Meeting Market Demand

PFIL is now supplying more than 1,500 retailers in Uganda and exporting to Kenya.

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