USAID
FROM THE AMERICAN PEOPLE

EAST AFRICA TRADE + INVESTMENT HUB

USAID EAST AFRICA TRADE AND INVESTMENT HUB

AGOA Market Specialty Food Enterprises Mapping Report- Kenya, Madagascar and Mauritius

JUNE 1, 2016

This publication was produced for review by the United States Agency for International Development. It was prepared by DAI, Development Alternatives Incorporated.

USAID EAST AFRICA TRADE AND INVESTMENT HUB

REPORT TITLE

1-Jun-16

Award No: AID-623-C-14-00006

Prepared for
United States Agency for International Development/Kenya
C/O American Embassy
United Nations Avenue, Gigiri
P.O. Box 629, Village Market 00621
Nairobi, Kenya

Prepared by
Development Alternatives Incorporated, DAI
7600 Wisconsin Avenue, Suite 200
Bethesda, MD 20814

Chapter 1: Introduction

USA-AFRICA Trade Relations

The United States' policy toward Africa is focused on the potential benefit from increased trade and commercial ties between the two. Interest in increasing bilateral commerce began after the end of the Apartheid-era in South Africa in the early 1990s. In 1993, Congress approved the end of anti-Apartheid restrictions and later that year then-Commerce Secretary Ron Brown led a business delegation to South Africa. In subsequent years, the Administration has also instituted several measures to help. Based on this new relationship with Sub-Saharan Africa, the United States created specific trade policies which directly integrate African entrepreneurs into U.S markets. The USA Government enhanced this relationship through the enactment of the African Growth and Opportunity Act (AGOA). The (AGOA is a United States Trade Act, signed by President Clinton on May 18, 2000 as Public Law 106 of the 200th Congress. It has since been renewed to 2025 by President Obama. This act allows for a variety of African products to be imported into the United States mostly duty free. AGOA provides specialized access to the United States for qualifying products coming from Sub-Saharan African (SSA) countries. Qualification for AGOA is based on a set of conditions contained in the AGOA legislation. In order to qualify and remain eligible for AGOA, each country must be working to improve its rule of law, human rights, and respect for basic labor standards. The United States determines, annually, whether countries have met the published eligibility requirements. Beneficiary status may therefore be granted, or withdrawn, at the discretion of the United States President.

AGOA currently works with 37 eligible African countries to export products into the United States. The success of this Act has been the promotion of economic development and the integration of African economies into the world trading system. AGOA provides a framework for governments, the private sector and civil society to work together to build trade capacity and expand business links between the United States and Africa. Increasing trade capacity involves technical assistance related to world trade rules, customs reform and modernization, development of industry standards and regulations, intellectual property rights (IPR) enforcement and infrastructure modernization. In 2010, eligible countries exported $61 billion in products to the United States, of which 98.5% of non-oil products entered the U.S. market duty-free. Although petroleum products accounted for 91% of AGOA imports to the United States, the program has helped promote other, value-added exports such as apparel, footwear, processed agricultural products, specialty foods and manufactured goods.

From 2006 through 2010, the African Global Competitiveness Initiative facilitated over $178 million in AGOA exports, provided export capacity building assistance to more than 234,000 firms, and trained nearly 660,000 Africans in trade capacity building. In addition, the initiative's infrastructure programs leveraged over $2 billion in investment for infrastructure and enabled 650,000 Africans to access Internet services. One of the current special areas of interest in AGOA development is the focus and support of African women entrepreneurs, who have historically faced cultural and gender-based barriers as they attempt to enter these international trade markets. AGOA hopes to provide spaces for African women to participate in all levels and aspects of the commodity production and export into U.S. markets.

One market which has been of particular focus is that of specialty products unique to AGOA export eligible countries. The higher the value of these products, the better the ability to absorb higher freight and handling costs. Thus there are numerous benefits of exporting specialty

products, unique to the region, into the United States' market. There is a growing niche of specialty food needs in various communities in the United States where the desire to eat "home-country" delicacies are on the rise. Many of these products cannot be sourced elsewhere, outside of AGOA export eligible countries. With the high efficient manufacturing facilities and availability of quality raw materials in the region which allows for low cost production, many of these companies are able to compete with countries closer in proximity to the U.S. such as Mexico. Thus to support Sub-Saharan African countries to realize the potential of this and other value chains the US Government established the East, Southern and West Africa trade Hubs

The East Africa Trade and Investment Hub (the Hub) goal is to spur inclusive economic growth by promoting an enabling environment for trade and investment while increasing East African trade and investment, particularly to and from the United States. It builds upon prior investments to increase regional trade competitiveness and reduce poverty. The hub has identified prioritized key value chains for trade policy and business support in consultation with government entities, civil society and the private sector, in order to take advantage of opportunities offered by AGOA. The focus value chains are; footwear, textile and apparel, cut flowers, home décor and fashions accessories, Coffee, and Specialty foods

However the specialty foods sector requires a different approach; one which recognizes the complexity of the U.S. market in this particular industry (starting with the multi-layered logistics chain), and the simple fact that getting exported food products onto the shelves of U.S. supermarkets has become an even more difficult and slow process. The FDA now requires all products imported into the U.S. to adhere to strict processing guidelines as now found in the U.S. This means that when appropriate, the AGOA export eligible companies must comply with the same level of USA public health protection required from USA based food processing enterprise. The regulations are in place to ensure that e supplier's food is not adulterated and is not

misbranded with respect to allergen labeling. Furthermore, all processors are required to implement a Hazard Analyses and Critical Control Points (HACCP) throughout their facility. Although somewhat standard in many U.S. facilities, these requirements will certainly be a challenge for smaller food processors in AGOA export eligible countries.

. Consequently there is a need for emphasis on food safety in value-added food processing for both international and domestic markets (formal and informal), and a focus on walking existing Small to Medium sized Enterprises (SMEs) through the process of product, market and business development. This involves mapping the range of companies operating in the region and then selecting a core group of SMEs to support with certifications, registrations, brand development and markets. On the supply side, co-operatives and private sector associations will need support to strengthen their associations, also assistance with Good Agricultural Practices (GAP), and development of linkages to fresh market producers and processing companies in order to remain competitive and assure supply of raw material for processing.

The result is not only development of export markets for value-added food companies, but also sustainable companies with sound sourcing policies. An opportunity exists to leverage the work done by other agencies in this area that are bridging the gap between suppliers and exporters and help to build export markets that benefit the full agriculture value chain.

That is why the objective of the first phase of the assignment was to carry out a firm level technical survey to assess the export readiness of enterprises in the specialty food sub-sector. The goal was to identify potential enterprises for consideration to participate in the Hub's specialty foods export expansion and promotion program. The initial mapping exercise was done in Kenya, Madagascar and Mauritius. The second enterprise mapping will cover Ethiopia, Tanzania and Uganda.

Chapter Two: Specialty Products

Introduction

Specialty foods are defined as foods or beverages of the highest grade, style, and/or quality in their respective categories. Their specialty nature comes from a combination of some or all of the following qualities: uniqueness, origin, processing method, design, limited supply, unusual application or use, extraordinary packaging, or channel of distribution/sale. Approximately 60% of the U.S. population spends over $80 billion in Specialty products. A specialty product has usually any of the four following elements:

- It is expensive to produce;
- It has a perceived value by the community who desires the product;
- Value is added to the product;
- Ethnic food.

Costly to Produce:

These are products that typically require intense inputs to produce whether it maybe energy, labor or a combination are usually considered Specialty products due to their limited supply and higher price. An example of a costly product is the Vanilla Bean from Madagascar. The various steps required from converting green pods into gourmet beans is complex and takes 6-8 months of intensive manual labor to bring the product to market. Although Madagascar produces over 75% of the world's production, total tonnage is under 1,000mt per year resulting in a very limited production.

Perceived Value:

Perceived value is taking a commodity product and converting it, through ideas and imagination, into a highly sought after product. The famous pet rock of the 1970s is certainly an excellent example of how one can take a worthless river rock and (by adding an amazing story with

imaginative packaging material) convert this stone into a sought after "must have" pet. The Baobab fruit powder is an interesting example of how a simple fruit frequently found on the ground rotting is converted into a "Super Food" by drying it into powder and highlighting its amazing attributes such as Antioxidants, Vitamin C etc. Today, one can find this product selling on Amazon for over $20 per pound.

Value Added Inputs:

Taking a relatively low-value product and combining it with special packaging or flavoring can easily increase the value and move the product over to the Specialty category. Macadamia and Cashews from Kenya are an example of this idea. By packing the product in stand-up bags (gusset bottoms) and zip locks, the product is displayed as an elegant product. This value can be increased even further by simply adding special honey coating or smoke flavor. Another example are the single flower honeys (also known as varietal, monofloral or unifloral honey) which differ from multifocal or wildflower honeys by the predominance of nectar collected from a single type of plant. In practice, this can be difficult to achieve and it certainly demands a higher price in the market place.

Ethnic Food

Ethnic Foods comprises of a growing niche market in the United States. For example, there was exponential growth in the U.S. Hispanic Supermarket after 1992 when specialty foods were introduced into these spaces. For the first time, Hispanic consumers could find familiar products on their local grocery shelves from their home-countries and were willing to pay higher prices in order to have these ingredients for their consumption. This became a niche market where the supply and demand is consistent for specialty foods and this community has the buying power to sustain the supply. Immigration from Africa surged since the 1970 with the total of foreign-born

Africans to the U.S. in the thousands. In 1970, there were approximately 80,000 African born residents which has expanded to over 2 million today. With the increase of these populations and the rich cultural practices they share with their African roots, it is logical that the need for more specialty foods sourced directly from their home-countries is needed. This has also been necessitated by the strict international laws on goods brought into the United States in suitcases, thus many African immigrants will appreciate the ready supply of specialty foods in their local USA markets as a way to sustain their connections with home.

Food has direct connection to cultural articulation; dietary practices from shopping to eating can be among the most profound bonds to a country, family and home. According to Craig Hadley and Daniel Sellen, "The foods that people eat are critical in defining them and are an integral part of shaping ethnic identity so that maintenance of food related cultural practices in situations of forced relocation beyond the homeland may play an important psychological role in continually re-confirming ties to one's culture and traditions."

Improving access to culturally appropriate healthy food begins by working through the community's already substantial assets. A number of African stores are already in business throughout the United States, and new ones are opening on a regular basis. African-owned businesses provide many functions to the community. These stores operate as social centers, cultural consultants, language translators, and centers of "safe" and comfortable food and products. For single parents and for newly arrived immigrants especially, these cultural businesses can be a lifeline of support.

Chapter Three: The U.S. Specialty Food Market

Statistics and facts on the specialty food market in the U.S

Specialty foods offer customers an additional value, which may be based on characteristics such as ethnic or cultural origin, extraordinary ingredient usage or innovative packaging. These products often command a premium price.

Most consumers purchased their specialty foods in mainstream stores, followed by specialty food stores and natural food stores in 2014. Based on data tracked by advocates for the Natural and Specialty Products Industry (SPINS), Market Intelligence (Mintel), and Information Resources, Inc. (IRI), cheese and cheese alternatives had the highest sales in 2014 within the category. The most recent consumer survey revealed that less people bought foods with an added value in 2015. The majority of shoppers reported that their purchase decision of specialty foods is highly influenced by their likeliness of trying new things.

According to research compiled by Denise Purcell for the *Specialty Food Magazine* in 2015, Specialty food saw a record year in 2014. For the first time ever, total U.S. sales of specialty food topped $100 billion, with an increase of nearly 22% over 2012 to $109 billion, according to this year's, "State of the Specialty Food Industry" report, produced by the Specialty Food Association and Mintel. Retail sales in multi-unit outlets, specialty food stores, and natural grocers hit $85.5 billion. The market's growth has slowed slightly; however, it has come back with a force after the recession. Foodservice sales account for 22% of all specialty food dollars, or $24.1 billion. Sales of specialty foods have grown 30.7% in the foodservice channel between 2012 and 2014, versus 19.5% in retail channels.

SPECIALTY FOOD

SALES BY RETAIL CHANNEL

	2014 $ Million	% Share	Change 2012–2014
Mainstream Stores*	41,989	82.0	18.6
Specialty Food Stores	5,546	10.8	18.5
Natural Food Stores	3,697	7.2	27.7
Total	**51,232**	**100.0**	**19.2**

* MULO or Multi Outlet, representative of following channels: Total U.S. grocery, mass, total U.S. drug, total Walmart, dollar, military, and club. Does not include private-label sales, random weight (PLU) items, or sales through Trader Joe's or Whole Foods Market.
Source: Mintel/SPINS/IRI

The majority (51 out of 58) of specialty food and beverage segments grew from 2012 to 2014, with many achieving double-digit sales growth. The specialty food market overall grew 19.2%. The specialty food market now has 15 segments worth more than $1 billion, led by cheese and cheese alternatives; coffee, coffee substitutes, and cocoa; and frozen and refrigerated meat, poultry, and seafood.

More highlights:

- 48% of manufacturers reported growth of 20% or more in 2014;
- Manufacturers, importers, and brokers all say non-GMO will be the top natural/ethical product claim in three years;
- Distributors say specialty food stores are their fastest-growing channel;
- Importers say Mediterranean, Italian, Latin, and Spanish are the top cuisines emerging in 2015;
- Specialty grocery accounts for 32% of sales in specialty food stores.

One of the primary ways in which partnerships are created locally, nationally and internationally around specialty foods is through the Specialty Food Association, host of several fancy food shows in the United States. Participation in these shows are a vital component for AGOA export eligible countries that have viable specialty goods and need to "test the waters" of the U.S. market.

The Specialty Food Association is a U.S.-based community of food artisans, purveyors, importers and entrepreneurs who bring craft and care to the distinctive foods they sell. Established in 1952 in New York, the not-for-profit trade association provides its 3,000+ members in the U.S. and abroad the tools, knowledge and connections to grow their companies in an always-evolving marketplace. The Association (formerly the National Association for the Specialty Food Trade, Inc.) owns and produces the Winter and Summer Fancy Food Shows, and presents the Sofi Awards honoring excellence in specialty food.

General Requirements for Food Import into USA

Technically, the USDA is responsible for the safety of meat, poultry and egg products, while the FDA regulates all other foods products. With the exception of a few categories such as meats, canned product and juice products, both the FDA and USDA have always provided basic guidelines on food handling, processing most of which were covered under Good Manufacturing Practices (GMP). In most cases, both agencies left the specifications, documentation and product specifications to the buyer and seller. After 9/11, both departments stepped up their involvement in the qualification of products and plants. In 2002, the Bio-terrorism Act was put into place to enhance the overall security of the U.S. food supply. Along with increased inspections, the FDA required all plants, both foreign and national, to register with the FDA. This allows the FDA to quickly identify the manufacturer before the arrival of their product through a process labeled "Prior Notice." Prior notice of imported foods must be received and confirmed electronically by the FDA no more than ten days before arrival in the United States. Registration information can be found on the FDA website. The process takes about an hour to complete.

In 2011, the Food Safety Modernization Act (FSMA) was signed into law. Although the law seems to be a bit confusing for most, from a processor's stand point, the new rules and regulations have a lot in common with HACCP and/or ISO 22000 of which either program was in place with most processors in Kenya, Madagascar and Mauritius. Although this may cause issues with some processors who are currently not exporting (therefore not required to have a program in place), HACCP certification bodies are currently located in all AGOA countries. The initial cost can be expensive but most will agree that the common sense of a HACCP program does help reduce customer complaints and possible lawsuits.

The FDA has included a number of categories to adhere to strict HACCP procedures starting in 1973 with the canning industry. Following are a few important dates:

Hazard Analysis Critical Control Point (HACCP).

1. In 1973, FDA required HACCP controls for the canning industry;
2. In 1997, FDA required HACCP controls for the fish industry;
3. In 1998, the FDA required HACCP controls for most meat products;
4. In 2001, FDA required HACCP controls for the Juice Industry.

Basic steps before exporting:

1. Register with the FDA (Pre-notice);
2. Hire an import Broker and country representative;
3. HACCP program in place and running;
4. Third party Audits (usually included in HACCP plan).

Gender based buying trends and niche potential: Making Connections

Women drive the global economy. Women in the U.S. have incredible buying power. There are many African women entrepreneurs in the textile and luxury good (clothing, bags and cosmetics), but very few who can break into the niche market of specialty good products. Women in the U.S. tend to support women-based cooperatives and have the buying capacity to sustain specialty products in support of women-based initiatives and communities. For the purposes of this report, a short background study will be provided of the buying power of women in the United States. Recommendations on how to support East African women (in AGOA export eligible countries) initiatives on specialty product production and niche marketing to U.S. based women who have a perceived gender-based inclination or alliance will be presented in the Report's Plan of Action.

U.S. Women's Buying Power

In 2015, Mintel conducted an online survey about the consumption of specialty products according to gender. Interestingly, the results show that 46% of U.S. female shoppers buy specialty foods. Women dominate the retail marketplace, according to a study commissioned by the Private Label Manufacturers Association (PLMA) and conducted by global market researcher GfK Custom Research North America. Although women's personal and professional advancements have grown significantly in recent decades, their time spent grocery shopping has not decreased. According to the report, "Today's Primary Shopper," two-thirds of women still handle most of the grocery shopping. Women also are the, "rulers of the kitchen." According to the report, 84% of women are the sole preparer of meals in the household, with 61% of women stating that they prepare meals at least five times per week. The majority of these meals are not prepackaged, as 64% said they make most meals using fresh ingredients.

Globally, women control about $20 trillion in annual consumer spending, and that figure could climb as high as $28 trillion in the next five years. Their $13 trillion in total yearly earnings could reach $18 trillion in the same period. In aggregate, women represent a growth market bigger than China and India combined—more than twice as big, in fact. Given those numbers, it would be foolish to ignore or underestimate the female consumer. And yet many companies do just that, even ones that are confident they have a winning strategy when it comes to women.

Food represents one of the largest opportunities for marketing towards women. Food is also one of consumers' most important budget items, one that can be adjusted but never eliminated. Favorite grocery stores among women included Whole Foods. Whole Foods has succeeded despite its high prices by targeting well-to-do women who want high-quality meats and specialty produce and a knowledgeable staff. Whole Foods also caters to the eco-conscious woman who is concerned about fair trade products and would most likely support specialty products from women entrepreneurs in other parts of the world and/or women based cooperatives.

There are many African women entrepreneurs who are making their mark in the export business, though few can break into the mostly-patriarchal specialty food arena. For example, Tabitha Karanja, founder of Keroche Breweries in Kenya is one such pioneering woman entrepreneur. By entering the brewing and alcoholic beverage market she took on not only a male dominated industry but also an 87-year-old business monopoly. She is a real inspiration to all those women entrepreneurs in Africa who have a vision to do something game changing in an established industry sector and make an impact.

Access to finance for women entrepreneurs in Africa is a constant challenge, with many of the traditional routes to financing a business often proving difficult for women across the continent. It is therefore encouraging to see a new generation of African women emerging who are creating their own unique approach to providing access to finance specifically for startup and established women-owned business ventures. Dr. Jennifer Riria is the Group CEO of Kenya Women Holding and one of Africa's leading women entrepreneurs who has always been on a mission to transform the lives of women and their families in her native Kenya. Her company is a microfinance, banking and insurance group that works with over 900,000 women, employs 2,800 people and since inception has disbursed $1.3bn of loans, each one averaging less than $600. It is Kenya’s largest microfinance provider working together with many leading civil rights organizations.

Over all, women in African and especially in AGOA export eligible countries do not want charity. They want an opportunity. They want to feel pride when they are able to take care of their families. Combining the strengths of U.S. women who have a dedicated say in the purchase of food and in particular with specialty products, with the burgeoning entrepreneurship in SSA seems like a win-win situation. In all cases, women do not want to be overlooked. Their voices, work and money count. Creating viable links which support communities of women who have

never had historical access to the U.S. specialty market to conscious minded consumers is a forward thinking goal for this project.

Chapter Four: Current Exports from Africa to the United States

Introduction

U.S. imports under AGOA accounted for about 70% of all imports from AGOA export eligible countries during 2008–13. Between 2001 and 2013, U.S. imports under AGOA increased by about 10% per year, from $7.6 billion to $24.8 billion. On average, crude petroleum accounted for almost 90% of U.S. imports under AGOA during 2001–13, with a sharp decline in 2009 because of the U.S. recession. U.S. imports under AGOA of products other than crude petroleum increased steadily between 2001 and 2008, declined in 2009 due to the recession, and gradually recovered during 2010–13.

Three sectors—transportation equipment, refined petroleum products, and apparel—accounted for 89% of U.S. non-crude-petroleum imports under AGOA in 2013. The imports of transportation equipment primarily consisted of passenger motor vehicles from South Africa. About 88% of U.S. imports of refined petroleum products, such as distillate and residual fuel oils, were supplied by Nigeria and Angola. Major apparel suppliers in 2013 were Lesotho, Kenya, and Mauritius. Although apparel continues to be an important U.S. import under AGOA, imports have declined gradually as a share of all U.S. AGOA imports since the expiration of the World Trade Organization (WTO) Agreement on Textiles and Clothing in 2005. In 2005–13, the share of apparel imports decreased sharply, falling from 41% of U.S. non-crude-petroleum imports under AGOA in 2005 to 19% in 2013. Two countries— South Africa and Nigeria—represented 73% of all U.S. non-crude-petroleum imports under AGOA in 2013.

The top 10 growth leaders among non-crude-petroleum products imported under AGOA and GSP during 2000–2013 accounted for over 90% of the positive growth in value over the period. The leading product group—motor vehicles—supplied about one-third of the growth and totaled $2.1 billion in 2013. Refined petroleum products followed, accounting for one-quarter of

the growth and totaling $1.3 billion in 2013. Other major growth products, in descending order, were apparel; ferroalloys; aluminum mill products; cocoa, chocolate, and confectionery; miscellaneous inorganic chemicals; certain organic chemicals; edible nuts; and citrus fruit.

Potential products to be exported to the U.S.

Although a wide range of products with export potential from AGOA export eligible countries to the United States were identified, most fall into the broad categories of agricultural products, handicrafts/woodcrafts, and leather/leather products. These products were identified in AGOA export eligible countries' national development strategies, previous Commission reports, and the economic literature.

Sectors with export potential to U.S. in selected SSA countries

Country Products/sectors

- Ethiopia: Textiles and apparel, leather products and footwear, home furnishings, cut flowers;
- Mauritius: Jewelry, agro-processing and seafood processing, light manufacturing, plastics, metal-based products, leather, handbags, fashion accessories;
- Mozambique: Food and industrial crops, horticulture, oilseeds, leather and leather products, wood products, jewelry, cashews, grapefruit, rice, potatoes, paprika, and bananas;
- Kenya: Food and Industrial crops, Cashews, Macadamia, leather and leather products, flowers, woodcraft, ingredients for pharmaceuticals and cosmetic industries, textiles and apparel;
- Madagascar: Spices, Cocoa, petroleum products, prepared and preserved fish, textiles and apparel;

- Rwanda: Horticulture, handicrafts, leather and leather products;
- Uganda: Horticulture, dairy products, cereals, pulses, oilseeds, ingredients for pharmaceuticals and cosmetic industries, handicrafts, toys, jewelry, leather products, woodcrafts;
- SSA-wide: Bananas, cereal flours, corn, honey, coffee, cocoa, cotton, fruits, vegetables, cut flowers, cashews, sesame, shrimp and prawns, logs, hardwood lumber and wood products, petroleum products, liquefied natural gas, electricity, light industrial products, leather products, processed wood products, chemicals, aluminum, gold, copper, gemstones, cocoa butter and paste, prepared and preserved fish, acyclic alcohols, flat-rolled steel, liquefied natural gas, apparel, unwrought aluminum, wood veneer, shea butter, spices, tropical fruit, footwear, natural rubber, processed diamonds, textiles, wood furniture, peanuts.

Several factors support production and make certain sectors in AGOA export eligible countries internationally competitive. For example, agricultural products with potential for export growth to the United States take advantage of favorable climates, fertile soils, abundant and low-cost labor, policies and programs that support the sector, and the development of farmer cooperatives and other organizations. Macadamia, Cashew, Honey, Spices are a few examples of quality products currently produced in AGOA export eligible countries with incredible potential in U.S. markets. As well, commodity products such as mango, passion fruit and pineapple puree are products produced in large quantity, with exceptional quality and at competitive prices compared to international markets.

The United States imports various edible nuts from AGOA export eligible countries, including cashews, macadamia nuts, kola nuts, peanuts, pecans, and nut mixtures all of which are

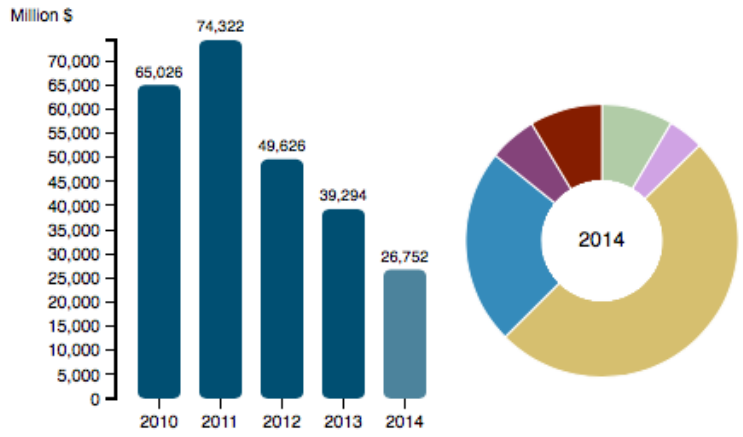
duty free. The vast majority of edible nuts imported under AGOA are macadamia nuts from Kenya, South Africa, and Malawi.

Spices are another category that has tremendous potential in the U.S. Vanilla Bean and Vanilla products are currently exported to the U.S. in various forms for further processing. To a lesser extent but with potential, black pepper (cultivated and wild), Kaffir Lime, Turmeric, and ginger are just a few examples of products with market potential.

A review of the literature suggests that SSA sectors with the greatest potential to enter U.S. markets are (1) agricultural products and foodstuffs, (2) leather and leather products, (3) textiles and apparel, and (4) extractive natural resource products. Research shows that SSA already has factors that could enable it to be competitive in light manufacturing, including low-wage labor (enough to offset its lower labor productivity compared with Asian competitors), abundant natural resources, preferential access to high-income markets like the U.S. and EU, and sufficiently large local or regional markets. Large local or regional markets allow emerging SSA producers to develop capabilities and hone their skills in quick response, high-volume production in those regional markets before selling into global markets.

Sub-Saharan Africa: US General Imports, by major Industry/Sectors 2010-14

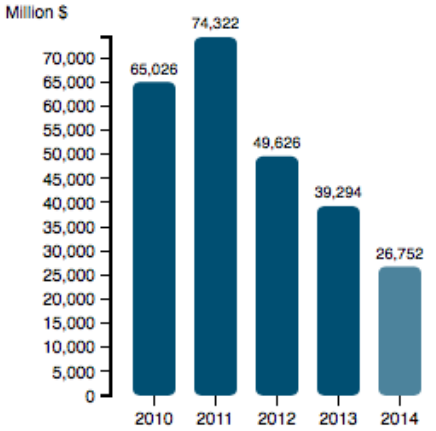
FIGURE SSA.1 Sub-Saharan Africa: U.S. general imports, by major industry/commodity sectors, 2010—14

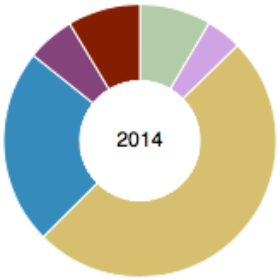


2014		
Sector	Value	Share
Agriculture products	2,267	8%
Chemicals	1,134	4%
Energy-related products	13,335	50%
Minerals and metals	6,201	23%
Transportation equipment	1,513	6%
All other sectors	2,302	9%
Total	**26,752**	**100%**

Source: Compiled from official statistics of the U.S. Department of Commerce.

FIGURE SSA.1 Sub-Saharan Africa: U.S. general imports, by major industry/commodity sectors, 2010—14





2014		
Sector	**Value**	**Share**
Agriculture products	2,267	8%
Chemicals	1,134	4%
Energy-related products	13,335	50%
Minerals and metals	6,201	23%
Transportation equipment	1,513	6%
All other sectors	2,302	9%
Total	**26,752**	**100%**

Source: Compiled from official statistics of the U.S. Department of Commerce.

Chapter Five: Methodology

The assignment involved conducting factory visits where key informants were interviewed, there were focused group discussions and processing line visits were carried out to identify Specialty Foods. Most importantly, companies interested in exporting specialty foods to the U.S. were identified. Prior to in-country travel, secondary research was conducted online to ascertain which products were currently produced in the target countries to assess the products in terms of volume, potential for U.S. markets and where possible, competitiveness with other countries exporting similar products to the U.S. Once the potential products were identified, several local entities were contacted, such as Chambers (American Chamber of Commerce (Amchams), Kenya Association of Manufacturers (KAM), Trade and Business Support Institutions (Enterprise Mauritius -EM), and various Banks to discuss the target products and companies that may be affiliated with their organizations. The goal was to have companies vetted before visiting, using basic guidelines provided by the HUB. Once the list for each country was completed, plant visits were scheduled in order to conduct a technical assessment of selected enterprises in Kenya, Madagascar, Mauritius, and to establish baseline data and information. The technical assessment activity included but was not limited to:

a) Identification of enterprises that are export ready or have export potential to participate in the Hub specialty foods export market development and expansion activities;

b) Review of existing export marketing and exporting practices of selected enterprises, and development of recommendations for refinement and enhancement of these practices;

c) Identification of marketable products and/or products with potential for niche market opportunities, such as organic produce, to determine the scope of the Hub's specialty foods exports development and expansion interventions;

d) Review of product and factory certification and quality systems;

e) Identification of gaps and training needs to inform the Hub's firm level technical capacity building program; and

f) Development of country specific recommendations on specialty foods export development and export expansion.

In addition to the above the U.S. marketing access workshops/seminars were conducted. These seminars targeted export ready enterprises to demystify food export to USA. . The first of three took place in Madagascar in which over 30 companies were in attendance. The workshop gave a bird's eye view of the level of companies involved in this sector in Madagascar. Two follow up workshops were conducted in Nairobi Kenya in collaboration with KAM.

. These workshops provided a platform to connect with various processors before and after plant visits.

General Overview of the Plant Visits

The most of the time during the assignment was dedicated to plant visits of which 32 were conducted over the 42 days in East Africa. The plants visited were diverse, from plants with dirt floors to others with the latest ISO 22000 certification and top of the line equipment technology. However majority of the plants would easily qualify for FDA "approval." A lot of time was spent in visiting Kenyan based plants compared to Mauritius and Madagascar. Kenyan had a large number of and a variety of food processing facilities. A total of fourteen were visited of which nine have the capacity to export to the U.S. Between plant visits, two workshops were conducted which were open to all food processors in Kenya.

Madagascar offers unique products that are only available in that country. These makes these products qualify as specialty products with high demand in top specialty stores in the U.S.

The challenge with Madagascar is and will be logistics within the country coupled with

ther

processing plants with little or no HACCP program in place. The process to get the plants approved will take time but the end result may be worth the effort. The logistical challenge will take years to resolve and until this happens, internal transportation will be slow and very expensive. Two separate visits were made to Madagascar. The first was mostly dedicated to the workshop while the second was well spent visiting five plants of which four have potential for exports to the U.S.

On the other hand Mauritius is a very small country with relatively high labor costs and other than sugar, limited raw material for processing. The plants were quite modern offering an assortment of products that could be of interest to the U.S. buyers. Nevertheless, majority of the raw material were sourced from Madagascar or other countries either in raw form or semi-processed. The manufacturing facilities processed the imported raw materials, packaged and

export the finished products to Europe, Asia and South Africa. Depending on the pricing, sourcing from Mauritius may be possible as most facilities were ISO 22000 certified making the approval process a bit easier. Of the six plants visited, one of the plants that were producing Moringa Tea was certainly interesting not only in terms of a very unique product. However the volumes were very small. There was also the jam and jelly operation, which normally would be discouraged from exporting to the U.S. due to the presence of so many products in this category in the market, but the facility had very unique and promising products that may in fact do well in the U.S. The plant was also ISO 22000 certified.

Product Sampling:

During the various plant visits close contact was kept with buyers in the U.S. Whole Foods expressed a keen interest in the assortment of spices found in Madagascar which included Vanilla beans and powder as well as wild black pepper. The next process is to send samples to Whole Food's approval process; if the products are approved, this may be an interesting market. As noted, Kenya has an assortment of products which qualify for export to the U.S. There was a pleasant surprise as to the quantity of Mango and Pineapple puree produced in this region. The quality is exceptional due to the varieties of Mango combined with quality equipment and strict compliance to ISO 22000 programme. In talking with a number of buyers in the industrial sector, there seems to be considerable interest for in these products. Mauritius is home to an interesting processing facility producing high quality tropical fruit jams and jellies. Although a very competitive market in the States, finding high end tropical jams is not as easy as one would think. Gourmet tropical jams are not readily found in U.S. markets as the primary flavors are strawberry, grape and raspberry. Yet, as more and more people from Caribbean and other tropical countries, flavors such as Mango, Papaya Passion Fruit will continue to increase in popularity.

Chapter Six: Country Level Analysis

Kenya

Kenya is situated along the equator, on the eastern coast of the African continent. Its coastal region is on the Southeast, and to the east lies Somalia. Ethiopia is to the north, the Sudan to the northwest, and Uganda directly to the west. The southwestern border of the country is marked by Lake Victoria, and southward lies Tanzania. Kenya's geography is varied. While much of northeastern Kenya is a flat, bush-covered plain, the remainder of the country encompasses pristine beaches, scenic highlands and lake regions, the Great Rift Valley, and the magnificent Mount Kenya.

The Kenyan economy, East Africa's largest, has experienced considerable growth in the past few years, driven by several key factors. The country enjoys some particular advantages: a well-educated labor force, a vital port that serves as an entry point for goods destined for countries in the East African and Central Africa interior, abundant wildlife and kilometers of attractive coastline and above all, a government that is committed to implementing business reforms. Kenya's agricultural development remains the most important contributor to Gross Domestic Product (GDP), with tea and horticultural industry of mainly high quality cut flowers being among the leading export products.

Kenya's position as the economic, commercial and logistical hub in Eastern Central Africa, places the country as one of the best investment destinations globally. Foreign Direct Investments (FDI) has been on the rise and is strongest in the East African region. Additionally, the GDP figures of USD 58.1 Billion in 2014 elevated Kenya to a Lower Middle Income Country, one of the largest economies in Sub-Saharan Africa and amongst the fastest growing in the world. In the region, Kenya is the dominant economy in the East African Community, contributing to more than 40% of the region's GDP. This is also uniquely distinguished from many countries by the fact that Kenya's economy is one of the most diversified with no oil, nor gas exports. Other

Milestone steps evidenced in modernizing railways, seaports, the airports, and development of geothermal power stations, all puts Kenya on an accelerated developmental pedestal. This is further complemented by Kenya being a member of both the East African Community (EAC) and Common Market for Eastern and Southern Africa (COMESA) economic regional blocs, which both gives a combined market population of over 400 million which is about a half of Africa's total population.

Agriculture is the backbone of Kenya's economy and central to the Government of Kenya's development strategy. More than 75% of Kenyans make some part of their living in agriculture, and the sector accounts for more than a fourth of Kenya's GDP. While agricultural productivity is stagnating, Kenya's population is growing. This poses critical challenges to food security in the country as two million to four million people receive food aid annually. Only about 20% of Kenyan land is suitable for farming, and maximum yields have not been reached in these areas, leaving considerable potential for increases in productivity. Most farmers work without basic agricultural inputs or updated technology and lack adequate financial or extension services. Even though malnutrition indicators are improving, it is estimated that from 2010 to 2030, under nutrition will cost Kenya approximately $38.3 billion in GDP due to losses in workforce productivity.

While the challenges are great, so are the opportunities. With the largest dairy herd in east and southern Africa, Kenya has the potential to meet local demand for dairy and target regional markets. As one of the largest African exporters of fresh produce to Europe, Kenya's horticulture industry can expand domestic, regional and international markets. Markets, in turn, can significantly grow through reforms that address standards and quality, policy constraints, irrigation, roads, agricultural inputs, extension, and market access promotion. Persistent crises,

such as drought in Kenya's arid lands, exacerbate the vulnerability of basic livelihoods. In response, the U.S. Government has layered humanitarian and development assistance to build resilience and expand economic opportunities in these areas through disaster risk reduction; conflict mitigation; natural resource management; and strengthening the livestock, dairy and other vital sectors.

Most investment banks in Kenya are also stock-broking firms. Stock-broking refers to the buying and selling of shares and securities on behalf of clients, over the counter or through stock exchange. All stock brokers earn a commission fee. There are many investment banks in Kenya including: Standard, Citibank, Bank of Africa, Bank of India and First National Bank of Kenya. These investment banks in Kenya raise capital for clients. They also act as middlemen between the public and companies selling shares/ new securities. During mergers and acquisitions, investment banks advise both the buyers and sellers in matters of valuation, pricing, negotiations, procedures to follow and oversee the transactions.

plant in

On the food processing level, Kenya is quite advanced. The production technology, capacities, quality control and packaging are comparable to any in developed countries. Kenya has the infrastructure, a well-educated workforce and a supportive government - all key elements needed to boots entrepreneurship in the country. Already a number of companies are exporting to the United States, Europe, Middle East, Asia and the Africa region with different levels of success. However on the specialty foods export to USA, it is evident that some work is required in order to increase exports to the U.S. markets. The work is more on production competitiveness and quality assurance. The country's specific recommendations are geared towards adjusting and tweaking of systems that are already well in place. These are;

1. Seminars/workshops to demystify exporting specialty foods to the U.S.;
2. Firm level technical support and training of key staff on Hazard Analysis and Critical Control Points(HACCP) implementation and compliance
3. Support enterprise level technical audit to meet food certifications requirements
4. USA buyer missions to the country to assess the sourcing potential of the country

5. Trade Show
6. Technical support to processor on post-harvest handling of raw materials to ensure good product quality and yields for the following crops:
    a. Macadamia
    b. Mango
    c. Honey
    d. *Purees*

Pineapple
eration in

Over six major producers of mango, pineapple and passion fruit purees were identified. This product is the primary ingredient for retail tetra pak (box) drinks. Nevertheless, oversupply of puree requires most companies to find alternative markets for bulk pack purees (industrial markets) packed in 55 gallon drums. In most cases, the purees are produced aseptic utilizing latest Italian equipment. Most plants are either currently ISO 22000 or HACCP or a combination of the two:

1. Connect suppliers to possible buyers in the U.S. High-end users such as Pepsi, Coca-Cola, General Mills should not be overlooked;

2. Research possible container bladders to replace 55 gallon barrels. Special aseptic bladders are available with a capacity of holding 20,000 kg of product. This will not only reduce packaging cost but will also reduce weight thus allowing to ship additional raw material resulting in lower freight costs;
3. Organic Certification exists in Kenya with 3-4 governing bodies in place at this time. A concerted effort should be in place to certify as many of the processors as possible. Organic purees are in great demand and can ask for up to 20% higher prices.

Macadamia/Cashews

Unlike purees where the majority of the plants utilize the same type and in many cases same brand equipment, Macadamia has an assortment of different process concepts and equipment manufactures resulting in a range of yields and quality of final product. In addition, with the exception of one plant, they do not have the capacity to roast, thus exporting lower valued raw nuts:

1. Contract consultant to analyze existing production facilities and make recommendation to improve yields for finished product;
2. Contract consultant to design a turnkey cold press for each facility. Macadamia oil currently sells for $13-$15 per pound. A simple press at each facility could generate additional income;
3. Contract Consultant to design a roasting line for each facility in order to increase value added. Additionally, roasting is considered a kill step in a macadamia process line. FDA may eventually require some type of kill step before exporting to the U.S.

Honey

Currently over 80% of the Bee Keepers in Kenya produce honey utilizing traditional beehives which consist of large logs without the separation of the brood and honey. Although the final product is acceptable for local markets, the average consumer in the U.S. prefers a lighter honey and offered as raw honey. This, combined with "mono-flor" honey (meaning honey from one distinct flower), will help to increase value and customer interest.

1. Outside consultant to organize workshops for beekeepers in order to demonstrate proper techniques in beekeeping and honey production without the need to pasteurize;
2. Support local beekeepers currently utilizing modern methods for beekeeping;
3. Offer turn-key beehives at competitive pricing to include demonstrations on proper techniques of beekeeping;
4. Connect producers with high-end buyers in the U.S.; companies such as Whole Foods and Trader Joes for private label market.

Sauces

Although sauces in AGOA export eligible countries are distinctly different than those found in the U.S., one company is currently producing an assortment of sauces including chili sauces for the local market. With guidance, potential markets are certainly possible for the majority of their products:

1. Connect suppliers with buyers on both the East and West Coast of the U.S. Investigate both brand and private label opportunities for the entire line;
2. Review the options to pack product in Kenya as well as toll-packers in the U.S. to pack bulk product into retail packaging.

Madagascar

Madagascar is the world's fourth biggest island after Greenland, New Guinea and Borneo. Because of its isolation most of its mammals, half its birds, and most of its plants exist nowhere else on earth. The island is heavily exposed to tropical cyclones which bring torrential rains and destructive floods, such as the ones in 2000 and 2004, which left thousands homeless. The Malagasy are descendants of Africans and Indonesians who settled on the island more than 2,000 years ago.

After French colonial rule, which included the bloody suppression of an uprising in 1947, Madagascar gained independence in 1960. The military seized power in the early 1970s with the aim of achieving a socialist paradise. This did not materialize. The economy went into decline and by 1982 the authorities were forced to adopt a structural adjustment program imposed by the International Monetary Fund. The World Bank has estimated that 92% of Malagasy live on less than $2 per day. Poverty and the competition for agricultural land have put pressure on the island's dwindling forests, home to much of Madagascar's unique wildlife and key to its emerging tourist industry. The island has strong ties with France as well as economic and cultural links with French-speaking West Africa.

Andry Rajoelina's seizure of power in 2009 left the country isolated by the international community and deprived of foreign aid until the election of a new president, Hery Rajaonarimampianina, in 2014. His failure to improve the country's economic plight led parliament to vote for his impeachment in May 2015, threatening Madagascar with a return to constitutional uncertainty.

Madagascar is the world's leading producer of vanilla. It is the 138th largest export economy in the world and the 106th most complex economy according to the Economic Complexity Index (ECI). In 2013, Madagascar exported $2.21B and imported $3.34B, resulting in a negative trade balance of $1.12B. In 2013, the GDP of Madagascar was $10.6B and its GDP per capita was $1.41k.

The top exports of Madagascar are Raw Nickel ($369M), Knit Sweaters ($179M), Crustaceans ($121M), Vanilla ($119M) and Cloves ($104M), using the 1992 revision of the Harmonized System (HS) classification. Madagascar exports 153 products with revealed comparative advantage (meaning that its share of global exports is larger than what would be expected from the size of its export economy and from the size of a product’s global market).

Agriculture accounts for almost 30 per cent of GDP, 40 per cent of export earnings and employs more than 70 per cent of the labor force. About five per cent of the land area is cultivated at any given time, of which 16 per cent is irrigated. The average farm size is 1.3 hectares, with most farmers practicing subsistence agriculture.

The Malagasy banking system is composed of a Central Bank and six Commercial banks which are:

- The BNI/CLM, a subsidiary of the Crédit Lyonnais;
- The BMOI or Malagasy Bank of the Indian Ocean, a subsidiary of the BNP/PARIBAS;
- The BFV/SG, a subsidiary of the Société Générale;
- The BOA, a subsidiary of the Bank of Africa;
- The UCB, or Union Commercial Bank, a subsidiary of Mauritius Commercial Bank
- The SBM, a subsidiary of the State Bank of Mauritius;
- The Compagnie Malgache de Banque, created by a multitude of Malagasy private operators.

cked for

On specialty food Industry, Madagascar is known throughout the world as the primary source of high-end spices. Yet, many of the spices have yet to find their full potential due to a lack of understanding from the processor as to how to enter the U.S. market. Many buyers from the United States are certainly aware of the full potential of the products from Madagascar but lack an understanding as to how to best approach this market. There are a few processors currently producing and exporting to the U.S. nevertheless in talking with these facilities, they are not willing to share their experiences and knowhow to other processors. Local Chambers do not have the capacity to supply information for exporter.

Country Recommendations:

1. Seminars on exporting to the U.S;
2. Internationally recognized HACCP organizations to both help bring plants into compliance and conduct audits;
3. Organic Certification process for companies that qualify.

Spices and essential oils

Certainly at the top of the list of items from Madagascar, spices play the most important role. Products such as Vanilla and Black Pepper are just a few examples of top quality products with market potential in the U.S.:

1. Link suppliers with specialty buyers in the U.S.;
2. Outside consultant to translate documentation, labels brochures from French to English;
3. Guide owners through approval process (understanding and filling out documentation).

Purees

There is a vertically integrated puree plant located in the Futura Business Park in Andranomena. The plant produces about 3,000mt per year of organic pineapple puree. The plant is ISO 22000 and is currently exporting to Europe. There is high demand for this type of product and according to the owner Moustafa, they are very interested in exporting to the U.S.:

1. Outside consultant to review existing line and recommendations on increasing yields;
2. Investigate alternative packing from 55 gallon drums to large aseptic bladder;
3. Link processor with high end industrial markets maximizing margins.

Honey

The honey in Madagascar is quite advanced in terms of the number of beekeepers utilizing modern techniques in order to offer raw product. Yet, there are many local producers still utilizing the traditional log hive, thus affecting the quality of the product. Using log hives does not give the ability to separate the honey from the brood resulting in the need to pasteurize the honey. Furthermore, most log hives tend to be dirty and not conducive to producing raw honey:

1. Training programs for beekeepers showing latest techniques;
2. Bring processing facilities up to HACCP compliant;
3. Link producers to key specialty supermarkets for possible private label.

Mauritius

Mauritius, a volcanic island of lagoons and palm-fringed beaches in the Indian Ocean, has a reputation for stability and racial harmony among its mixed population of Asians, Europeans and Africans. The island has maintained one of the developing world's most successful democracies and has enjoyed years of constitutional order. Mauritius was uninhabited when the Dutch took possession in 1598. Abandoned in 1710, it was taken over by the French in 1715 and seized by the British in 1810. It gained independence in 1968 as a constitutional monarchy, with executive power nominally vested in the British monarch. It became a republic in 1992.

Once reliant on sugar as its main crop export, Mauritius was hit by the removal of European trade preferences but has successfully diversified into textiles, upmarket tourism, banking and business outsourcing. The strategy helped the island's economy weather the world financial crisis of 2008-9 better than expected. The island of Rodrigues and other smaller islets also form part of the country. Mauritius claims sovereignty over the Chagos islands, which lie around 1,000 km to the north-east. The British territory, which was separated from Mauritius in 1965, is home to the US military base on Diego Garcia.

Despite the global slowdown in recent years, the Mauritian economy has consistently achieved annual growth rates of more than 3%, with estimations showing a rise to 3.5% in 2014 and 4.1% in 2015. The country enjoys the best business environment in Africa, according to the World Bank, which ranks it first in the continent for ease of doing business. Over 50% of the island country's land is arable, with sugarcane occupying about 90% of its total cultivation land. Yet, despite sugar being a major export for decades, Mauritius has managed to successfully diversify its economy, mainly by investing in the manufacturing sector.

Mauritius is quite unique in that the majority of their raw materials are sourced outside the country, mainly Madagascar. Many of the companies are doing an excellent job converting the raw material to quality specialty products which is then exported mainly to Europe. Due to the recent financial crises in Europe, many processors are looking for other markets to diversify their market, including the U.S.

Spices

There are a number of companies creating a value-added product from spices. The packaging and impressive facilities will help the transition from European markets to the U.S. As with Madagascar, the packaging will require modifications such as labels written in English, weight and volume measures converted to Standard:

1. Bringing packaging and labels up to U.S. specifications and standards;
2. Link companies with buyers in high-end supermarkets for both private label and branded.

Jams/Jellies

Les Vergers de Labourdonnais is doing an incredible job processing and packing high quality tropical jams and jellies. They have sold in the U.S. markets to various companies including Chicago's Drake Hotel. The company is interested in expanding and finding new avenues for their products. Some of the activities that they are interested in are:

1. Linkage to buyers at retail level;
2. Support to create backward link with suppliers of raw material;
3. Participation in various Food shows to promote and expand products.

Plan of Action/Going Forward

Conclusions*:*

Out of the 32 companies that were pre-selected for the exercise, a total of 29 factory visits were completed and three information sharing seminars were conducted. In general, there were several impressive plants which could meet the FDA requirements and some were already exporting to the European market (which is more stringent). Many plans were already ISO 22000 and some were exporting already to the U.S.

Most of the viable companies were asked if they wanted to export to the U.S., if they had the cash flow in which to do so; if they had access to raw materials and excess production to fulfill the demands of the U.S market. Overwhelmingly, the response was positive and there was a clear desire to acquire whatever guidance was needed to get into the U.S Specialty market. The following were three different groups of entrepreneurs encountered:

- Companies who were already exporting to the States but needed assistance creating value-added product as well as access to a diversified market;
- Companies who at one point had products in the U.S but for a variety of reasons could not sustain them. Rather than shy away from the market, these companies all want another try and seek the guidance for how to re-connect into the Specialty market;
- Companies who have viable products yet have never exported to the U.S and want to do so.

Amongst these companies there were several viable products which were ready for export into the U.S. market. Some of these products include: honey, spices, essential oils, macadamias, jams and purees.

Each country had their own unique products. Kenya is clearly the leader in East Africa. The business mentality of the entrepreneurs encountered in Kenya was impressive. In Madagascar, more work needs to be done on the plant level, yet their products are very unique and in high demand in U.S. markets. In many ways, Madagascar has the highest concentration of specialty product possibility. The workshop conducted prior to the factory visit provided an insight into the food processing sector in Madagascar. It also provided an opportunity for an informal exchange of information. Mauritius imports most of their product from other countries. They are light years ahead of Madagascar in their process and packaging. Most of their products are highly sophisticated in their packaging, thus creating product that is value-added. Right now, the country is in flux because they have just lost their preferential treatment with Europe over their main crop; sugar. Mauritius needs to diversify into other markets, and there is a clear motivation to move into other products. This could be a window of opportunity for both Mauritius and the U.S specialty markets because of the interest on both sides. Good examples of this were the Moringa Tea and jams and jellies which were being produced but not yet sent into the U.S market.

Identified viable products for export to USA

Order Priority	Visit Date	Company	Product	Export Potential	HACCP	ISO22000
1	2/11/16	Premier Foods	Fruit Puree/Sauces	yes	yes	yes
2	2/18/16	HavaMed	Pineapple Puree	yes	yes	yes
3	2/24/16	Madepices Hasina	Spices	yes	no	no
4	2/18/16	Phial Flor Exports	Spices	Yes	Yes	Yes
5	2/23/16	Milly Fruit	Fruit Puree	yes	In process	No
6	2/23/16	AllFruit	Fruit Puree	yes	yes	yes
7	2/23/16	FarmGate	Macadamia	yes	yes	yes
8	2/22/16	Organic Growers And packages	Mango/Passion puree	yes	In process	in process
9	2/25/16	Wonder Nut	Macadamia	yes	yes	yes
10	2/11/16	Kevian (PicknPeel)	Fruit Puree	yes	yes	yes
11	2/11/16	Kenya Nut	Macadamia/Cashew	yes	yes	yes
12	1/27/16	Busy Bee Honey producer	Honey	Yes	No	No
13	1/27/16	Macnut International	Macadamia	Yes	Yes	Yes
14	2/15/16	Les Vergers Labourdonnais	Jelly/Jams	yes	yes	yes

Gender Initiative:

These plant visits and conversations also pointed out that in all parts of upper management, men were the majority with women behind the scenes (wives, daughters etc.) For the most part, women were the primary manual laborers with little to no chance of upward mobility into management, especially in family run companies. This change should be promoted to support women-run businesses and help them specifically break into the specialty market; aiming at selling product to U.S. women who have the financial power and interest to support these types of gender based initiatives. Therefore, the initial plan of action is two-fold:

- Begin a conversation with Dr. Jennifer Riria of the Group CEO of Kenya Women Holding, which is microfinance banking and insurance group that works with over 900,000 women and has disbursed $1.3bn of loans. She is Kenya's largest microfinance provider and an excellent source to access women-based companies that need HUB assistance to get into the U.S market;

- After a core group of women are identified, once back in Kenya, a series of workshops geared towards women will be conducted as a second step.

Recommendations

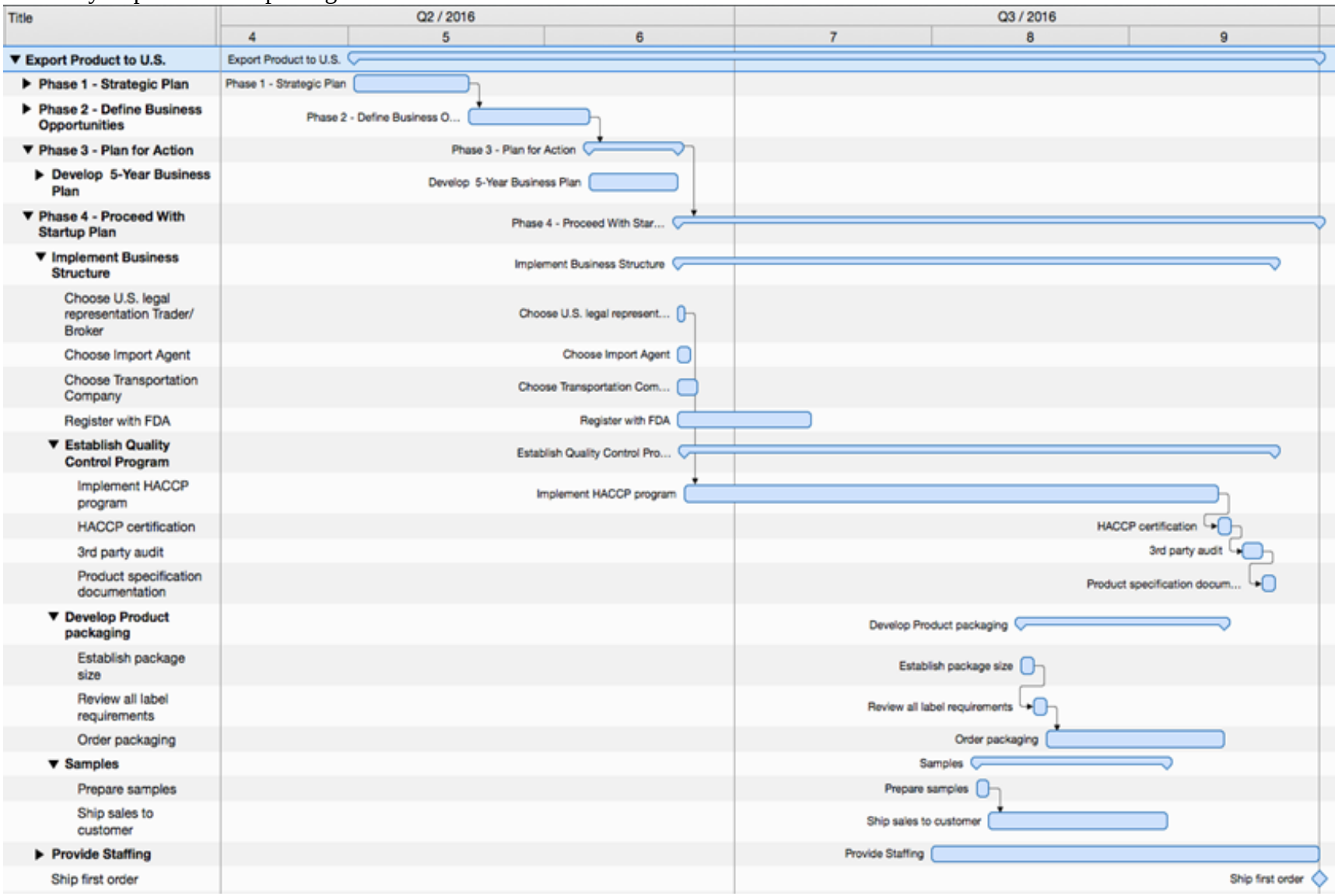
- Technical support to selected companies to meet FDA compliance before exporting. The latest FDA requirements under FSMA are a bit more complex and will require technical support to assure each facility meets the new requirements. The importer of record in the U.S.A. is now required to review all documentation from the processors and is now 100% liable for any potential problems. It's important for the importer to feel confident and assured the product being imported will not be a potential liability.
- Firm level technical support on food processing techniques to selected enterprises to improve manufacturing productivity and product quality Highlight areas that need improvement in the general production process. Although most of the products are considered specialty foods, there are a number of competitors located in other countries producing the same product. Improving yields, efficiencies and other practices will help to insure a sustainable future for the processors.
- Make a concerted effort to find and promote women in AGOA export eligible countries who are entrepreneurs with viable products who have had difficulty breaking into a market that has been almost exclusively male.
- Market access and export linkages technical support (Connecting suppliers and buyers through the four channels: industrial, food service, retail and e-commerce). Breaking into the U.S. market is not always an easy process especially if the supplier is from a region unknown to most buyers. Linking the buyers and suppliers is a vital step in assuring a successful end.

- Conduct trade promotion and market entry activities through enhanced participation in in selected trade show. Trade shows are an excellent media for the supplier to grasp the potential market as well as the competitors in his or her segment. It's a great opportunity to see what is new, attend demonstrations and compare your product and prices. As well, many of the trade shows are great for networking and a chance to forge good business relationships. The shows allow you to meet large numbers of key people in one place.
- Enhance Eastern African enterprises buyer linkages through Buyer Missions. Many buyers today are a bit more skeptical when buying products from unknown suppliers or geographical areas. Sending reports, Audits and specification sheets are important but there is nothing like seeing first-hand the plant and operation. In most cases, this will be a pre-requisite before the first product is shipped. Buyers Missions are a great format for bringing buyers and processors together to discuss operations, opportunities.

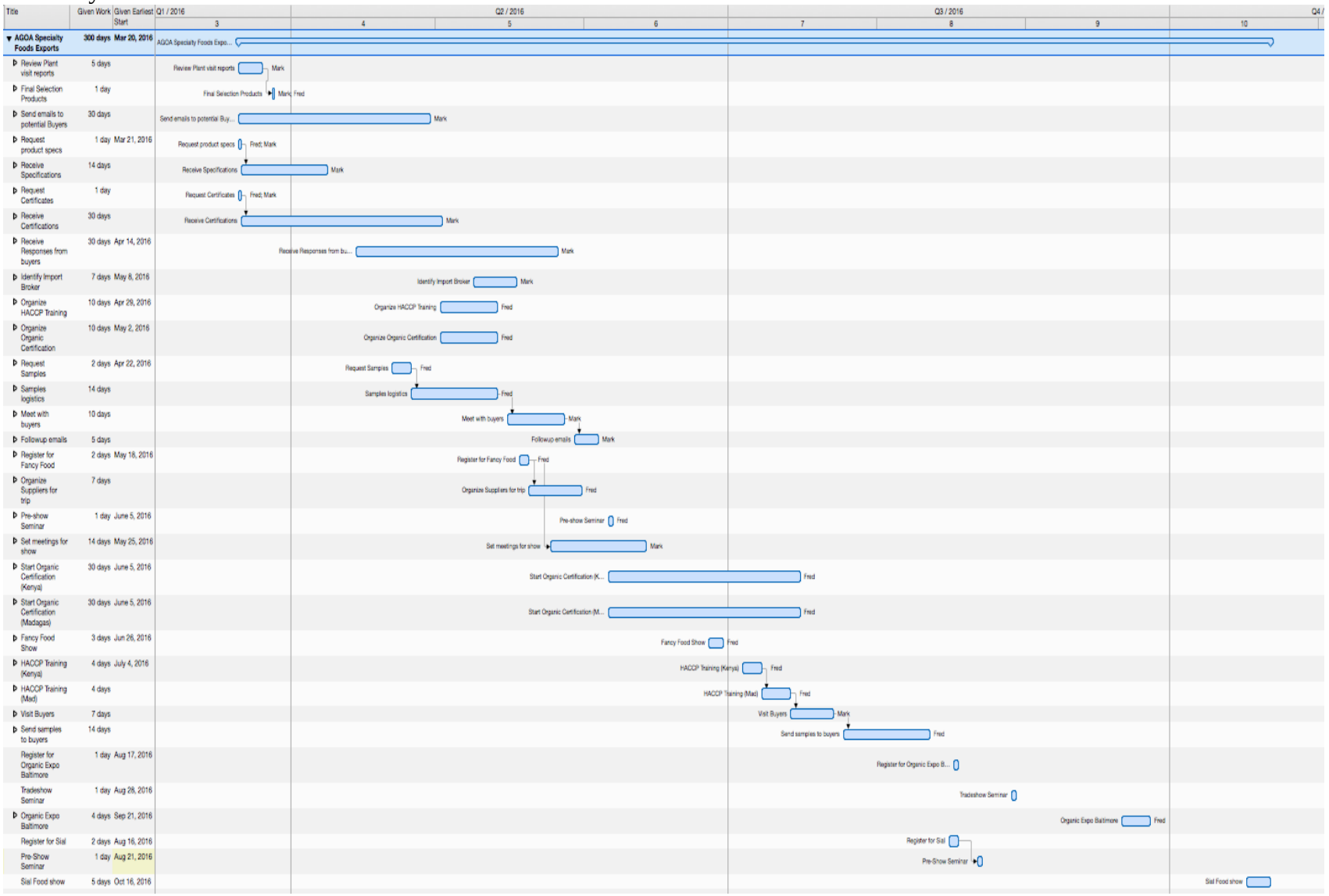
The following Gantt chart lists the important activities to take place over the next nine months:

- The chart assumes all plants are certified HACCP and registered with the FDA;
- There will be a number of visits with the buyers with the goal of personally presenting the samples;
- Up to three food shows will be scheduled for each year. In most cases, the show will consist of walking the floor for the first year.

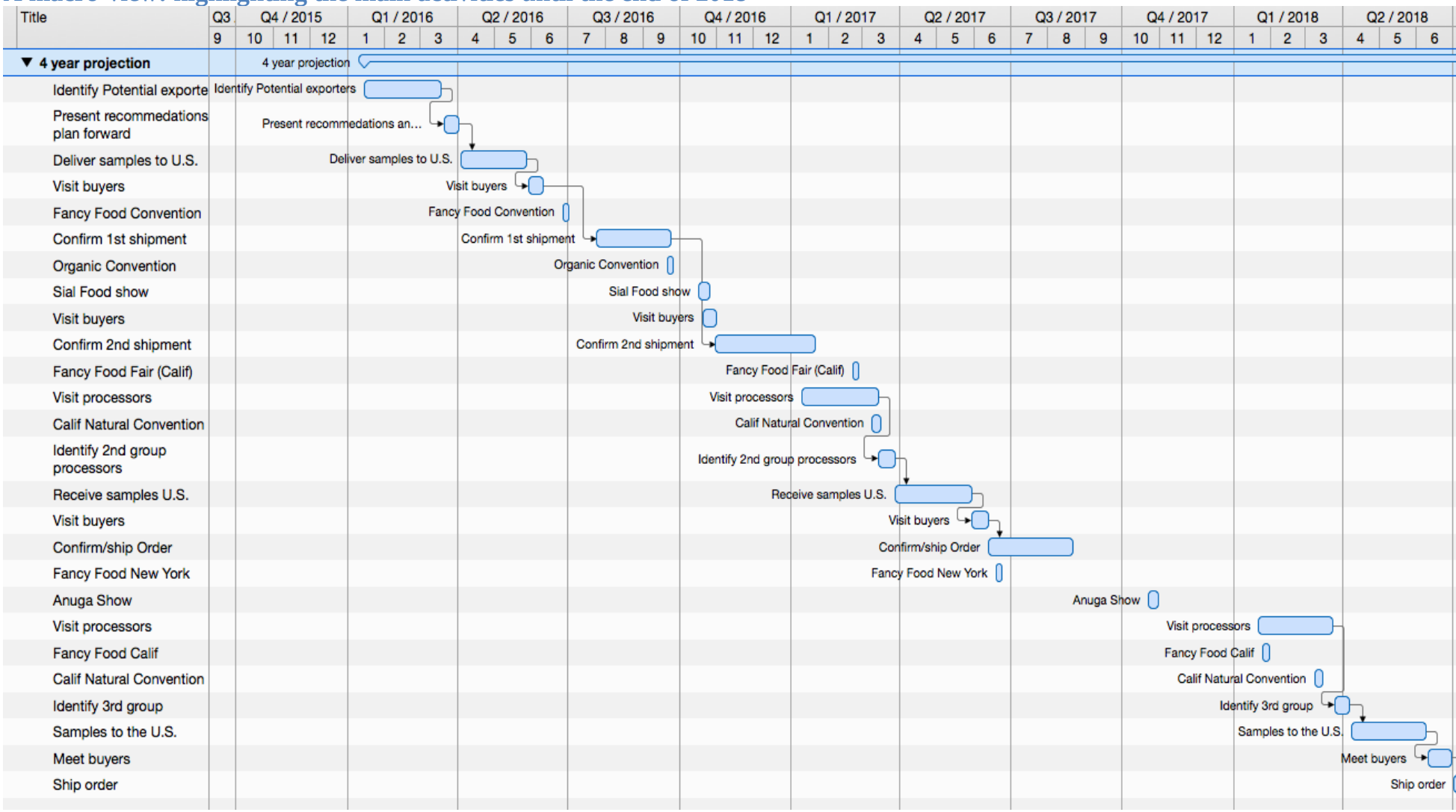
Summary of process of exporting food Products to USA



Summary of the next course of Action for the next 12 months



A macro-view: highlighting the main activities until the end of 2018



Draft Action Plan May 2016-January 2019

Objective	Action/Activity	Target Period
1.0 To enhance specialty food enterprise firm level competiveness export		May 2016-May 2017
	1.1 Provide technical support to selected enterprises on good manufacturing practice.	
	1.2 Enterprise level technical support on relevant certifications to meet market requirements.	
	1.3 Food processing efficiency technical support to improve productivity and product competitiveness.	
	1.4 Provide practical skills training to selected production and marketing staff to meet buyer requirements /expectations.	
2**.0 Promote /Market East Africa specialty foods sourcing opportunities among USA buyers /Brokers/ Traders**		Sep 2016-Sept 2018
	2.1 Conduct mapping in USA to identify potential buyers for the selected products from East Africa.	
	2.2 Organize and meet potential buyers in the USA to introduce East African sourcing potential/products.	
	2.3 Organize with reputable food laboratories in East Africa to test and provide conformity test certificates to selected enterprises.	
	2.4 Organize with enterprises and send samples to potential buyers in USA.	
	2.5 Organize /Facilitate Buyer –Seller linkages in USA.	
	2.6 Facilitate East Africa enterprises participation in selected specialty foods trade shows.	
	2.7 Organize USA buyer missions to selected East African countries.	

3.0 Increase awareness of the USA market opportunities among Eastern Africa specialty food manufacturers		Jan 017-Jan 019
	2.1 Conduct Specialty foods USA market opportunities awareness seminars in AGOA eligible countries	
	2.3 Work with FDA local liaison office to demystify the USA market requirements.	
	2.4 Develop and disseminate USA market export tool kit.	
	2.5 Establish collaboration with national trade support institutions/Manufacturers Associations/ Chambers of Commerce to expand and sustain the USA market awareness program.	
4.0 Expand the specialty foods sourcing opportunities in East Africa		Sep 016-Sept 017
	4.1 Conduct enterprise mapping in Ethiopia, Uganda and Tanzania to identify enterprises that are export ready or have export potential.	
	4.2 Identify marketable products and/or products with potential for niche market opportunities, such as organic products.	
	4.3 Review of product and factory certification and quality systems.	
	4.4 Develop country and firm level specific recommendations on specialty foods export development and export expansion.	
	4.5 Support relevant trade promotion agencies to develop USA market trade promotion strategy.	

Appendix

Enterprises visited during the mapping exercise

	Company	Contact	Position	Phone	E-mail
1.	African Bee Keepers	Ernest Simeoni	Managing Director	(+254)202060685	ernest@africanbeekeepers.co.ke
2.	Macnuts Int	Jama M Ali	Director	(+254)708198282	jamagutan@hotmail.com
3.	Sigma	Christian Rajaosafara	President	(+261)202258359	christian.rajaosafara@sigma.mg
4.	Premier Food	S. Dharmarajan	General Manager	(+254)722440461	pfil@peptang.com
5.	Kenya Nut	Wangui Kaibere	Chief Fin Officer	(+254)208006271	wangui.kaibere@kenyanut.com
6.	Kevian	Richard Rugendo	Managing Director	(+254)716007722	info@keviankenya.com
7.	Les Vergers de Lab.	Reaz Gunga	Agro Manager	(+230)2669533	processing@ddl.mu
8.	Havamad	Moustafa Hiridjee	Administrator	(+261)340300004	administrateur@havamad.mg
9.	Organic Growers	Haren Patel	Chairman	(+254)722512340	haren.patel@ogpl-epz.com
10.	Farm Gate	Hussein Esmail	Finance Director	(+254)712910400	he@farmgate.co.ke
11.	Allfruit EPZ	Alex Mwathi	Director	(+254)208088131	alex.mwathi@allfruit.co.ke
12.	Madepices	Hasina Raveloarijaona	Manager	(+261)321125449	commerical@madepices.mg
13.	Phael Flor Export	Heriniaina Ramboatiana	COO	(+261)202225914	heriniaina@phaelflor.com
14.	Wonder Nut	Bobby Thomas	President	(+254)412318933	info@wondernut.com
15.	Milly Fruit	Azeem Rashid	Managing Director	(+254)202054323	asr@millygroup.com
16.	Miel d'Or	Anas Moorbannoo	CEO	(+230)57835303	info@miel-or.com

17.	Bourbon Vanilla Ltd	Mrs Dominique Vaudin	Managing Director	(+230)2492620	dominique.vaudin@taylorsmith.mu
18.	Sukpak Ltd	Mr Sylvain Lavenerable	Manager	(+230)2483217	sukpak@intnet.mu
19.	Les Vergers Labourdonnais	Reaz Gunga	Agro Manager	(+230)2669533	processing@ddl.mu
20.	Tropical Cubes	Arnaud Raffray	G.M.	((+230)2615840	sug.atg@intnet.mu
21.	Madecasse Chocolate	Tim McCollum	Manager	(+1)9173822020	info@madecasse.com
22.	Impra Tea	William Otemba	Manager	(+254)202342457	trading@impratea.co.ke
23.	AvoHealth	Nathan Loyd	CEO	(+254)206825400	info@avohealth.co.ke
24.	Honey Care	ErIc Niccolson	Marketing	(+254)721973399	eric.gichinga@honeycareafrica.com
25.	Kanhye	Vinay Kanhye	Director	(+230)58869767	vkanhyehealthfoods@orange.mu
26.	Bongos Duck Pate	Jose Richard Rakotonirina	Director	(+230)2244085	bongou@moov.mg
27.	Gokal Beverages	Haggai Onyango	Executive	(+254)721531190	stocks@gokalbeverages.com
28.	Malindi Natural Juice	Abubakar Dahman	Director	(+254)732514603	dahman@malindijuices.co.ke
29.	Kentaste	Kyle Denning	Director	(+254)202311504	kyle@kentaste.com

Individual Factory visit report: Madepices

ENTERPRISE NAME:	Madepices
ENTERPRISE LOCATION:	Antananarivo, Madagascar
ENTERPRISE DESCRIPTION:	Exporter and Retailer of spices and special products
DATE/TIME OF SITE VISIT:	January 22, 2016 at 11:30am
REPRESENTATIVES OF BUSINESS:	GM Hasina Ravelloarijaona

Enterprise Background

Madepices has been in the spice business for many years but the new partnership took place about five years ago, bringing in fresh capital to expand the production facility as well as build two retail outlets. There are three partners of whom I met two, Hasina and Jean Pierre. Jean Pierre did not speak English but Hasina was able translate as best he could. Hasina participated in our first workshop that took place in Madagascar. Hasina was very attentive and asked some very interesting questions in regards to exports. The majority of my time was spent with Hasina.

Management and Staff:

Madepices does not have many levels of management. Hasina seems to wear a number of hats including Manager, plant production, R&D, to mention a few. This is not uncommon in small operations and in fact can be beneficial as decisions tend to be made quickly. Jean Pierre seems to also play a role in the day to day but to a lesser extent than Hasina.

Background and description of production method and raw materials procurement:

The spice processing operation is very basic involving the use of low tech equipment and very labor intensive. For example, the grading of the wild black pepper is achieved using 22 women sitting in sewing circle arrangements six women to a table. This setup is prone to excessive visiting with other workers and possible loss of concentration. This work can be mechanized using linear conveyors with workers stationed along both sides of the conveyer. Color sorters are widely used in the spice manufacturing and, although expensive, can do the work of 20 workers. The investment would be high and for current small volumes, may not have an adequate ROI.

The separating sorting of product requires fine finger manipulation making it nearly impossible to use protective gloves. Extra caution should be practiced is assuring hands are clean and disinfected before during this process and frequent swabbing should be practiced to assure cross contamination is not present. The plant manufactures its own unique wood displays and packing material for retail sales. The shop is located between two processing rooms with little to no walls

separating the rooms. Dust and wood chips could be a potential contaminate issue. Madepices should consider moving the woodshop to either end of the building and isolate it from the processing facilities.

Raw material is contracted out to select farmers with whom Madepices has built relationships over the years. For products that are grown in the wild such as wild black pepper (voatsiperifery) and Baobab fruit, Madepices uses select collectors that have proven themselves over the years.

Current Export Markets, export logistics and marketing strategy:

Madepices sells many of their products in one of their two retail outlets located in and around Antananarivo. A number of select products are also sold into France and Belgium for high-end restaurants. Some products can be found on-line (Alibaba) but according to Hasina, this is not a very big market at this time. Madepices does not currently sell to the U.S. market but they do have a very strong interest to do so. Reactions from buyers note a very strong interest in sourcing spices from this region yet some have noted they have not been successful in finding a qualified plant.

Observations/Analysis of Opportunities and Challenges:

Madepices has a very interesting lineup of products of which the majority would do quite well in the U.S. markets. FDA's latest each processing facility to implement and certify a HACCP program. Madepices does not currently have a program in place and before exporting to the U.S., this will need to be addressed. Organic certification is possible on many of the products currently being produced by Madepices. Although there was some concern as to the cost of implementation, Hasina feels the certification process is possible once they are convinced that the buyers are willing to pay higher prices for organic certified product.

Possible HUB Assistance:

Following are a few areas where Madepices will benefit from our assistance.

1. Market assistance linking Madepices with buyers in the U.S.;
2. Hire outside consultant to guide through the HACCP process;
3. Link Madepices with local organic certifying body.

Conclusions and Way Forward:

It was a pleasure meeting Hasina and having him share his excitement and knowledge with us in regards to his current products and ideas for the future. With assistance, Madepices can enter the U.S. market and continue to grow. The passion coupled with Hasina's hands-on involvement will help to assure their success in this new market.

Factory visit report: African Beekeepers (AB) Retail Brand Bizzy Bee

ENTERPRISE NAME: African Beekeepers (AB) Retail Brand Bizzy Bee

ENTERPRISE LOCATION: Kenya

ENTERPRISE DESCRIPTION: Retail Honey, Bee Equipment

DATE/TIME OF SITE VISIT: January 23, 2016 at 11:00am

REPRESENTATIVES OF BUSINESSES: Ernest Simeoni (Owner/Manager)

Enterprise Background:

African Beekeepers LTD (ABL) is a privately-held company working for the development of the beekeeping and honey industry in Kenya with an eventual target of the East African region as its operational areas. The company was formed in 2001 and continues today as the leader in modern beekeeping. The owner, Ernest Simeoni, currently operates over 1,000 hives throughout Kenya which is considered one of the largest operations in Kenya using modern Langstroth (box hives supers and deeps) hives. By U.S. standards, their operation would be considered small, producing an average of 7-10mt of finished product per year. The quality of AB honey is quite evident from the eye; meaning the color is light compared to most competition, which is dark to very dark. Ernest gave us a quick background on how the majority of honey is harvested in Kenya, which helped to explain the majority of poor quality, strange tasting dark honey.

Although there are a number of activities inside the facility, the actual processing of honey takes place in an insulated inner room located on the south side of the facility. Although quite small, the room easily fits the entire production line.

Management and Staff:

Ernest Simeoni is the managing director and founder of African Beekeepers. Ernest is the expert in beekeeping in Kenya and possibly for most of East Africa. His knowledge of the industry and dedication on improving beekeeping practices in Kenya as well as other regions in Eastern Africa is making a difference.

Background and description of production method and raw materials procurement:

The walkthrough did not take long as the plant was not processing at this time due to low season. The plant is not HACCP certified at this time but, according to Ernest the process to certify his plant should not take long.

The processing of honey can be a sticky operation in which time and patience are required. Maintaining a clean environment will help to minimize the presence of ants and other insects. Honey should be processed as soon as possible after removing it from the hive. AB does

not allow more the two days to pass before processing takes place. The honey arrives to the factory in the smaller boxes called supers. AB employees 10 men to take care of the removing and transporting of the product to the warehouse. Each super contains 11 frames of which the honey is attached to the frame by small hexagonal wax cells capped at both ends. The caps are removed by a hot knife exposing the honey. Once capped, the frames are placed into an extractor holding up to eight frames. Once loaded, the frames are spun using centrifugal force to remove the honey from the wax. The accumulated honey is strained to remove small particles, pieces of wax and other foreign material. Once strained, the honey is ready to be packed in 55 gallon barrels (industrial), small retail glass or plastic containers.

At this time, Ernest does not buy raw material from third parties as the quality of the product is low-grade due to poor beekeeping practices. The majority of the honey produced in Kenya is created using the traditional log hive concept, resulting in dark, off-flavored honey that requires pasteurization. Although pasteurization is a "Kill all" process, the process also kills all enzymes and other positive attributes of raw honey.

Current export markets, export logistics and marketing strategy

Although AB has sold honey to the United States in the past, at this time, almost 100% of the production is for local consumption at retail level. The Brand Bizzy Bee now maintains about 30% of the overall market in Kenya and about 70% in high end retail outlets. Ernest believes the current output of honey in Kenya is too small to consider exporting to the U.S. He believes a concerted effort is needed to convert existing Traditional Beekeepers to the modern Langstroth system. After some discussion, Ernest does believe the quality of the honey in Kenya would do very well in high-end retail stores packing under their private label.

Observations/Analysis of opportunities and challenges:

Kenya certainly has potential to produce large volumes of honey both for local sales as well as export. The traditional beekeeping (log hives) dominate over 80% of the hives found in Kenya. The honey produced from this method does not meet the quality required to export to the U.S. A strong program will be required to re-train existing beekeepers to utilize the Langstroth hives. Ernst is currently working with schools by donating hives to 6th graders. He is teaching them the basics of beekeeping. His hopes are to build a strong base of beekeepers utilizing modern methods in beekeeping in order to increase the overall output of quality honey in Kenya.

Possible HUB Assistance:

There are a number of areas where the HUB could be of assistance:

1. Support efforts to promote modern beekeeping methods to new and existing beekeepers;
2. Link AB to retail buyers throughout the U.S.;
3. Hire outside consultant to assist in HACCP certification process.

Conclusions and Way Forward:

Ernest is one of the main forces determined to turn around the beekeeping industry in Kenya and East Africa. His ingenuity and continued efforts to spread the word on beekeeping is the catalyst needed to make a difference. I highly encourage the HUB to work alongside Ernest and African BeeKeepers LTD to improve the beekeeping practices in Kenya.

Factory visit report: - MacNuts International

ENTERPRISE NAME:	MacNuts International
ENTERPRISE LOCATION:	Kenya
ENTERPRISE DESCRIPTION:	Processor of raw non roasted macadamias for Industrial use
DATE/TIME OF SITE VISIT:	January 27, 2016 at 11:00am
REPRESENTATIVES OF BUSINESS:	Jama Mohamed Ali

Enterprise Background

MacNuts International is a traditional company, with a unique approach combining suppliers' involvement with forward-thinking focus on quality and consumers. MacNuts International was founded in 2013, and has grown over the years to a respectable position in the region's nut sector. MacNuts processes approx. 500mt "wet in shell" with a net yield of approx. 13-18%. At this time, MacNuts does not have the capacity to dry roast nuts thus offering a non-roasted finished product for export. MacNuts will eventually install a roasting line once cash-flow allows for the investment. Owners are devout Muslims thus expansion will be determinate on future earnings as sharia law does not permit loans. End customers are found throughout Europe with small shipments to the U.S.

Management and Staff:

Jama Mohamed Ali is the director of MacNuts International and plays a very active role in the day-to-day activities. During high season, there are roughly 55 workers of which 52 are women. The bulk of the labor is in the hand separation of shells from meat. Quality control consists of two people that play a very active role throughout the process assuring ISO 22000 is enforced throughout the process.

Background and description of production method and raw materials procurement:

From the moment one enters the facility, it is very clear the seriousness MacNuts International uses to enforce ISO 22000. This is important to point out as the current process does not incorporate a "kill-step" meaning at some stage of the process, the product is subject to a step that kills bacteria, e-coli mold such as high heat as found in pasteurization or chemicals such as sodium benzoate used as a preservative of many shelf stable products. The raw material arrives to MacNuts' drying facility located off-site about 10 kilometers away with 30% moisture. Natural

sun is used to reduce the moisture to 10-14%. From there, a heat exchanger fired by the hulls is used to further reduce the moisture to about 2%. Drying the nuts to 2% moisture assures the meat shrinks away from the shell thus allowing a more efficient cracking process. Once 2% is obtained, the nuts are shipped to the processing facility. Upon entering the process room, one would liken the experience to entering a clean-room in a high tech computer facility, with similar requirements such as wearing special shoes, lab coats, hairnet and mask before entering the process area.

In the main processing room, two crackers (one made in Kenya and the other in South Africa) are hard to ignore due to their loud cracking and sheer size. Both crackers are hand-fed via large hoppers located above the crackers. Once cracked, the nuts and shells are conveyed to a horizontal conveyor feeding a small cyclone used to remove dust particles and small pieces. The dust free nuts are further conveyed along an eight meter to the far end of the process room. This conveyor also doubles as an inspection area where un-cracked nuts are sorted out and sent back to the cracker. The remaining product is loaded into small shallow totes. Two workers are assigned to hand carry the totes over to the sorting tables where 20 women sitting at well-lit stations separate the shells from meats and grade the product into 5 different categories (Wholes, Mostly holes, Wholes and pieces, pieces and small pieces). Once sorted and graded, the product passes through a metal detector then packed in nitrogen flushed vacuum metal bags for eventual export. Under normal conditions, the product has a shelf life of approx. one year.

Raw material is an issue as there are a number of processors for macadamia in the country making raw material at times hard to procure. The larger competitors are vertically integrated owning their own trees thus assured raw material and consistent quality. Smaller operations, such as MacNuts, rely on relationships and market prices. Although they have not had problems with raw material, as more and more processors enter the arena, this will certainly become an issue in the coming years. The yields for MacNuts International are quite low ranging from 13%-20%. The low yields can be partially attributed to poor orchard management; cutting corners to improve margins, harvesting the nuts early to improve cash flow, not apply enough fertilizer. Processors that own their own orchards consistently yield 5-8% higher than plants buying their raw material on the open market. Competing on the international market will be a challenge for MacNuts. Although the blame for poor yields can be directed at farming, the processing line can certainly be improved to help increase current yields.

Current Export Markets, export logistics and marketing strategy:

Currently, MacNuts International does not roast their macadamias; they are selling the product in raw form at lower prices resulting in lower margins. Raw Macadamia nuts will most likely be sold to industrial users or companies that are able to further process by roasting, flavoring and packaging and foodservice or retail packaging. There are a few by-products that are produced from the processing of macadamia nuts, oil and small pieces. The small pieces are currently not being captured in the process and exhausted out with the dust particles and small shell pieces. This product can be captured and either sold to large bakeries as an ingredient or captured and pressed for the high value oil content.

Observations/Analysis of Opportunities and Challenges:

1. Yields of 13-18% are considered extremely low in the Macadamia industry. Australia averages 30% and Hawaii 25%. Certainly the type of nut found in Kenya will average lower yields than in either country but improvements in the process can certainly help to improve existing yields:
    a. Australia, South Africa and the U.S. produce high quality crackers that are able to improve wholes by up to 10% meaning a higher average of wholes:
    b. Color sorter to separate the smaller pieces from shells can help to improve the yields by 5%. As noted, current small pieces are exhausted out via the cyclone with small shells and dust:
    c. A second cyclone should be installed to better sort shells from meats thus reducing the amount of labor required for this process:
    d. The existing crackers should be analyzed to determine if the average yields for whole nuts compare with industry averages. If not, consider purchasing more efficient crackers.
2. Purchasing a roaster in order to increase value of their product is certainly part of their overall plan but as noted, this may take some time as they are not open to outside loans. Once they do have the capacity to roast, this will allow MacNuts to enter higher end markets thus increasing margins. The roaster is considered a kill-step which industry experts believe this will eventually be mandatory as it currently is with Almonds.

Possible HUB Assistance:

Based on the discussion with Mohamed, there are opportunities for HUB support in the following areas:

1. Assist in the process of registering the company with the U.S. Guide them through the process to be U.S. export ready:
2. Identify; Vet Custom brokers, Food brokers/Traders and Distributors that are in the position to handle products from this area;
3. Hire outside consultant to analyze existing process and make recommendations with the goal of improving yields to over 20%:
4. Review financials and find creative options for financing new equipment for yield improvements and value added product. Options should fit within the Sharia law:
5. Roasting Macadamias should be part of their short term action-plan. Hire outside consultant to prepare study and budget for expansion.

Conclusions and Way Forward:

MacNuts International is an impressive start-up with tremendous potential. They are certainly ahead of many of their competitors in terms of quality control and an impressive finished product. Growing organically in a very competitive market may find MacNuts International losing market share and possibly struggling for raw material. The company will need to increase output in order to compete with the larger processors and begin the process to offer higher value product such as roasted nuts in order to maintain a competitive edge.

Factory visit report: TTelo Honey

ENTERPRISE NAME: TTelo Honey

ENTERPRISE LOCATION: Antananarivo, Madagascar

ENTERPRISE DESCRIPTION: Producer of honey for local and export markets

DATE/TIME OF SITE VISIT: February 8, 2016 at 4:30pm

REPRESENTATIVES OF BUSINESS: (President) Christian Rajaosafara

---

Enterprise Background:

TTelo has been in the honey business since the early 1980s as part of a larger organization Sigma, which is involved in many different products in Madagascar. TTelo produces an assortment of honeys, including monofloral (from one flower variety) flowers including Litchi, Rosewood, Eucalyptus and Baobab. They export just over 100mt tons per year of which 40mt is organic certified. In 2015, TTelo made a concerted effort in developing a new project; implementing more than 1,500 modern Langstroth (box hives supers and deeps) hives with local beekeepers. This is in order to promote beekeeping in a sustainable and equitable way with the possibility of producing raw honey; meaning honey not pasteurized.

Management and Staff:

Christian is the President of Sigma but spends close to 70% of his time beekeeping as well as focusing on sales and marketing of honey and other bee products.

Background and description of production method and raw materials procurement:

The processing facility was shut down as they were in the middle of low season during our visit. Christian gave a brief description of their process. Christian did note the honey is heated to 35 degrees C not for pasteurizing purposes (pasteurizing requires 65 degrees and above), but needed to help the honey filter through a cheese-cloth type filter in order to remove large particles normally found in raw honey. The honey flavor profiles are very unique. With creative marketing, this product could do quite well in high-end gourmet stores. Wax is a by-product from bee production especially when using the traditional log hives, where the wax is removed along with the honey and larvae. The wax is separated out and melted down into blocks and exported to Germany for candles and cosmetics.

Current Export Markets, export logistics and marketing strategy:

TTelo currently exports to Germany and Mauritius and sells to local markets in Madagascar. The market in Mauritius has been growing over the past few years. Local chefs in Mauritius are buying direct from TTelo for their restaurants and are now exporting to Chefs in other countries.

Observations/Analysis of Opportunities and Challenges:

TTelo honey would be a perfect fit for high-end supermarkets such as Whole Foods and Trader Joes. The processing facility will need to be visited in order to confirm that they meet the minimum requirements of the FDA.

Possible HUB Assistance:

TTelo seems to have many of the pieces in place in terms of production, quality, and packaging but will require assistance in marketing product to the U.S.;

1. Market assistance linking TTelo with buyers in the U.S.;
2. Outside consultant to guide through the HACCP process (TBD).

Conclusions and Way Forward:

TTelo is producing and marketing very unique honeys. I am not sure these types exist currently in the U.S. Monofloral honey from exotic trees such as the Baobab tree that is organic will certainly add to their appeal for U.S. consumers.

Factory visit report: Kenya Nut Company

ENTERPRISE NAME: Kenya Nut Company

ENTERPRISE LOCATION: Nairobi, Kenya

ENTERPRISE DESCRIPTION: Macadamia (Raw nuts and Roasted)

DATE/TIME OF SITE VISIT: February 11, 2016 at 12:30pm

REPRESENTATIVES OF BUSINESS: (Deputy Chief Finance Officer) Wangui Kaibere

---

Enterprise Background:

Kenya Nut Company is the market leader in Macadamia and Cashews in Kenya. They grow and process organic Macadamias and Cashews in the highlands of Kenya. Kenya Nut is a vertically integrated company from the nurseries to special packaging for retail outlets throughout the world. Kenya Nuts currently sells to Europe, China and the U.S.

Management and Staff:

Our visit was badly timed as all key individuals were out-of-town. Nevertheless, Wangui did an excellent job giving us a comprehensive background of the company, both from a production standpoint as well financial.

Background and description of production method and raw materials procurement:

Kenya Nut has been in the nut business since 1972 and now employs over 2,500 personnel. According to Wangui, the turnover at the company is very low due to their attention and caring for each employee such as free medical coverage for all everyone. At this time, I am not able to comment on the process facility but am quite confident that the operation will meet all FDA/USDA requirements as they are already exporting to the U.S.

Current Export Markets, export logistics and marketing strategy:

Kenya Nut is currently exporting product both in the raw form as well as roasted with various flavor profiles. From my understanding, they are currently shipping full containers to the U.S. which they store in the Houston, Texas area. Clients or buyers are able to purchase pallet loads directly from the warehouse.

Observations/Analysis of Opportunities and Challenges:

Kenya Nut is currently selling Macadamia in bulk to the U.S. normally considered the lower end of the value added. Finding higher value markets such as retail would certainly move the product up the value chain.

Possible HUB Assistance:

Minimal assistance will be required:

1. Market assistance linking Kenya Nut with retail buyers in the U.S.

Conclusions and Way Forward:

Kenya Nut is certainly one of the premier nut companies in Kenya and possibly one of the top in the world. Including them in our list of companies for exports to the U.S. may influence others to rise to their level.

Factory visit report: Premier Food Industries Ltd. (PFIL)

Enterprise Name:	Premier Food Industries Ltd. (PFIL)
Enterprise Location:	Nairobi, Kenya
Enterprise Description:	Purees and Sauces
Date/Time of Site Visit:	February 11, 2016 at 1:30pm
Representatives of Business:	(G.M.) S. Dharmarajan

Enterprise Profile:

Premier Food Industries Ltd. (PFIL) is a leading food processor in Kenya, manufacturing over 50 different products under brand names including PEP and PEPTANG. Both PEP and PEPTANG have been in the marketplace for over 70 years and are considered household names in the food industry. Some of the products produced under this brand are ketchup, tomato sauce, chili sauce and pili-pili sauce.

PFIL also produces an all-natural fruit juice under the brand Orchid Valley and Zuri. These ready-to-drink shelf stable juices are made from real fruit pulp procured locally through Allfruit EPZ Kenya, a subsidiary of PFIL. The raw material is sourced from over 20,000 small scale farmers located in the Shimba Hills of which PFIL has built a solid relationship over the years.

PFIL maintains high levels of quality from the raw material procurement to the delivery of products to the end user. This detail throughout the value chain has made the company into Kenya's market leader in select products. PFIL was the first company in Kenya to be awarded the certificate of ISO 22000 by the Bureau of Veritas Certification due to conforming to International Standards in Quality and Food Safety for all products.

The plant is ISO 22000 certified which is a requirement for exporting to Europe and (HACCP) for the U.S. The tetra pack line is certainly the showcase of the operation as it is fully automated, running over 20,000 200ml boxes per hour. A large boiler is located in the back of the facility supplying the required steam for the pasteurization process. About 20% of the fuel to fire the boilers utilizes dry Mango seeds sourced from their subsidiary Allfruit. A large 1,000 kva generator located close to the boiler is essential to the company due to the brownouts experienced every day. The overall size of the building is close to 40,000 square meters giving ample room for existing production as well as future expansion. The lab room is fully equipped running analyses on a continual basis An impressive CPC system (Automated cleaning system) was installed a few years ago that allows for a complete equipment wash down and sterilization in under an hour.

The majority of the raw material arrives from Allfruit located in Mombasa, Kenya. Allfruit produces an assortment of puree products of which roughly 20% is sent directly to Premier for the retail drink line. The product arrives in 55 gallon aseptic drums which are stored in a separate warehouse located about 15 meters from the main facility.

Management and Staff:

PFIL is a member of Industrial Promotion Services (K) Ltd. (IPS) group of companies, which is the industrial and infrastructure arm of the Aga Khan Fund for Economic Development (AKFED), which is an affiliate of the Aga Khan Development Network (AKDN) S. Dharmarajan (known as SD), is considered, "the" food technologist in the industry and is acting General Manager of Premier Foods. Leonard Thairu is the business development Manager.

Description of production method and raw materials sourcing:

Premier is primarily a fruit juice operation running a variety of fruit juice products via tetra packs. They are currently producing four different flavors: Pineapple, Mango Passion Fruit and a tropical fruit blend consisting of the three fruits mentioned and Orange and Guava juice. The final product is 100% natural with no artificial flavors, colors or preservatives. This stable product is achieved utilizing state-of-the-art processing equipment allowing the sterilizing of the product through high temperature pasteurization, then cooling and packing under a sterile environment. The majority of the equipment is Bertuzzi for the pasteurizing and mixing of products. The fill and seal line is Tetra Pack, which is considered the leader in its industry. The line does have the ability to run small 8oz packs (school lunch programs and up to 1,000 mil although the majority of the packs are 200 ml). The majority of the raw material arrives in puree form in 55 gallon barrels from Premier's subsidiary company Allfruit, located in Mombasa.

The vertically integrated operation assures quality product and on-time deliveries which certainly helps to attract customers such as Coca Cola and other high-end companies. It's important to note an integral part of every aseptic line is the CCP system which is the primary method for cleaning the entire processing line. Premier has installed the latest technology which not only assures a sterile environment but a system that is able to clean in a very short period of time resulting in minimal down time.

The sauce line includes a number of Ketchups, hot sauces and other sauce-type products. Unlike the modern Tetra line, the sauce line utilizes technology and processing techniques used over 50 years ago in the U.S. The equipment is in average shape and in some cases could use rebuilding or possibly replacing. The batch processing is not as efficient as newer technologies utilizing flow processes but is considered quite versatile and simple to manage. That being said, strict quality procedures are followed from the beginning to the end of the process producing world renowned products such the Pili-Pili hot sauces, which won 1st, 2nd and 3rd prizes at the Fiery Food Challenge which takes place every year in the U.S.

Current export markets, export logistics and marketing strategy:

PFIL produces primarily for the Kenyan market as well as regionally throughout Africa. They continue to supply a number of puree products for Coca Cola's fruit drink line. Plans are in place to continue to penetrate retail markets in neighboring countries for the Tetra pack shelf stable fruit products.

SD discussed in detail their experience in selling to the U.S. markets through a U.S. distributer in the East Coast named Home-Land Distributors. There was a concerted effort to get into Walmart

in the U.S. Although the project never went forward, SD noted that he is still very interested in giving this project another shot. SD recognizes penetrating the U.S. market will require capital and persistence, yet he is still interested in putting together a new program with a goal of breaking into the U.S. market. Whole Foods was interested in the product but requested product without preservatives which requires glass bottles. SD was not interested due to the smaller volumes and complications of the glass. With the existing facility, they have the ability to produce 3 containers (20 tons per container) over and above their current orders.

Observations/Analysis of opportunities and challenges:

Overall, the plant is well run and up to date on all ISO 22000 certifications. Opportunities are two-fold. In terms of the industrial market, the puree operation could supply value added industrial markets in the U.S. With their current quality of purees coupled with the certificates of FSC FGF and audited and approved as a Coca Cola supplier, the value of this product could be sold at higher than commodity prices.

Their current sauce line and in particular their hot sauces, has an initial positive response in the U.S. Finding a reliable distributor to present the line to specialty supermarkets could result in impressive volumes.

Possible HUB Assistance:

1. Market linkage with industrial buyers and end users throughout the U.S. Special focus on targeting high end users supplying retail and food service via distributors;
2. Market linkage for the Hot Sauce product line connecting with a distributer on both the East and West Coast;
3. Help develop, retail and package as well as tap into the flavor profile of consumers in the U.S.

Conclusion and Way Forward:

PFIL certainly seems to be a shining light in the Kenyan food industry. The company does seem to be intent on entering the U.S. market and understands the investment required to move forward. It is important to note although past efforts were made to bring this to fruition, the project never went forward. The company as a whole seems to be very positive and willing to give the U.S. market another try.

Factory visit report: Kevian (Pick-n-Peel)

ENTERPRISE NAME:	Kevian (Pick-n-Peel)
ENTERPRISE LOCATION:	Nairobi, Kenya
ENTERPRISE DESCRIPTION:	Fruit Purees (Mango, Pineapple and Passion)
DATE/TIME OF SITE VISIT:	February 11, 2016 at 2:30pm
REPRESENTATIVES OF BUSINESS:	(Owner) Richard Rugendo

Enterprise Background:

Arguably the largest puree and retail juice operation in Kenya, Kevian is located just outside of Nairobi. Unlike most of the other puree operations, Kevian elected to process their raw material in Nairobi, combining the puree and juice line under one roof. Kevian was the most technically advanced operation we visited during our 45 days. The plant runs two lines simultaneously; one running 20,000 tetra packs per hour and the other 24,000 PET retail bottles per hour of which the pet bottles are blown on-site.

Management and Staff:

Richard Rugendo is the founder and current manager of the operation. His family is involved in the business but Richard leaves no doubt in your mind who is the boss. The factory employs over 300 workers and another 3,600 farmer groups.

Background and description of production method and raw materials procurement:

Kevian produces over 6,000mt of mango puree per year through a completely automated operation. The raw material arrives in large truck loads and is dumped onto a large sloped slab. The raw material slowly gravitates to a large water flume that washes and conveys the product into the plant facility. Once inside, the fruit is checked over a very large inspection conveyor where 30 women inspect the fruit for mold and foreign material. From the inspection table, the product begins its journey through the latest Bertuzzi puree and concentrate equipment line. The final product is packed in 55 gallon drums and stored for further processing or sold to the industrial markets.

Mango has not been a problem to source as most growers are quite happy to have a secondary market for their mango. Before there were companies like Kevian, most raw material was not harvested, resulting in post-harvest losses over 40%. Today, this number is closer to 15%. Pineapple is a bit more complicated. The majority of the raw material is in the hands of Del Monte, a strong competitor in the juice market. Since Kevian replaced the Del Monte brand with Pick-n-Peel, sourcing pineapple raw material has been difficult.

Current Export Markets, export logistics and marketing strategy:

Kevian controls a high percentage of the retail market thanks to their Pick-n-Peel line and aggressive marketing. Their industrial product ships mainly to Germany to be used in fruit drinks. Kevian believes the U.S. market is difficult and can be challenging. Additional convincing will be required but worth the effort as both the mango and pineapple puree could have impressive market potential in the U.S.

Observations/Analysis of Opportunities and Challenges:

I was a bit surprised to find the plant is not HACCP certified or ISO 22000. The plant manager was not very clear as to why this was the case but assured me they will be certified within the next four months. It was mentioned that mango puree was being sold to Germany in large quantities but this must be questioned as the EU requires plants to be ISO 22000 in order to export to the EU.

Possible HUB Assistance:

1. Market linkages with industrial buyers in the U.S.;
2. Outside consultant to assist with HACCP certification;
3. Review aseptic container bladders for shipping vs. barrels.

Conclusions and Way Forward

Kevian is an impressive operation and certainly has the capacity to export their products throughout the world. Convincing the owner to focus efforts on the U.S. market will be a challenge but once convinced, the volumes could be impressive.

Factory visit report : Phael Flor Exports

Enterprise Name: Phael Flor Exports

Enterprise Location: 180, Route Circulaire Ankorahotra Madagascar

Enterprise Description: Processor of Spices and essential oils

Date/Time of Site Visit: Feb. 18, 2016 at 12:00pm

Representatives of Business: Heriniaina Ramboatiana

Enterprise Background:

Phael Flor is a Malagasy firm established in 1985 by a perfume chemist Mr. Ramboatiana, who produces extracts from aromatic products. He collects, grows and distils plants to produce and export essential oils destined for the cosmetics industry. The product list includes geraniums, pepper, cinnamon, camphor, ginger, vanilla. In early 2000, Phael Flor decided to explore other products notably organically grown plants for the specialty food industries. Today, along with their essential oils, Phael Flor offers an assortment of organically grown and dried spices such as wild black pepper, Vanilla, Vanilla powder, Turmeric, ginger to mention a few. Phael Flor employs over 100 employees and ships product throughout Europe.

Management and Staff:

Mr. Heriniaina Ramboatiana is the current Chief Operating Officer soon to take the place of his father, the founder of the company in 1985.

There are over 45 full-time employees at Phael Flor and during production season, over a 100 employees are needed to handle the labor intensive work of preparing, drying and packing the diverse product line.

Background and description of production method and raw materials procurement:

Phael Flor Company is ISO 22000 certified which would be the first spice operation in Madagascar we ran across with this certification. As noted, this (or at least HACCP) is a prerequisite for exporting to the U.S. In reviewing QC documents, it was noted FDA recently visited the facility and reviewed all HACCP documentation and performed a plant inspection. Minor issues were noted all of which were rectified. At this time Phael Flor has two plant locations of which one is actually ISO 22000 (new facility) and the 2nd (original plant), is not. Although the majority of the production takes place at the original plant, Phael Flor is in the process of moving the entire production operation to the new location. This will now allow them to produce under ISO 22000 and give them ample space to produce existing orders as well as future demand. Phael Flor produces both essential oils and dried spices all grown organically and sourced from their own farms. The new facility is currently processing Turmeric and Ginger in bulk-dried form. This organic product is currently shipped to Holland to be further processed into a high-end retail organic spice. The process is straight-forward; most of which is accomplished using manual labor.

The essential oils are currently processed at the old facility. Although we did visit the facility, the plant was not in operation. Phael Flor does have the ability to pack in large industrial containers down to small 3oz retail. Total capacity of the essential oil line is roughly 2,000 kilos per year. Phael Flor recently purchased a new dehumidifier that could be considered the centerpiece of their dried spice operation. The equipment has the capacity to dry 500 kilos per day reaching moisture levels below 6%.

Current export markets, export logistics and marketing strategy:

The bulk of Phael Flor's product is exported to Europe and Mauritius for further processing. Phael Flor would like to focus more on the U.S. markets and they believe their product could have success. We share the same beliefs. Whole Foods is very interested in locating a solid supplier for their spice line. Although the process to qualify is quite extensive, Phael Flor does have the most important ingredients, namely HACCP and Organic certified, both of which are prerequisites.

Observations/Analysis of opportunities and challenges:

It will be absolutely imperative to move the entire line to the new facility before any visit from potential buyers take place. This should not be a difficult task as the operation is quite basic but it needs to be done soon.

Possible HUB Assistance:

There are a few areas of which the HUB could be of assistance:

1. BtoB linkage with buyers in the U.S.;
2. Guide and review documents for supplier approval.

Conclusion and Way Forward:

Phael Flor Exports has extensive experience in both dried spices and essential oils. With some guidance, the market potential in the U.S. is limitless. Although Whole Foods will take time for supplier approval, once approved, the company should do quite well in the years to come.

Factory visit report: HavaMad

ENTERPRISE NAME: HavaMad

ENTERPRISE LOCATION: Antananarivo, Madagascar

ENTERPRISE DESCRIPTION: Single strength Fruit Puree (Pineapple and Passion)

DATE/TIME OF SITE VISIT: February 18, 2016 at 4:00pm

REPRESENTATIVES OF BUSINESS: Moustaffa Hiridjee

Enterprise Background:

HavaMad is a vertically integrated organic-certified pineapple and passion fruit puree operation. The line is relatively small, producing approx. 1,200 mt per year of which all is processed for export. The raw material is grown about four hours away in their company-owned plantation measuring roughly 800 hectares; the majority of which is planted with Smooth Cayenne Pineapple.

Background and description of production method and raw materials procurement:

The pineapple arrives to their facility in large plastic crates holding roughly 200 kilos each. The majority of the fruit is sitting in the hot sun for what seems to be hours or possibly days, causing the fruit to sweat thus reducing overall yields. The product is then conveyed via forklift to the process room where it is loaded onto a large hopper that feeds the automatic peeler. Once peeled, the core is conveyed to the Bertuzzi puree line resulting in 1,200 mt tons of finished product per year. The finished product is packed in 55 gallon drums with aseptic liner for export. A 2nd line has been anticipated to be installed just to the north of the first line. The new line will increase production output by 2,000mt, giving a total production capacity of just over 3,000mt. Management hopes to have this line in by the end of 2016.

Observations/Analysis of Opportunities and Challenges:

The overall yield for their pineapple is just over 35% which seems a bit low compared to industry standards utilizing closer to 45% of the raw material. Post-harvest handling of the raw material can have an effect on yields. Loading the large plastic bins with raw material may tend to crush the pineapple. The bins have the capacity to hold about 200mt resulting in pineapple located at the bottom of the bin have tremendous force pushing down. Switching to smaller "milk crate" size crates with a capacity of 10 kg each may help to reduce crushing. Storing product in the shade before processing may help to reduce "sweating" of product. The seating of the raw material causes cell structures to weaken resulting in juice loss. In looking at the by-product after peeling, I noticed a considerable amount of juice loss during this process. This juice may be of lesser quality but should be pressed and sold for 2nd grade quality.

Possible HUB Assistance:

There are opportunities for HUB support in the following areas:

1. Consultant to assist in Post-harvest handling;
2. Consultant to review existing line and to provide recommendations to improve current yields;
3. Link HavaMad with Industrial puree buyers in the U.S.;
4. Look into alternative packing material (Container Aseptic Bladders) with a total capacity of 22mt. This will reduce packaging material cost and shipping costs.

Conclusions and Way Forward:

HavaMad is a small puree operation that seems to be doing a number of things right. Organic pineapple juice is an important market and does demand a higher price than regular pineapple puree. Connecting HavaMad with high-end buyers should not be a difficult task.

Factory Visit Report : Organic Growers & Packers Ltd. (OGPL)

Enterprise Name: Organic Growers & Packers Ltd. (OGPL)

Enterprise Location: Mombasa, Kenya

Enterprise Description: Mango and Banana Puree

Date/Time of Site Visit: February 22, 2016 at 11:30am

Representatives of Business: Mr. Haran Patel

Enterprise Background:

Organic Growers & Packers (OGPL) Ltd., is a company incorporated in Kenya and operating in a licensed Export Processing Zone (EPZ) in Malindi. The Patel family purchased 11 acres of land in 2013, obtained an EPZ license and began building the EPZ at that time. They signed a 99-year lease with EPZ. The whole complex is around 35,000 square meters large. It contains a Customs Office along with several structures that are for management accommodation, water, energy (650 KW generator) and boiler. The centerpieces of the EPZ are two main facilities: a 2,600 square meter Ripening Chamber and a 3,000 square meter production facility, which also contains administrative offices.

There is also an elaborate laboratory with the capacity to determine brix, ripeness and acidity as well as bacterial counts and e-coli and other pathogens. There are seven dedicated ripening chambers of 80MT capacity each where fruit is stored under controlled conditions modifying temperature and humidity in order to maximize optimum brix for processing.

OGPL has sold minimum volumes of Mango puree but is preparing production for the new harvest to take place in March of 2016.

Management and Staff:

Mr. Haran Patel is the executive chairman of OGPL and plays a very hands-on role in the day-to-day operations, which includes the financing (cash flow) of the day-to-day operation. Although there are a number of staff positions, his son and daughter have a very proactive role in the business.

Rachit Patel (Son of Mr. Haren Patel and Finance Director)
Rachna Patel (Daughter of Mr. Haren Patel and Business Strategy)
Ranford Braganza (Senior Accountant)
George Mweni – Assistant Accounts officer to assist Ranford Braganza
Wolleys Migaya – IT Officer and in charge of all IT set up
Isaac Odhiambo – Assistant IT Officer
Susan Mlamba – Human Resources Manager

An investor with approx. 20-25% of the company plays a non-active role in the business.

There are 35 full time employees at OGPL and during production season, 50 to 100 "casual" (part time) employees are needed on site. The employee demographic is 24 male and 10 female. 22 employees (15 male / 7 female) are below the age of 35.

Background and description of production method and raw materials procurement:

The plant is primarily a puree operation with the ability to run both Mango and Banana puree utilizing a Bertuzzi "turn-key" processing line. The operation has the ability to produce single strength (14-16 brix) as well as a concentrate up to 30 brix for both Mango and Banana. The single line has the capacity to produce 10,000 MT of mango single strength puree or 5,000 MT of mango concentrate or 6,000 MT of banana puree. An important step in producing quality puree is the ripening of the fruit to optimal brix level. The facility installed 7 ripening rooms (one for every day of the week) with the capacity to hold up to 80mt per room. The cooling system utilizes water evaporation and large air handlers to assure even ripening throughout the rooms. The rooms are not insulated and during out visit, the rooms were excessively hot. Ceiling represents 80% of heat load. The temperature can be better managed by installing insulation on the ceilings.

Once raw material reaches optimum brixs, the product is hand carted to the production room requiring the product to travel around the building, over difficult terrain in order to reach the plant. Once product arrives, it is hand loaded into the Bertuzzi line where the product is cleaned, scrubbed and eventually fed into a de-seeder eradicator removing the meat and juice from the skin and seed. The operations averages between 40-45% yield on the Mango puree which seems a bit low for the type of equipment and variety of fruit. Once the fruit is pasteurized, it is routed to the filling station where two 55 gallon barrels can be filled either at the same time or at staggered intervals. After filling, the 55 gallon drums are stored near the processing line. A barrier between raw material and finished product does not exist at this time. In most cases, this is not considered good practice but, the final product is sealed airtight and should not pose a problem of cross contamination.

The raw material is purchased through brokers that are paid a commission usually between 3-5%. There is serious competition for raw material from 4-5 mango processing plants all located in close proximity to each other. Although prices seem to have remained stable at $.14/kg, Mango raw material is a sellers' market. Most farmers prefer or better said only accept cash for their crop. This can have a serious negative effect on cash-flow especially if export customers require 60-90 days credit. The mangos are delivered to the facility in large trucks utilizing milk crates that are able to hold 10-15 kilos of product. QC inspects the product and if accepted, it is unloaded and stored into one of the 7 ripening rooms for production.

Current export markets, export logistics and marketing strategy:

OGPL has run the plant on a limited scale but has not closed deals for the moment. Coca Cola has agreed to a contract deal once the plant is fully operational and the HACCP/ISO 22000 program has final approval and has been certified. Final approval date should be in a few months. The name Organic Growers and Packers would make one think the product is organic yet, this is not the case. Although the majority of the raw material grown for the facility is organic, they have not started the process to organically certify the raw material. Rachna believes certifying the fruit and plant should be a priority for the company.

Logistically, the plant is relatively close to the raw material and ports, giving this plant and others in the area a competitive advantage in terms of transportation. Transport Fuel is some of the highest in the AGOA export eligible countries making this location a smart choice. Once the Coca Cola contract is signed, OGPL will commit up to 70% of their production to the Coca Cola contract and the remainder production for other markets including the U.S.

Observations/Analysis of opportunities and challenges:

Observations:

1. The cleaning of the "Milk Crate" baskets next to the dirt road is not recommended. Trucks and cars driving by will certainly create dust and contaminate cleaned baskets. Locations away from the road would be recommended:
2. The ripening rooms are well designed but poorly laid out. Transporting raw material from the ripening room to production requires product to be hand wheeled to production taking access time. The aisles are very narrow (**see picture**) therefore, putting the electrical control panels at risk from being hit by the trollies. Converting ripening room #5 with an access door on the opposite side would allow all products to flow easier to production with little loss in ripening room volume loss;
3. The plant should give its best effort to be 100% Organic certified. The market opportunities for organic mango and bananas are quite extensive and prices averages 20-30% higher if organically certified. With a company name Organic Growers and Packers, and not actually offering an organic product. This could be confusing and may cause possible issues with potential buyers;
4. HACCP is absolutely mandatory for juice and puree producers. Completing the HACCP and ISO 2200 is imperative if OGPL moves forward with the Coca-Cola contract and/or exports to either Europe or the U.S.;
5. Cash-flow is a serious concern. Not having enough cash to pay farmers for fruit will limit production for 2016;
6. Product yields - With the high tech equipment and ripening rooms, hitting yields of 55-60% is not uncommon. In order to remain competitive, operations should make a concretized effort to maintain this goal.

Possible HUB Assistance

1. Assistance will be required in order to assure sufficient working capital for 2016. Meetings have been organized between OGPL and EATIH Hub;
2. HACCP assistance in order to complete the process as soon as possible. Specialists to spend 1-2 weeks helping to complete the process;
3. Market linkages to the U.S. focusing on the industrial markets. Organic product certainly demands a higher price and volumes are somewhat limited in the world market. Organic Certification linkages would certainly help to speed along the process;
4. Production specialist to help improve yields could have an impressive ROI;

5. Research into other possible packing options. Container bladders able to hold up to 20,000 kilos are currently being used in Kenya. This packaging will reduce packaging and shipping costs if implemented correctly.

Conclusion and Way Forward:

There is certainly opportunities with Mango (and to a lesser extent Banana) puree in international markets. The United States is one of the largest consumers buying product from all over the world. Certainly differentiating your product by offering organically certified, high quality product will allow the opportunity to sell at higher prices in the U.S. If OGPL is able to confirm the Coca Cola contract, this will certainly open up doors to serious companies in the U.S. 2016 will be a challenging year for OGPL as their cash-flow is somewhat constricted. Once OGPL is able to work through their cash problem as well as production improvements, they could eventually grow into a serious Mango and Banana puree supplier throughout the world.

Factory visit report: WonderNut

ENTERPRISE NAME: WonderNut

ENTERPRISE LOCATION: Nairobi, Kenya

ENTERPRISE DESCRIPTION: Macadamia (Raw nut/Not roasted)

DATE/TIME OF SITE VISIT: February 23, 2016 at 11:00am

REPRESENTATIVES OF BUSINESS: GM Maxwell Lumbasi

Enterprise Background

WonderNut is an export-focused firm with a capacity to produce 4,000 tons per year (wet in shell) making them one of the top four producers in the country. The owner, Mr. Boby Thomas has been in the nut business for over 15 years starting in the cashew nut business. In 2014, he built an impressive Macadamia plant and now sells product throughout the world including Europe, Asia and the U.S. The new Macadamia plant is ISO 22000 compliant, equipped with all modern equipment and facilities and employees a little under 500 people.

Management and Staff:

Maxwell Lumbasi is the acting General Manager. He invited the head of QC, maintenance and the plant manager to attend the meeting. The interaction between the four was quite impressive and a sign of a healthy, well-run operation. Unfortunately, our visit did not coincide with production as the first crop is not due for another month to 45 days. Nevertheless, there was a small crew available and were helpful in showing us the facility.

Background and description of production method and raw materials procurement:

Located outside Nairobi, the WonderNut plant is quite impressive at first glance and continues to impress as you walk from beginning to end. Boby Thomas hired outside consultants to help lay out the equipment and also pulled from his own experience as there are a number of unique designs not seen in other plants. The nuts go through a rigorous washing before entering the drying bins thus reducing the chance of cross contamination. The nuts are conveyed into a large water tank used as a gravity separator by utilizing water and salt to modify specific gravity to separate rotten nuts (rotten nuts are lighter and float to the top). By removing rotten nuts at the beginning of the line, this reduces the chances of rotten nuts contaminating the line with mold farther down the line. There are 43 drying bins each holding 40mt of product. The bins are fed via conveyors located at the top of the bin. The nuts are exposed to hot air generated from the outer shells feeding a large furnace. Special manifolds were designed and installed in each of the bins to help better distribute hot air throughout the bins.

Once the target moisture content of 1.5% is reached, the product is conveyed into the plant. The nuts are conveyed to a sizer, separating smalls from larges. Separating the nuts by size before cracking helps improve the whole nut yield. Interestingly, this was the first time we ran across crackers manufactured in the U.S. Jesse Crackers have been in the equipment business for many

years and are considered leaders in their field. After cracking, the product is conveyed to one of two color sorters. In order to maintain high yields, color sorters are efficient in removing small shell particles and other "non-meat" particles at an incredibly fast rate and improve the recovery rate by 2-3%. After the color sorters, the product is sorted into six different grades, inspected, run through a metal detector then vacuum packed in nitrogen flushed foil bags.

Raw material continues to be an issue and will for some time due to the increasing number of Mac processors in Kenya. The increase in demand not only causes a shortage in raw material but also increases the price of the nuts wet-in-shell. WonderNut has taken a proactive position in anticipating the shortage. WonderNut purchased a large swath of land two years ago, planted 36,000 trees and plans to plant another 40,000 trees by the end of this year. Once in full production, they will no longer have to rely on third party sources.

Current Export Markets, export logistics and marketing strategy:

WonderNut currently distributes raw nuts throughout the world. In most cases, the majority of their product is sold through brokers and traders with impressive end users such as Kraft and Trophy foods. All product is sold in raw form packed in large 10 kg bags. There are plans in the future to install a gas fired roaster in order to move into value added markets.

Observations/Analysis of Opportunities and Challenges:

This is one of the most impressive Macadamia plants visited and quite impressive with the close attention paid to quality control and traceability. In the short term, it will be a challenge to run the plant at full capacity until their trees come into production at which time, WonderNut will have a strong competitive advantage over smaller competitors. Installing a roaster will increase the value of their finished product and will allow WonderNut to migrate into more value added markets.

Possible HUB Assistance:

WonderNut is an exception to the rule in terms of assistance. It is one of the few companies that really has all areas covered and will need very little help from the HUB. Following are a few areas where WonderNut can benefit either directly or indirectly:

1. Market assistance linking WonderNut with buyers in the U.S.;
2. Hire an outside consultant to recommend roaster and installation;
3. Farm gate training and consulting on GAP and steps on improving quality and yields of Macadamia trees.

Conclusions and Way Forward:

WonderNut is an excellent example of a top processing facility not only in Kenya but throughout the world. Special attention was taken produce a high quality product that meets and exceeds specifications set by many developed countries. As noted, the next step for WonderNut is to slowly move into value added by offering roasted nuts to be sold in Foodservice and retail.

Factory Visit Report: Milly Fruit Processors LTD (Picana brand)

ENTERPRISE NAME:	Milly Fruit Processors LTD (Picana brand)
ENTERPRISE LOCATION:	Mombasa, Kenya
ENTERPRISE DESCRIPTION:	Fruit Puree (Mango, Pineapple and Passion) Single strength and concentrate
DATE/TIME OF SITE VISIT:	February 23, 2016 at 1:00pm
REPRESENTATIVES OF BUSINESS:	Azeem Rashid

Enterprise Background

Milly Fruit Processors Limited is part of a family owned group (other companies involved in grain milling, tanning, and glass bottle manufacturing) engaged in the business of extracting pulp and juices from tropical fruits like mangoes, pineapples and passion fruit. It later ventured in making ready to drink fruit juices sold in glass bottles under the Picana brand. Milly Fruit is considered Kenya's pioneer in the puree business, opening the doors to their plant back in the 1980s. Most of the original equipment (Bertelli) is still in use and although a bit old, does an excellent job producing top quality product maintaining very high yields (52% for mango). The majority of their product is packed into their bottle juice line Picana which has been a market leader in Kenya for many years. Having the ability to offer both regular brixs and up to 30 brix concentrate, makes their plant an attractive option for industrial buyers looking for purees. Azeem, the son, has recently been promoted to managing director and has both vision and energy to take Milly Fruits to the next level

Management and Staff: Joseph is the current plant manager and has been working with Milly for just over a year. Joseph previously worked for one of their competitors, AllFruit, of which he maintains a very good relationship and noted both companies share information. Joseph is quite knowledgeable in processing fruits and seems to be focused on his work. As with most business in the food industry, yields are an important ingredient if one wants to be profitable. Joseph seems to be fixated on yields and according to his numbers, is currently maintaining yields between 51-55% which is considered excellent.

Background and description of production method and raw materials procurement:

Considering the fact the aseptic line is over 30 years old, it is surprisingly clean and in good order. The equipment was newly purchased in the 1980s and although stained and well used, it continues to get the job done. Azeem noted they are currently changing out a number of conveyors and other equipment and should have this work completed by the end of the year. I was a bit surprised to hear the plant is not HACCP certified as this is a prerequisite for exporting to most countries. But, since the majority of their product is for their local market, HACCP is not required. Joseph did note they are in the process of certifying the plant and believe this will be completed by July of 2016.

The raw material is mostly purchased through brokers of whom they have been using many of the same brokers for over 20 years. The raw material (Mango) is purchased green and is ripened in their large ripening rooms located just north of the facility. The ripening process is quite basic but seems to produce a uniform product which is certainly reflected in their high yields.

Current Export Markets, export logistics and marketing strategy:

The majority of Milly's fruit product is utilized for their retail and foodservice product but, as noted by Azeem, they are very keen on exporting industrial product to the U.S. At this time they are running one shift but if necessary, they have the capacity to run two or three shifts. Although the plant is not currently organically certified, this is part of their strategy for 2016. The plant has the excess capacity to run 60mt per month of mango puree and 20mt of pineapple. Coca-Cola has shown an interest and is willing to sign a contract once the plant is HACCP certified.

Observations/Analysis of Opportunities and Challenges:

As noted, the plant has been in existence for over 30 years yet, preventive maintenance is practiced as the equipment is in good running order. Joseph is an excellent plant manager and seems to have a good understanding of all phases of the process. There is tremendous opportunity producing purees for the industrial markets in the U.S. If the plant is able to obtain an organic certification, this will only increase the value and demand of the product.

Possible HUB Assistance:

Based on the discussion with Azeem and Joseph, there are opportunities for HUB support in the following areas:

1. Assistance with Organic certification;
2. Consultant to review plant and give advice on how to improve yields to 60%;
3. Link Milly Fruit processing with Industrial puree buyers in the U.S.

Conclusions and Way Forward:

Milly Fruits Processors is a well-run operation and with the leadership of Azeem, the business will continue to grow and venture into new value added markets. With the recent hire of Joseph as plant manager, Azeem is quite confident the plant will be completely certified by the end of this year opening up new possibilities in exporting to other countries such as the U.S.

Factory visit report: All-Fruit

ENTERPRISE NAME: AllFruit

ENTERPRISE LOCATION: Mombasa, Kenya

ENTERPRISE DESCRIPTION: Fruit Purees (Mango, Pineapple and Passion)

DATE/TIME OF SITE VISIT: February 23, 2016 at 3:00pm

REPRESENTATIVES OF BUSINESS: GM Alex Mwathi

Enterprise Background

Allfruit EPZ Limited is a fruit processing company involved in the sustainable growing and processing of fruits to juice and pulp for the domestic and export markets. The company responsibly engages small-scale farmers in its value chain to sustainably produce raw material for the company, ensuring full traceability. Allfruit is a subsidiary of one of the leading food processing companies in Nairobi, Premier Food Industries Ltd (PFIL). Allfruit located their operation in Mombasa, closer to the raw material with a fully manned Quality Control and Assurance (ISO 22000).

Management and Staff:

The management and staff are well trained and up to date on the latest process requirements and QC requirements. It was a pleasure talking with Alex and discussing the latest process improvements. Alex is well versed in processing and very focused on future markets and projections.

Background and description of production method, raw materials procurement:

To ensure a reliable supply of raw material requirements of 15,000mt of fruit per year, Allfruit located their plant close to the various fruit growing regions. This strategy helps nurture relationships with growers while minimizing post-harvest losses due to spoilage. This has resulted in years of problem free supply while maintaining a production yield of 50%.

The production line is very straight-forward utilizing Bertuzzi equipment throughout the process. The layout of the equipment is almost a mirror image of Organic Fruits, typical Bertuzzi cookie cutter set-up. Finished product is exceptional with great color and good consistency. Stringent quality control procedures are in place to ensure only quality raw materials are used, all of which are locally sourced, are used in production. Currently, Allfruit specializes in the production of mango puree and yellow passion fruit juice packaged aseptically. Plans to produce concentrates and other fruits are part of the expansion program.

Current Export Markets, export logistics and marketing strategy:

Allfruit exports the majority of their product within Africa, and the majority is sold to Coca Cola. To qualify as a Coca Cola supplier is a very difficult process and if successful, it is certainly recognized throughout the industry. About 80% of their volume is destined to Coca Cola and management is well aware of the danger of such a high percentage dedicated to one client thus the interest to expand their client list to include buyers in the U.S.

Observations/Analysis of Opportunities and Challenges:

Premiers as well as their subsidiaries are well respected throughout the industry for setting the bar of excellence in the food industry. Leveraging off this reputation increases the chances of linking Allfruit to the high-end customers in the U.S.

Allfruit will be required to increase their production in order to meet potential orders in the U.S. This may require a second shift and additional raw material. Mango requires 4-5 days of ripening before processing. Increasing production may require additional ripening rooms.

Possible HUB Assistance:

1. Market linkages with industrial buyers in the U.S.;
2. Food show (walk floor and meet with key buyers);
3. Review aseptic container bladders for shipping vs. barrels.

Conclusions and Way Forward:

Allfruit is an exciting company with the potential to increase their market reach to the U.S. Under normal conditions, the approval process can be long yet in the case of Allfruit, the process could be accelerated due to their ISO 22000 certification and willingness to break into new markets.

Factory visit report: Farm Gate East Africa (FGEA)

ENTERPRISE NAME:	Farm Gate East Africa (FGEA)
ENTERPRISE LOCATION:	Mombasa, Kenya
ENTERPRISE DESCRIPTION:	Macadamia (Raw nut… Not roasted)
DATE/TIME OF SITE VISIT:	February 23, 2016 at 4:00pm
REPRESENTATIVES OF BUSINESS:	(CEO) Abubakar Mohamed

Enterprise Background:

Farm Gate East Africa (EPZ) Limited (FGEA) is a company registered in Kenya specializing in Macadamia Nuts and Cashew Nuts processing and packaging. The processing facility is located in the Kingorani free zone (EPZ) in Mombasa Kenya. FGEA is primarily owned by Australians managing all sales and marketing from Australia. The plant has the capacity to process up to 3,600mt (in-shell) per year. The plant came on-line midway through the 2015 production year, 2016 will be the first year of full production.

Management and Staff:

Abubakar is the acting CEO and seems to have a good understanding of the operation. Although the plant was not running at the time of our visit, Abubakar gave us a complete tour of the facility.

Background and description of production method and raw materials procurement:

FGEA's design is based on a typical macadamia plant found in Australia, consisting of a logical flow utilizing a small foot-print. The plant is built on two levels, utilizing gravity to feed the line after drying.

The value-chain is relatively short: at the primary end are the farmers, who produce, harvest and sometimes sundry the nuts to 15-20% moisture. The macadamia nuts are then purchased through brokers on a delivered price basis. Upon arrival, the nuts are conveyed into one of 12 drying silos where the moisture is brought down to 1.5%. This is accomplished by forcing hot dry air through the product using large blowers. The hot air is generated using boilers fed by dry macadamia shells. Once the nuts reach optimum moisture levels, they are conveyed into the processing room where they are fed into one of two crackers resulting in approx. 70% wholes and the remaining style 4s and 5s. From cracking, the nuts are run through a large cyclone removing small pieces and shells. From the cyclone, the product is conveyed to the inspection tables then packed in nitrogen flushed vacuumed packed in metal barrier bags for eventual export.

The average yield ranges between 15-18% compared to Australia which averages between 30-33% yields. The difference can be attributed to a number of issues including:

- There has been a major increase in the number of macadamia processing facilities in Kenya causing an increased demand for raw material. This competition has forced the price of raw material to reach record prices. High prices in the market have attributed to some farmers harvesting immature nuts (shaking the trees) and delivering immature nuts to processors, resulting in high shell to meat percentage and mold issues;

- In the case of FGEA, the facility has not incorporated color sorters making it impractical to separate the small pieces from the shells resulting in a percentage of meat product (style 7 and 8) to be lost in the cyclone separator.

Current Export Markets, export logistics and marketing strategy:

Currently, all sales are conducted through their marketing arm located in Australia. Abubakar did note that if they are able to develop a market from Kenya at competitive prices, they do reserve the right to sell directly to buyers, bypassing the marketing arm. Abubakar did exhibit a strong interest in finding markets in the U.S. for direct sales. The market will be somewhat limited as the facility does not roast at this time thus the industrial market will be the primary market.

Observations/Analysis of Opportunities and Challenges:

Overall, the plant is well designed and certainly has room to expand or to include additional equipment if needed. The current yields of 15-18% is a bit concerning and should be addressed if they desire to compete in international markets. Raw material (as with most processors) is also a worry as the competition for raw nut is a continual concern. FGEA is currently working on a project to plant over one million Macadamia trees in Rwanda to supply their facility in Mombasa.

Possible HUB Assistance:

Macadamia will continue to be an important cash crop for Kenya and exports are expected to increase under the duty free access to the U.S. markets. Areas of assistance:

1. Market assistance linking Kenya Nut with industrial buyers in the U.S.;
2. Hire outside consultant to review existing process line and make recommendations to improve yields;
3. Hire consultants to work at farm gate level to emphasize GAP with an objective to improve yields.

Conclusions and Way Forward:

Farm Gate East Africa is a newcomer in the Macadamia industry of Kenya. The investors are not strangers to the industry and have a short, medium and long term plan for the region. Although all sales are currently managed via their marketing arm in Australia, management expressed a strong interest in developing their own market channels direct to the U.S.

Factory visit report: Les Vergers de Labourdonnais

ENTERPRISE NAME:	Les Vergers de Labourdonnais
ENTERPRISE LOCATION:	Mapou, Mauritius
ENTERPRISE DESCRIPTION:	Jams and Jellies
DATE/TIME OF SITE VISIT:	February 25, 2016 at 3:00pm
REPRESENTATIVES OF BUSINESS:	GM Reaz Gunga

Enterprise Background:

Les Vergers de Labourdonnais (LVL) produces an assortment of tropical jams including Mango, Papaya, Passion fruit, Lychee, Pineapple and Vanilla. The overall production is just over 1,000mt per year. Some of their raw material is sourced from their 50 hectare farm.

Management and Staff:

Raez Gunga is the acting General Manager of LVL and plays a progressive role in the marketing of LVL tropical jams.

Background and description of production method and raw materials procurement:

LVL processing plant is ISO 22000 certified. It was quite impressed with the overall order and adherence to GMP and Quality Control throughout the process. It goes without saying that top quality raw ingredients are an essential pre-requisite for the production of top quality jams made from fruit. All ingredients are purchased in accordance with strict quality criteria and the entire process chain is tested to ensure compliance with these parameters, right through the processing stage. A large percentage of fruit is frozen directly after the harvest in large freezers located in the processing area. Freezing the fruit allows LVL to store up to four month of raw material without causing any damage or degrading of the fruit. The frozen fruit requires one day to slack out (thaw) before introducing it into the processing line.

The consistency of the fruit used depends on the type of end product needed. Not only are whole and chopped fruits used, but also fruit pulp, fruit juice and citrus peels. The majority of the line is run in a batch type format. The process uses a unique cooking process using lower temperatures and shorter dwell time, thus guaranteeing optimum product characteristics such as color,

appearance and taste profile. Once the heating process is over, the finished fruit product is filled into jars. The jars are then quickly cooled in a cooling tunnel. This rapid cooling prevents caramelization or off-color. It is at this time that the jellification process commences. This gives jams their characteristic consistency.

Current Export Markets, export logistics and marketing strategy:

LVL has had some experience in exporting and selling in the U.S. Although the experience was short lived as their distributor, Sunrich, went bankrupt, the experience was a learning process and one LVL would like to engage in again. The possibility of packing private label for a high end supermarket was discussed. Reaz noted that having their own brand is always preferred but he would be open to packing under a third party brand.

Observations/Analysis of Opportunities and Challenges:

Gourmet Tropical jams are not readily available in the U.S. since the traditional Jams and Jelly flavors are primarily Strawberry, Grape and Raspberry. As the ethnic groups from countries where Tropical fruits are grown continue to populate the U.S., flavor profiles for all categories will continue to broaden into the tropical flavors. Working with high-end retailers for private label could be an interesting outlet for this product.

Possible HUB Assistance:

The processing facility is FDA compliant and should not have a problem meeting the minimum requirements from buyers. Following are areas of assistance:

1. Market assistance linking LVL with supermarket buyers (private label);
2. Possible linkages to suppliers of retail packaging (glass jars);
3. Backward linkages for raw material in frozen form.

Conclusions and Way Forward:

Les Vergers de Labourdonnais is a well-run operation producing high-end products. The management has vision and excitement for their product line and is willing to, “do what it takes” to get their product back in the U.S.

The Specialty Food Association's vision is to ensure the success of those who bring the emotional experience of specialty foods to the consumer. To ensure the success of the Association's members and the industry, they:

1. Define and defend the ideals that "specialty foods" uphold.
2. Build an identity for specialty foods. Educate the public to ensure the consumer understands their distinctiveness and benefits.
3. Nurture a close-knit community of producers and their partners.
4. Harness the entrepreneurial roots of our members by providing tools and insight to support smart innovation.
5. Inspire and develop future generations of specialty food producers and retailers.
6. Earn credibility to become the recognized authority on the present state and future directions of specialty foods.
7. Advocate for our members' interests.
8. Create and reinforce a culture of intrapreneurship among staff and volunteer leadership.
9. Obsess over our understanding of members' present and future needs, and continually seek ways to meet them.
10. Recognize that one measure of our success will be an ever-increasing base of members inspired to participate in the community we build for as long as they feel passion for specialty foods.

To achieve this vision, the Specialty Food Association has embarked on these strategic initiatives:

- Launch of the Specialty Food Foundation to combat hunger and support food recovery
- Building recognition of the industry brand: Specialty Food. Craft. Care. Joy.
- Enhancing our position as the go-to resource for specialty food information;
- Establishing a suite of offerings tailored to the needs of our membership;
- Ensuring the success of the Fancy Food Shows into the future;
- Reaching out on a local and regional level in specific markets;
- Connecting with and nurturing the next generation of specialty food entrepreneurs.

References

"African Growth and Opportunity Act." *United States Embassy*. Web. August 2011.

"An Introduction to Kenya." *InterKnowledge Corp*. Web. 2007.

Bonarriva, Joanna. "AGOA: Trade and Investment Performance Overview." *United States*

International Trade Commission, 2014. Print.

"Country Profile - Madagascar.*" New Agriculturist*. Web. Jan. 2013.

"Feed the Future: Kenya." *The U.S. Government's Global Hunger and Food Security Initiative*. Web, 2016.

"FSMA Final Rule on Foreign Supplier Verification Programs (FSVP) for Importers of Food for Humans and Animals." *U.S. Food and Drug Administration*. Web. 10 March 2016.

Hadley, Craig and Daniel Sellen. 2006. "Food Security and Child Hunger among Recently Resettled Liberian Refugees and Asylum Seekers: A Pilot Study." *Journal of Immigrant Health* 8: 369–375.

"Inside Mauritius: The Tropical Paradise with the Booming Economy." *CNN Inside Africa*. Web. 24 Aug. 2015.

Jones, Vivian and Brook Williams. "U.S. Trade and Investment Relations with sub-Saharan Africa and the African Growth and Opportunity Act." *Congressional Research Service*, 2012. Print.

"List of Investment Banks in Kenya for Buying and Selling of Shares, T-Bills, Bonds and Securities." *M-pesa Charges*. Web. 2016.

"Madagascar Full Profile." *BBC News*. Web, 2016.

"Madagascar." *The Observatory of Economic Complexity*. Web, 2016.

"Mauritius Profile - Full Overview." *BBC NEWS*. Web, 12 May 2013.

Purcell, Denise. "The State of the Specialty Food Industry 2015." *Specialty Food Magazine*. April 7, 2015.

"Specialty Food Association." Web. 2016.

"Specialty Food Market in the USA." *Statista Dossier*. Web

Silverstein, Michael and Kate Sayre. "The Female Economy." *Harvard Business Review*. Web.

Sept.2009.

“Women Dominate Grocery Shopping: Study.” *Progressive Grocer*. Web. 29 April, 2013.

“The Malagasy Banking System.” *BNI Madagascar*. Web. 2007.

The Republic of Kenya.” *The Embassy of Kenya in Japan*. Web, 2016.