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The U.S. Government's Global Hunger & Food Security Initiative

Sustainability -- A Private Sector View

FTF Implementing Partners Meeting

Accra

Date: May 10, 2018

PRESENTED BY: USAID-IPIMFS PROJECT MANAGEMENT TEAM



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U.S. GOVERNMENT PARTNERS





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USAID-IPIMFS – WHAT WE DO

Agronomy/Extension



Bulk Handling



Diversified Market Access



Processing

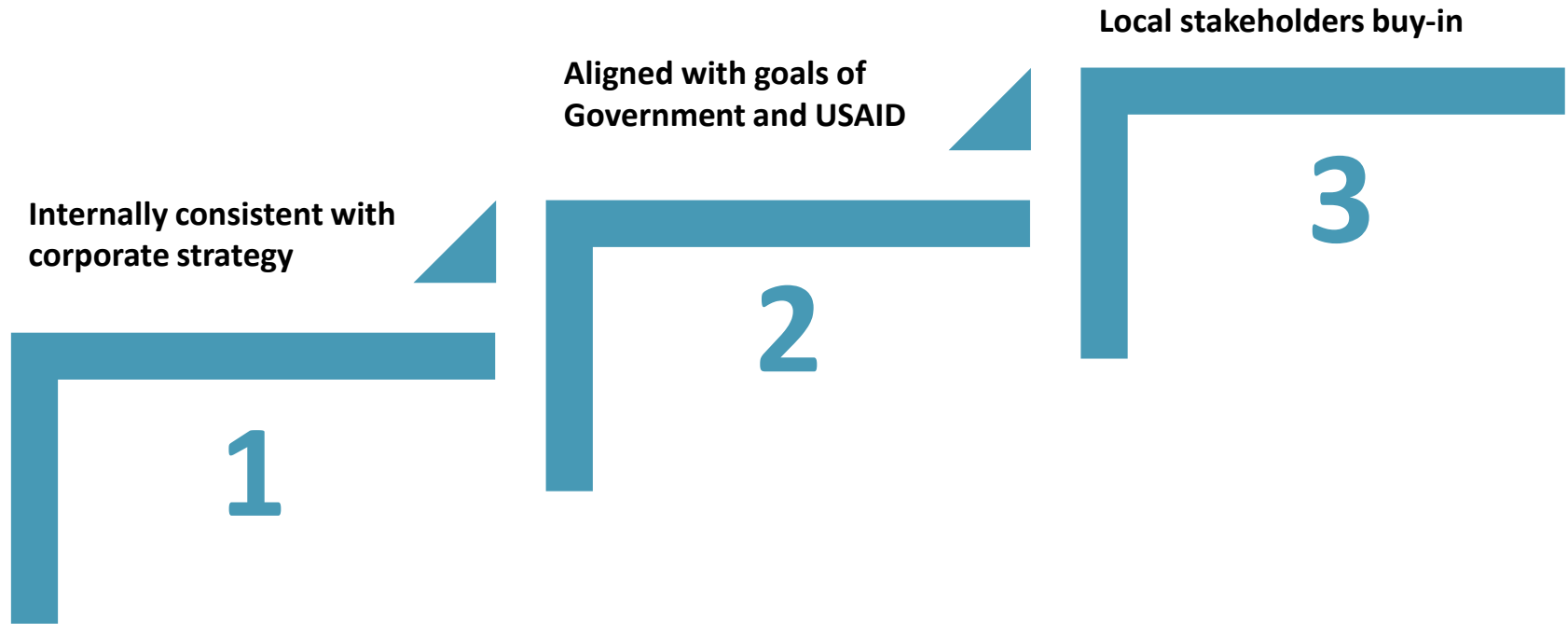




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PRIVATE SECTOR SUSTAINABILITY—A THREE-STEP APPROACH



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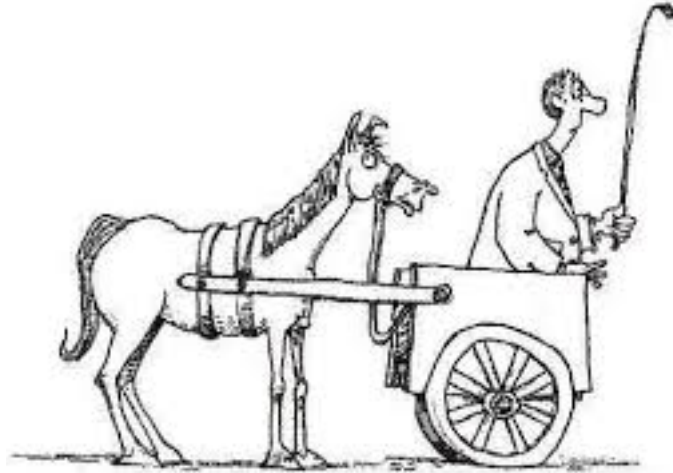




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DONOR STRATEGY SHOULD RE-INFORCE, NOT DRIVE BUSINESS STRATEGY



- Temptation to adapt business strategy to donor strategy, irrespective of business case is the first thing you will want to avoid if you want to be sustainable



- Difficult fundraising environment creates this temptation
- For credibility and sustainability, this is a no-go



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SUSTAINABILITY REQUIRES SUSTAINED ENGAGEMENT WITH NUCLEUS FARMERS

Nucleus farmers

- From universe of nucleus farmers, apply three-part selection criteria
 - Community visibility & level of business organization (e.g., entity registered)
 - Production level of primary crop in district (i.e., ensuring they are closer to small holder farmers)
 - Service sophistication (i.e., processing vs. handling)

Selected nucleus farmers

- Among nucleus farmers, measure ability to deliver against benchmarks
 - Meets/ exceeds benchmarks by delivering on quality/timing
 - And just as importantly is able to manage the network of farmers to meet/exceed benchmarks
 - Begins process of building a more professional culture (e.g., hires accounting staff to keep and maintain books)

Deliver more investments to performing nucleus farmers

- Nucleus farmers who are able to manage transition to a more professional culture will be given investment preferences
 - Cash-flow attractive supplier terms (i.e., more professional culture makes entity more credit-worthy) by offering some pre-financing
 - Nucleus farmers who are able to make some type of investment on behalf of their farmers (e.g., subsidized ploughing) will signal a more forward-leaning posture and attract increased investment and support from us

Proven ability to better utilize sustained support and grow entity

- Sahel Grains continues to explore ways for a more strategic relationship with possibility of multi-year contracts to give demand certainty to aid planning





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