

### The challenge: Realizing the full potential of agriculture in Rwanda

Agriculture is the backbone of the Rwandan economy, it generates more than 70% of the country's export revenues, accounts for a third of GDP and engages close to 80% of the total population. However, the majority of smallholder farmers remain poor and the scarcity of land closes opportunities for young people in the sector. The government and experts have stressed that agro processing is the key to unleash the full potential of the agricultural sector. However, this sub sector remains very weak. Major constraints include inadequate processing methods and standards, a lack of access to equipment and unsatisfactory marketing and packaging of products. The cost and complexity of turning agricultural products into high quality processed products that can be sold in supermarkets and compete with imported products are insurmountable for farmers and young entrepreneurs. Value addition is, thus left to entrepreneurs with the backing of big investors, leaving the sub sector largely underexploited.

### The solution: Enable local high-quality agro-processing

We want farmers and young entrepreneurs to be able to create premium products that are of a high quality, healthy and above all, local. These products will be sold at premium prices through high-value outlets, and compete with imported products. We will drastically reduce the barriers to entering the agro processing sector and open up new opportunities that will increase the incomes for farmers and entrepreneurs, create new employment opportunities, reduce post-harvest losses, add value to indigenous agricultural products, and substantially expand the local specialty food sector. The solution we propose has successfully achieved such results in high-income countries for decades; FreshBlends will adapt the solution to make it work in Rwanda too.

### The approach: Reinventing the co-packer model

We believe that a key ecosystem player is missing! In high-income countries like the U.S., farmers as well as micro- and small entrepreneurs can contract a co-packer or co-manufacturer that can efficiently and cost effectively produce high quality products according to their specifications. Co-packers allow small players to be able to enter the booming specialty food sector without the constraints of setting up their own certified manufacturing plant and distribution logistics. The co-packer also offers this as well as advice, guidance and a range of complementary services to support entrepreneurs and farmers successfully get their products to supermarkets. We want to adapt this business model to the Rwandan context. FreshBlends is designed to be a service center that enables local farmers and young entrepreneurs to access the specialty food market by providing a comprehensive support package that could include the following:

#### Our Services

- Conducting a **business check-up** to create a support-plan
- Advice on **business management**, guided through an app and individual consultancy sessions
- Advice on **product development** to assure high quality and add an innovative edge
- Support with **marketing and communication**
- Support the set-up and management of **quality and certification systems**
- Access to **processing facilities** certified by the Standards Bureau
- Advice and provision of **suitable packaging**
- Access to **storage facilities**
- Advice on and provision of **transport logistics**
- Access to **strategic partners and investors**
- Access to **markets**

These services are bundled into 3 basic support packages that are targeted to the needs of clients.

Full package	Start-up package	A la carte
<ul style="list-style-type: none"> <li>Designed for farmers cooperatives</li> <li>FreshBlends obtains raw materials from farmers cooperatives</li> <li>FreshBlends takes responsibility for all steps from purchasing the inputs up to sales</li> <li>Final products will carry the 'FreshBlends' label</li> </ul>	<ul style="list-style-type: none"> <li>Designed for young entrepreneurs and farmer cooperatives</li> <li>FreshBlends guides young entrepreneurs to bring their product idea to market</li> <li>Entrepreneurs can make use of all services offered by FreshBlends</li> <li>Final products will carry the clients label or if desired, the FreshBlends label</li> <li>Clients pay for part of the services through a monthly fee and the remainder at a later date, ideally once they receive the revenues from sales.</li> </ul>	<ul style="list-style-type: none"> <li>Designed for established entrepreneurs</li> <li>FreshBlends acts as a standard service-provider and entrepreneurs simply select the services they desire.</li> <li>Part of the fee is paid upfront and part is paid upon deliver of the services.</li> </ul>

### Impact: Improved quality of life

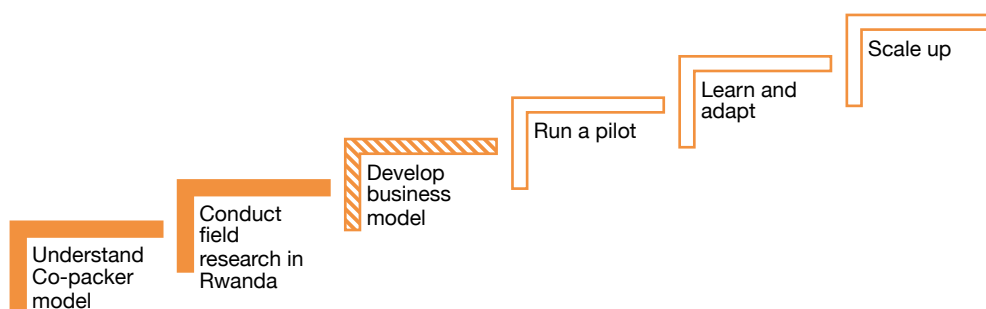
FreshBlends services will improve quality of life for farmers, entrepreneurs and consumers.

During the startup phase, we wish to bring 3 FreshBlend label products to the market. Potential products include dried fruits, herbal tea and breakfast cereals. During this phase, five cooperatives will be involved, with about 50 members each. Assuming that every farmer lives in a household with an average of 4.3 members, the pilot will have an impact on approximately 3000 individuals. At the same time, we wish to start supporting about five young entrepreneurs each with their own product.



### Achievements and next steps

The team of FreshBlends has spent the last three years seeking the most efficient and sustainable way to help low income groups enter high value markets. This process led us to the successful co-packer business model that is highly developed in the US. During a two-month feasibility study in 2015, the team established an extensive network of key partners, including governmental bodies, NGOs and the private sector. Interviews with 51 agro-processing entrepreneurs and farmer cooperatives gave a clear picture of their current situation and services that are needed and a short marketing study identified a demand for high-quality products. Based on these insights and with the support of the One Billion Lives Fellowship program of the impact hub Munich, FreshBlends has developed a first draft of their business model. We are in the final stages of adapting, developing and refining our idea and raising funding for a pilot. Our aim is to launch our services and products this year.



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