

Why Food processing?

- Linking agriculture and manufacturing (and retail)
- Developing local firms and hence local economy
- Creating jobs and reducing poverty

Sub-sectors (Zambia, Kenya and Tanzania):

- Grain Milling
- Edible Oils
- Dairy
- Sauces and jams
- Juices and Beverages
- Snacks

Limited knowledge meant Mapping and a survey

Mapping	Too young and/or too small	Foreign	Total: Zambian Owned	Declined	Inter-viewed
96	26	24	46	8	38

Distribution of firms on sub-sectors:

- 40% in grain milling
- 21% in dairy
- 13% in edible oils
- 10% in sauces and jams
- 10% in snacks
- 6% in juices and beverages

Size:

From 11 to 600 employees with mean value 119

Performance:

- Growth in turnover & employees
- Nearly half report 'above industry average'
- EBIT (2012): From -38% to + 56%! Mean value: 10%

Key success factors:

- Owners, highly skilled employees, strong brand

Key strategies:

- Cost reduction, Differentiation, Export

Barriers to success:

- High costs of capital
- High input costs
- Political interference in business

Role of government – barriers to growth:

- insufficient government support schemes and programs
- inadequate infrastructure, and
- inadequate government regulation and enforcement - nationally

Role of business associations:

- 79% are member(s) of an BA
- 21% found that they had influence on policies and regulation

Recommendations:

- Better and tighter collaboration between government, BAs and companies
- Better policies and support schemes
- Enhance capacity of BAs



Successful African Firms and Institutional Change (SAFIC) & Zambian study on Food Processing

Thank you 😊

Further information:

<http://www.cbs.dk/en/research/cbs-research-projects/major-research-projects/successful-african-firms-and-institutional-change-safic>

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