



Managing the business in a time of crisis

Agripreneurship
Alliance
April 2020



Covid-19 and Entrepreneurship in African Agri- Business – introduction

- Covid-19 (also known as Novel Coronavirus) is an infectious life threatening disease that has had major impact locally and globally.
- Information on Covid-19 can be found at the World Health Organisation [here](#).
- While National Governments have adopted different responses to Covid-19 including border closures and lockdowns, key messages include the need to wash hands and maintain physical distance.
- This situation brings challenges to Micro, Small and Medium sized agri-businesses, particularly if the business is at an early stage in its development.
- The following information comes from a range of sources and we hope that it will help you manage your business in this time of crisis.

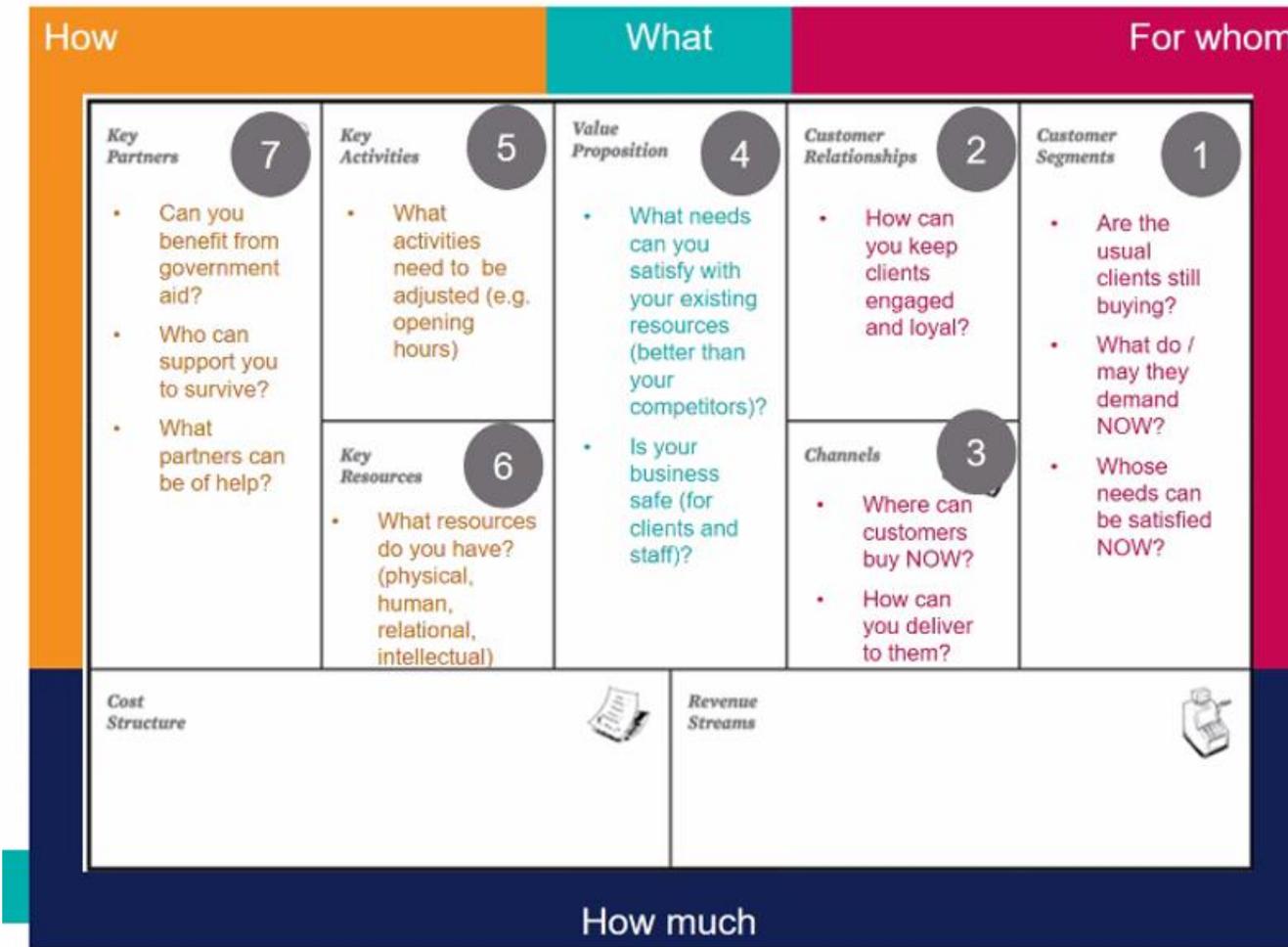
Some suggestions on what you might do...

- Take the opportunity to do a thorough review of your business (or your business plan if you have not already started).
- Do a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis on what the situation means to your business
- Go back and review the original purpose of your business. What are the unique talents that your business has? Can you re-invent and find new ways of continuing your business in the crisis?
- Plan ahead – what can you do now to prepare for when the crisis is over?
- Involve your Team and your co-workers in the above but remember social distancing and use remote ways of communication if you can.
- Ask for help – don't try to do everything alone
- As far as possible re-connect with your customers and the people who will be important for you in the future – use social media to the full

Some more suggestions...

- “CASH” IS KING – even more than ever in a crisis so take very special care of your “cash” flow. It might even be the right moment to go virtual and only operate through mobile money? Do you have an opportunities to build an on-line business? See [here](#) for an example.
- If you have more time available right now - take the opportunity to increase your skills. There are a lot of free on-line courses including the whole suite of AMI courses [here](#)
- Take special care of your time planning. Set priorities for each day and review
- [Technoserve](#) suggests using the Business Model Canvas that you used to build your Business Plan – but adapted to dealing with the current crisis – see next slide

Suggestion: use the Business Canvas to assess how to move through the crisis



And there's more....

- Whenever you find yourself doubting how far you can go...
 - Remember how far you have come
 - Remember everything you have faced
 - All the battles you have won
 - And the fears you have overcome!
- You are not alone! The following slides give results from a recent survey organised by Generation Africa with over 100 young African Agripreneurs on the effect that COVID-19 is having on their businesses. It provides some further ideas on coping with the crisis
- See [here](#) for the views of a young farmer champion
- And some further slides give input from the Rwanda Youth Agribusiness Forum

Above all, take care of yourself and your family and keep up your morale!!!

The Impact of COVID-19 on Africa's Agri-Food SMEs

Generation Africa Members Group
April 15 2020



1. Resume of the Survey Findings

Risks: Supply chains disrupted and SMEs threatened

- Market access: Borders, transport, public markets are locking up sales.
- Supplies: Ag produce and other inputs increasingly hard or expensive to access
- Operations: Reduced productivity for teams. Health risks without PPE.

Adaptation: SMEs finding resilience through innovation

- Business models: Direct-to-consumer. Processing for storage. New products.
- Supply chain: Direct buying from farmers. Higher stocks. Local-sourcing.
- Digitization: Online sales. Team systems. Monitoring

Opportunities: Changing demand driving growth for some

- “Right business, right time”: E-commerce, food delivery, consumer preferences.
- Going local: SMEs capturing markets at long-supply chains breakdown.
- Necessity – the mother of invention: New products, processes, and systems.

Requests: Clarion call to help SMEs sustain food supplies

- Finance: Grants, loans, insurance to cushion impact and support innovation.
- Education: Business resilience. Moving operations online. Health risks.
- Policy: Protect and support agri-food SMEs

Expected implication of COVID-19 for respondent's business



■ Closure ■ Contraction
■ Continuity ■ Growth



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2. Call to Action: Ideas for a collective effort...

Policy: Protect and support agri-food SMEs

- Pandemic policy: integrate food system resilience into response.
- Start-up policy: unlock entrepreneurship and innovation.
- Business policy: ensure resilience of viable businesses.

Support: Realign programs to new needs of SMEs

- Online training: 1) Business resilience. 2) Online operations. 3) Health risks.
- Finance: Grants and loans that support resilience and innovation.

Advocacy: Listen to SMEs and champion their evolving needs

- Listen: Monthly surveys. SME roundtables.
- Sense-making: Sharing insights. Joint analysis. Members Group.
- Advocacy: Within institutions. Via Ambassadors. To governments?

Annex:

The Impact of COVID-19 on African Agri-Food SMEs

Emerging Insights from a Survey of 100 Entrepreneurs

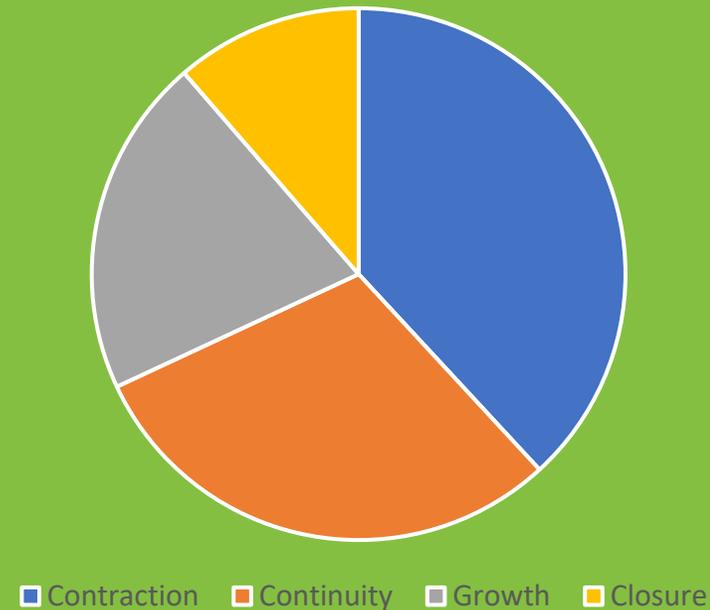
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Generation Africa surveyed ~100 African agripreneurs on the implications of COVID-19 for their businesses

- **Objective:** To understand how African agripreneurs are experiencing the pandemic and associated market/policy changes such that Generation Africa and its collaborators can more effectively target support and advocacy
- **Analysis:** This informal analysis reflects 97 surveys submitted via the GoGettaz platform from Mar 31-Apr 11 2020

Expected implication of COVID-19 for respondent's business



Agripreneurs cited challenges across the value chain and throughout business activities

- **Inputs**
 - Rising prices of raw ingredients
 - Supply chain disruptions
- **Production**
 - Lower agricultural production
 - Lowered product production capacity
- **Transportation**
 - Reduced mobility of customers/traders
 - Limit/closure of public transportation
 - Cross-border trade stagnation
- **Retail**
 - Closure/partial closure of public markets
 - Disruption of customer acquisition
 - Changing demand (fear of meat; shift away from high-value foods)
 - Demand shrinkage (reduced demand via hospitality businesses, schools)
- **Business operations**
 - Increased costs (eg internet for remote workers)
 - Disrupted options (eg reduced electricity supply)
 - Low repayment rates
 - Business-specific challenges (eg fear of pig infection; lack of annual certification renewal)
- **Business activities**
 - Reduced ability to design/build new products (eg drones) due to remote work
 - Reduced productivity (layoffs; reduced capacity)
 - Limited conduct/oversight of activities due to lockdown
 - Limited access to personal protective equipment
- **Business health & growth**
 - Wariness of investors and grantmakers in the current economic situation
 - Stagnation of business development
 - Anticipated loss of talent

“We were just starting to get out of the ‘valley of death’ and we are most likely heading back, meaning more time to struggle or even not recovering at all” Kenyan SME



Agripreneurs have adapted in creative ways

- **Business model adaptations**
 - Increasing direct-to-consumer channels
 - Supporting suppliers eg through buybacks from micro-entrepreneurs
 - Rethinking building and installation sites, eg building dryers nearer to outgrowers
 - Vertical integration of transportation logistics
 - New business lines – eg e-schooling linked to food e-commerce
- **Supply chain disruption mitigation**
 - Front-loading purchases of business inputs where supply chains are at risk
 - Strengthening direct relationships with farmers
 - Local sourcing of components eg for drones, from local suppliers
- **Digitization and automation**
 - Retail and advertisement (online marketplaces, information and advertisements; electronic payments)
 - Communication (WhatsApp & Zoom; network creation)
 - Monitoring (increased use of farm management software; internet of things)

“The pandemic makes it clear to our customers that they really need home delivery and that it is not a luxury” – Togo SME



Several respondents have been innovating in the face of the pandemic

- **Diversification and “future-proofing”**

- Launch of new products (eg egg custard vs eggs), including those needed to fight the disease
- Change in production inputs (eg organic vet inputs vs imported drugs; hydroponic vs purchased feed)
- Strengthening backend systems and activities (eg developing materials to apply for programs and seek investment)
- Identifying unrealized efficiency opportunities for automation

- **Expanding market share**

- Recognizing “right business, right time” (eg e-commerce, food delivery)
- Gaining new customers: “Our market & profit might increase by 20% ... people who used to eat from hotels are now at home & are still our individual customers.” –Ugandan SME

- **Edging out competitors:**

- Domestic - Market disruption can be a boon for those with sufficient capital to edge out local competitors
- International – Several entrepreneurs are seeing opportunity to capture markets where imported foods are no longer arriving.

“[COVID-19’s] effects exposed certain needs in production, sales and raw material sourcing, causing me to reform the business, diversifying further into other products along the value chain, which makes the business more resilient.”

Nigerian SME



Agripreneurs indicated where support would be most effective from Generation Africa's collaborators

- **Financial support, insurance and assets**
 - Cash/credit for the business. "The most important thing right now is a cash bailout to cushion the effects of lost revenue and keep the company afloat." Nigerian SME
 - Financial support for those the business engages – eg smallholder farmers for internet access
 - Access to insurance
 - Access to resilience-enabling assets like solar energy
- **Education & network (crisis navigation and long-term skills-building)**
 - Online courses, coaching and employee motivation training
 - Business skills, eg website management; business modeling amidst market volatility
 - Online networks for information sharing and to access means of support
 - Information: "Periodic emails or circulars to startups would go a long way in empowering us with the necessary knowledge to maneuver during these hard times." –Kenyan SME
- **Partnerships**
 - Eased access to big buyers, to NGOs, to farmers (email databases)
- **Policies**
 - Government policies that prioritize the needs of SMEs
 - Tax relief
 - Employee retention benefits

"Governments across Africa need to create stimulus plans that allow consumer spending to stay steady or rise. Without those, most economies/businesses will collapse ... This is also the best time to push for Startup Acts across the African continent. Nigeria is already ripe for it. We hope our governments get good advice." Nigerian SME



The Impact of COVID-19 on African Agri-Food SMEs

Further resources

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- FAO's initiative on hearing voices of young agripreneurs coping with COVID-19: <http://www.fao.org/rural-employment/resources/detail/en/c/1271155/>
- Technoserve has developed tools for how to adapt support for MSMEs to more remote ways of supporting them: <https://www.technoserve.org/news/new-reports-provide-strategies-to-support-small-businesses-through-coronavirus-crisis/>
- BFP published a general [Business and COVID-19 Response Framework](#) with Jane Nelson at Harvard Kennedy School CRI, and are now rapidly creating a set of deep-dive Action Toolkits to guide companies' immediate and longer-term ('rebuild better') decision making to support the most vulnerable, with the support of DFID and a number of companies.
- The Jobs' Group new blog series "[Confronting the Jobs Impacts of COVID-19](#)", which draws on the policy note

Thank you.

Let's collaborate to support African agripreneurs at this critical time as they navigate the challenges and pursue new opportunities opened by the pandemic.

For more information:
members@genafrika.org



COVID-19: Voices of young agripreneurs in Rwanda on the effects of COVID-19

The [Rwanda Youth in Agribusiness Forum \(RYAF\)](#) adhered to the [youth engagement initiative launched by FAO ICA programme](#) by launching a **special Youth Knowledge Exchange session** on April 2, 2020 addressing the key consequences and potential implications of COVID-19 for youth-led agribusinesses. The online consultation was conducted both in English and Kinyarwanda using RYAF social media platforms, including Twitter, Facebook, Instagram and WhatsApp groups.

RYAF members reported being affected by the lockdown strategy to contain the outbreak as follows:

- Blocked access to the business sites and to services including extension, equipment, inputs and seeds
- Huge post-harvest losses on produce/products that were ready for sell (e.g. chicken meat, bananas, milk, horticulture)
- Limited produce harvesting for businesses targeting export markets because they have nowhere to sell and some of the needed equipment, materials and facilities are not functioning
- Loss of previously negotiated prices because of falling demand, resulting in reduced revenues and earnings
- Business planning affected by the uncertainty of when the pandemic will end
- New agribusinesses delayed, disrupted and put on hold
- Lack of financial means to keep the production running in view of the next expected harvest with high risk of produce shortage in the coming seasons
- Reduced labour demand as workforce is reduced as a protection measure against the pandemic
- Social insecurity due to the people who fled the towns going back to rural areas and increased thefts in the farms

Coping with the crisis - Voices of young agripreneurs in Rwanda on the effects of COVID-19

The ways young entrepreneurs are coping with these hard moments include:

- Working from home using ICT infrastructure for business management (phone call, WhatsApp groups, etc.)
- Depending on the value chain mode operated, doing usual farm operations including planting
- Reducing the number of workers to apply the 2m social distance rule
- Changing market plan and planting other crops rather than letting the land idle
- Using ICT and social media to get updated information on the pandemic and learn about alternative practices to get ready for being back to business

Agripreneurship Alliance

Find us at

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