

RLI INVESTMENT SNAPSHOT

BROTHERS FLOUR AND BISCUIT FACTORY PLC



Reason for Selection:	Agriculture development is key to Ethiopia's endeavors to become self-sufficient, and Brothers Flour and Biscuit Factory represents a strong actor in Adama's agro-processing ecosystem. Food insecurity plagues the country despite the abundance of fertile land, which has led the government to choose agriculture as a priority sector for international investment. Supporting businesses operating in this sector could help improve access to food for refugee and host communities, as well as engage these populations through supply chain development, sourcing and employment.
Location:	Adama, Oromia, Ethiopia
RLI Business Category: ¹	R3: Refugee Supporting / R4: Refugee-Supporting, Host-weighted
Company Background:	<p>Brothers Flour and Biscuit Factory was founded in 2000 by Mohammed Seid and his brother Ahmed Beshir. The company produces wheat flours and eight varieties of biscuits for the local market.</p> <p>Their facility is located on the edge of Adama city limits and has a production capacity of 30 to 40 tons of wheat flour and 25 to 30 tons of biscuits per day.</p> <p>The company produces some of the most popular brands of biscuits in Ethiopia, such as Fegegta Hard Cracker and Glory Cream, which enjoy a considerable market share.</p>
Industry/Sector:	Agro-processing
Products and Services:	Wheat flour; Biscuits
Management Team:	<p>Mohammed Seid, Owner and General Manager</p> <p>Ahmed Beshir, Management Support</p> <p>Each of the five operational departments has a manager who is overseen by a deputy manager.</p>
Employees:	1,572 Total employees, of which 1,000 are permanent and 572 are temporary employees; predominately female.


¹ This is the category RENEW believes the company could occupy after receiving appropriate technical assistance support. The concept of refugee-lens investing (RLI) is new to Ethiopia, as such, there are very few companies operating in the formal sector of the studied secondary cities that currently meet the RLI criteria.

Market Overview and Trends:	<p>In Ethiopia, there is an estimated 45 biscuit and flour manufacturing companies with a total estimated production capacity of 2.5M quintals of biscuits a year.²</p> <p>The domestic production of biscuits in the 2019 fiscal year reached an estimated 194K tons, whereas the country imported an estimated 1.8K tons of biscuits.³</p> <p>Ethiopia's annual production of wheat is approximately 5.8M tons. The nation is also importing 655K quintals of wheat per month to meet additional demand in the country.⁴</p> <p>The government of Ethiopia has devised various projects around irrigation and cooperative farming to increase the annual production of wheat and to substitute imports.</p>
Estimated Investment Needs*:	<p>The company is interested in an investment, but they are still building out their investment proposal to provide an accurate assessment of their financial needs. The business plan includes expanding biscuit production capacity, developing new biscuit varieties and modernizing machinery and operations.</p>
Target Funding Source(s):	<p>Local banks, foreign investors, domestic investors</p>
Investment Opportunity:	<p>Brothers Flour and Biscuit Factory already holds a strong market share, producing some of the better-known biscuit names in the market. They are a large employer in the city with opportunity to further expand employment through their growth.</p> <p>As do most companies in Ethiopia, Brothers relies heavily on imports to cover goods that they cannot find consistently at the right quality in Ethiopia, including milk powder, oils, and food-grade plastic packaging.</p>
RLI Social Impact Opportunity:	<p>Brothers' business model presents numerous opportunities to engage the host and refugee community around Adama.</p> <p>First, expansion of operations will naturally increase employment opportunities. With the appropriate guidance from the RLI network, recruitment could target refugee populations, as well as the host community.</p> <p>As an agro-processing operation, there is also significant opportunity to engage and source from smallholder farmers in the wheat value chain. Refugee and refugee populations are frequently engaged in agriculture, so this is a natural pathway to RLI inclusion.</p>
RLI Support Strategy:	<p>They are interested in partners who can bring expertise in equipment procurement, equipment repair and management development support.</p> <p>As is true everywhere, there is also a significant awareness raising opportunity around RLI and the benefits of this outlook.</p> <p>Working with the management team to build out a business plan with a concrete outline of their financial needs could help take the company's operations to the next level, increasing employment opportunities and expanding reach.</p>

² Addis Fortune News. Local Food Processing Firm Expands with 350m Br. 2020. [Link](#).

³ *Ibid*.

⁴ All Africa News. Ethiopia: Flour, Biscuit Plant Breaks Ground in Debre Sina. 2020. [Link](#).



Successful growth that incorporates RLI could serve as an illustrative example to the community which can support further interest and engagement in RLI-oriented business plans.