

RLI INVESTMENT SNAPSHOT

GIRUM FOOD COMPLEX PLC



Reason for Selection:	Despite the vast amount of fertile land available in Ethiopia, the country still relies heavily on agriculture imports to meet the food demands of its growing population. Girum Food Complex has developed a strong foundation to build upon and expand local food production. The company has experience working with international technical assistance providers, presenting a strong opportunity to introduce a refugee-lens approach into their operations.
Location:	Adama, Oromia, Ethiopia
RLI Business Category: ¹	R3: Refugee Supporting / R4: Refugee-Supporting, Host-weighted
Company Background:	<p>Established in 2005, Girum Food Complex is a family-owned wheat milling and biscuit company headquartered in Addis Ababa, with its factories and primary base of operations located in Adama (Nazret).²</p> <p>The company has two production facilities, one for wheat flour and the other for biscuit manufacturing. The biscuit production line has an annual capacity of 2,680 tons. The company produces three biscuit brands - Happy Biscuits, Milkano Biscuits and Glucose Biscuits - which account for 68% of total sales.</p> <p>The company has previously worked with Partners in Food Solutions and TechnoServe to improve its food quality processes and expand its product offerings.</p>
Industry/Sector:	Agro-processing
Products and Services:	Wheat flour; Biscuits
Management Team:	Abeba Tesfaye, Co-Owner and Managing Director
Employees:	315 employees; gender breakdown unknown, industry predominantly employs women day laborers.

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.

² Partners in Food Solutions. Girum Food Company Profile. 2021. [LINK](#).


Market Overview and Trends:	<p>Wheat and wheat products represent 14% of the total caloric intake in Ethiopia, making it one of the country's most important staple crops. It contributes to the major share of daily consumption and cash source.³</p> <p>Cereal production is the means of livelihood for millions of households in Ethiopia. It is the single largest sub-sector within Ethiopia's agriculture industry, far exceeding all others in terms of its share in rural employment, agricultural land use, and contribution to national income.⁴</p> <p>The government recently has allocated \$6 million to create better irrigation, input supply and machinery rental services. Ethiopia remains a net importer of wheat, importing about 25% needed to fill domestic demand.⁵</p> <p>According to one estimate, the Ethiopian biscuit and cracker market is expected to grow at a CAGR of about 14% through 2025. Wheat is one of the most important cereal crops grown in most parts of Ethiopia.⁶</p>
Estimated Investment Needs*:	<p>The company is currently working to develop an investment proposal with an accurate assessment of their financial needs. The purpose of the investment would be for production expansion. Management is interested in learning more about technical assistance opportunities that could be provided through the RLI network.</p>
Target Funding Source(s):	<p>Local banks, foreign investors and grants.</p>
Investment Opportunity:	<p>Girum has a strong market share and positive brand reputation.</p> <p>The growing demand for wheat and biscuits makes a compelling case for investment consideration in the industry. Adama's surrounding region is a fertile space for agriculture development. With the right technical assistance, expanding wheat and other crop production in the area could support local businesses and smallholder farmers, support and/or create jobs for the local host and refugee communities, and decrease import dependence.</p>
RLI Social Impact Opportunity:	<p>There is an opportunity to provide training to the company on the advantages of integrating refugees and IDPs into their value chain.</p> <p>Smallholder farming is a subsistence livelihood for many of the displaced communities. Sourcing inputs from them would provide them with additional income.</p> <p>Community TVET training could also target refugee and host communities to prepare them for agro-manufacturing jobs within the company. A future investment would then support expansion of employment opportunities for these newly trained workers.</p>
RLI Support Strategy:	<p>The RLI network would best support the enterprise by providing funding and technical assistance to improve efficiency, quality and strengthen the value-chain. This would allow them to expand operations and increase their</p>

³ Bickford, Rachel. Grain and Feed Annual. USDA. 2021. [LINK](#).

⁴ Rashid, Shahidur. Staple Food Prices in Ethiopia. International Food Policy Research Institute. 2010. [LINK](#).

⁵ Brickford. 2021.

⁶ WM Strategy. Ethiopia: Biscuits and Crackers Market to Grow at CAGR of 14.09% until 2025. [LINK](#).



hiring capacity to incorporate refugees into their operations as well as expand opportunities for refugees along the value-chain.

To better integrate refugee communities, there needs to be awareness raising in the business community about refugees' rights to work as well as the benefits of incorporating them into the value-chain.