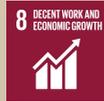


Introducing Kilimanjaro Fresh Fortified

*An Affordable Fortified Yoghurt for Children in
Tanzania*



An introduction to a positive business case
that supports the following United Nation's
Sustainable Development Goals

PARTNERS:



arla foods ingredients

powering nutrition together 



PROMACO
innovating together, growing together




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NUTRITION**
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Partnership Background

Tanzania is experiencing a growing demand for dairy products, which can help to fulfil a key part of human nutrition requirements. Like in many developing countries, a large part of the Tanzanian population suffer from micronutrient deficiencies and have limited access to nutritious and affordable foods.

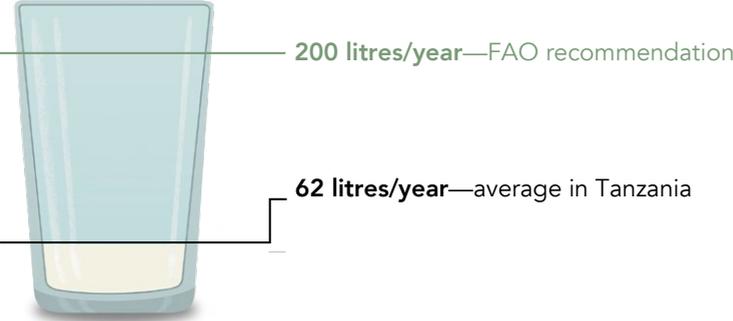
To respond to this challenge, a consortium of international partners was established in 2021 between Galaxy Foods (Kilimanjaro Fresh), Global Alliance for Improved Nutrition (GAIN), Arla Foods Ingredients (AFI), Chr Hansen, Promaco, DSM, the Scaling-up Nutrition Business Network (SUN) in Tanzania in close collaboration with the Tanzanian Dairy Board and Tanzania Bureau of Standards.

The project was inspired by earlier work of the key global partners in Ethiopia where the first ever fortified yoghurt standard was developed and the partners aspire to stimulate other commercial, for-profit partnerships to develop to affordable nutrition.

The project supports the following UN Sustainable Development Goals (SDGs): SDG 2 “End Hunger”, SDG 8 “Decent Work and Economic Growth”, SDG 12 “Responsible Consumption and Production” and SDG 17 “Partnership for Goals”.

Low Milk Consumption

Milk consumption per person in Tanzania



► Consumption of milk and milk products in Tanzania is 62 litres per capital (combined), whereas the amount recommended by FAO is 200 litres per capita



Lack of Nutrition

- ▶ Consumption of milk and milk products in Tanzania is 62 litres per capital (combined), whereas the amount recommended by FAO is 200 litres per capita.
- ▶ Tanzania is faced with a triple burden for malnutrition challenge with the poorer households carrying the largest burden **30%** of children under the age of five are stunted. **3% wasted and 12% underweight.**
- ▶ This overlaps with other nutritional challenges including high levels of anaemia in children(6-59 months) and women of reproductive age at 59% and 42% respectively and increasing levels of overweight and obesity.

The most prevalent micronutrient deficiencies among children and adolescents in Tanzania are: anaemia and iron deficiency anemia, folate, vitamin A, vitamin B12, vitamin D, iodine, and zinc deficiency. These deficiencies have long-term consequences on health and cognitive development resulting in delayed physical and mental development, poor school performance, and reduced future job opportunities.

- ▶ Vitamin A deficiency: A third (about 33%) of all women and children in Tanzania are vitamin A deficient.
- ▶ Zinc deficiency: 42% of children are at risk of inadequate zinc intake.
- ▶ Vitamin B12: about 9% of school-aged children were found to be deficient in vitamin B12.
- ▶ Please note that, there is no robust nationally-representative data on micronutrient deficiencies (except for anaemia) among adolescents in Tanzania.

Sources:

<https://faolex.fao.org/docs/pdf/tan212099.pdf>

https://www.researchgate.net/publication/358388714_Diet_and_nutrition_status_among_school-age_children_and_adolescents_in_Tanzania

<https://pubmed.ncbi.nlm.nih.gov/35245314/>

https://knowledgegainsthunger.org/wp-content/uploads/2021/01/HEARO-Policy-Brief_0920V5.pdf

Stunting for children under the age of 5 in Tanzania



30%
Stunting rate
of children
under 5

- ▶ 30% of children under the age of five are stunted. 3% wasted and 12% underweight.

Market Potential

Potential market for Tanzania is 12 billion litres per year (source: Tanzania Dairy Board).

The consumption of milk based products is increasing, with the consumption 27% higher than pre covid, now reaching 62 l pp per year (49 l pp per year in 2021)

Tanzania's formal dairy market is very small with only 5% sold packaged and the rest- 95% being sold informally, thus there is a huge potential for growth for the formal sector which can boost innovation, productivity and food safety

The trend of Per capita milk consumption in Tanzania

Year	2019	2020	2021	2022	2023
Per capita consumption (Litres)	49L	54L	55L	58L	62L

Source: <https://www.solidaridadnetwork.org/story/investing-in-a-sustainable-dairy-industry-in-tanzania/>

Tanzania Dairy Board



Low-and-middle-income consumers

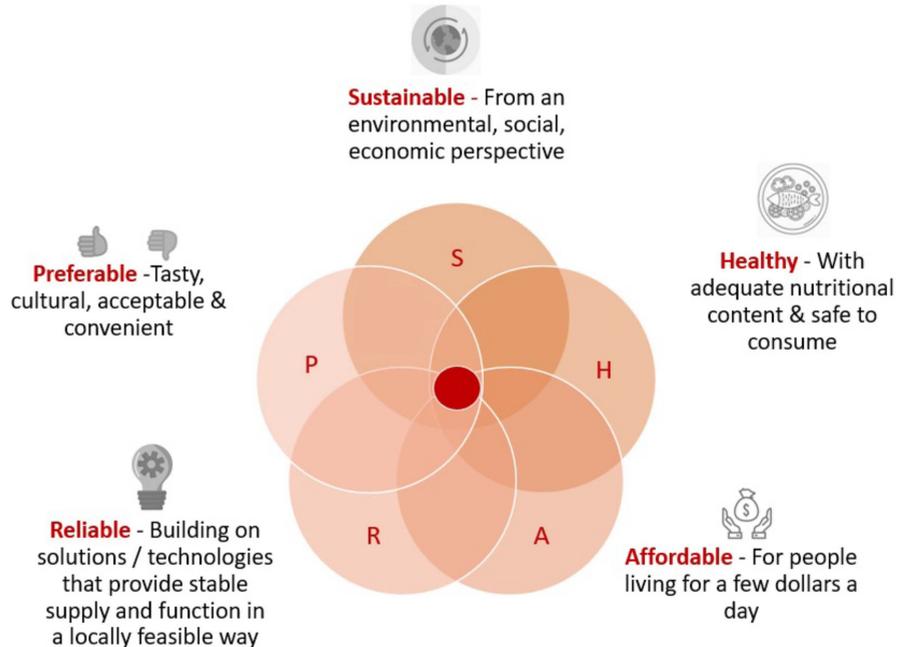
This product is targeting low to mid income consumers in Tanzania.

In particular targeting school age children of lower income families.



The Partnership Approach to Creating a Fortified Drinking Yoghurt

► The partnership adopted a co-creation approach with each partner bringing their expertise to the table to come up with an innovative dairy-based product solution that addresses several contractions aiming at the sweet spot in the middle where all are fulfilled



To come up with an innovative product solution that would address the nutrition challenge and have a positive business case multiple constraints had to be addressed:

SUSTAINABLE: Ensuring focus on reducing environmental impact, for example by reducing waste. Commercial sustainability is ensured as the product is designed to be able to deliver a margin for all value chain actors.

HEALTHY: The added vitamins and minerals are designed to fulfil the nutritional gaps in the target population. The product adheres to national and international regulations, which ensures that it is safe for consumers.

AFFORDABILITY: The product has a price point that consumers have stated that they are willing to pay. The affordability is achieved by using specific ingredients and packaging.

RELIABLE: The product will be produced by Galaxy Foods, which is planning the launch for the end of 2023. The sourcing of raw milk is secured, and the solution is building on recipes that get the most out of the milk and with established sourcing channel for value added ingredients. Key is to consistently be able to secure an increasing demand, even during period of low milk supply.

PREFERABLE: The product is developed to meet local taste preferences through consumer test and feedback loops. The packaging and promotion is designed to be attractive to the target consumers.

The ingredients, production costs, packaging and distribution margins combined must lead to a competitive and sustainable retail price for low-income consumers.

Kilimanjaro Fresh Fortified aims to achieve a viable business model by having a price point that is within the range of what low-income consumers in Tanzania can and are willing to pay, while still securing a margin for all actors across the value chain.

Kilimanjaro Fresh Fortified is a scalable product solution that can be implemented and adapted to any dairy plant capable of making yoghurt with ambitions to develop an affordable nutritious dairy-based product.



Distribution Channels

Currently Kilifresh distribute products to retailers, hotels, wholesalers and institutions who sells directly to the end consumers

For the new product Kilifresh plans to sell directly to schools.



Value Proposition and Branding

Kilimanjaro Fresh Fortified is positioned as a fresh, tasty, affordable and nutritious flavoured drinkable yoghurt. The product is different from the (very) sweet normal strawberry and vanilla yoghurt. Kilimanjaro Fresh Fortified is unique. It ticks the boxes of affordability (sharp price and cheaper than directly competing products) and taste. The differentiator of Kilimanjaro Fresh Fortified yogurt is nutrition, which especially taps into drivers for young mothers, low to middle-class as well as school kids and school feeding programs.

The branding of the Kilimanjaro Fresh Fortified in a small sachet of 100 ml of the product as a tasty dairy product with extra added micronutrients.

