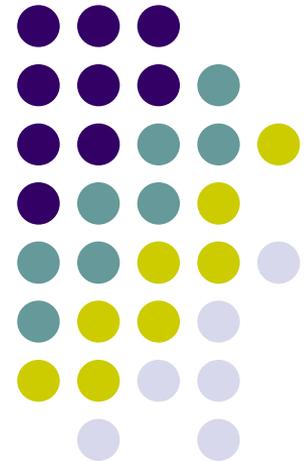


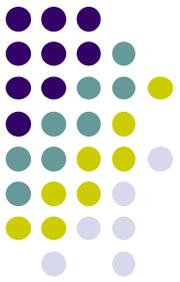


GBI Conference

March 8th, 2011



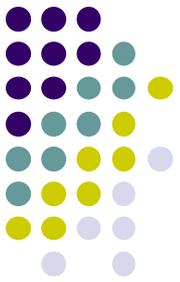
Discussion Items



- **Introduction**

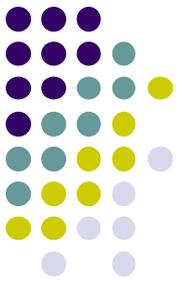
- Why start AACE Foods?
- Challenges faced by SMEs
- Opportunities within the agribusiness sector

AACE Foods – Overview



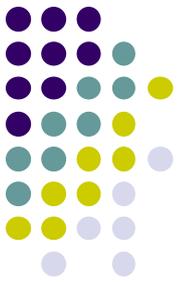
- Greenfield operation – established in early 2010, with initial commercial production in 4th quarter 2010
- AACE Foods provides nutritious and tasty food made from the best of West Africa’s fruits, vegetables, and herbs
 - Products include spices, condiments, pepper sauces, jams/spreads, and complementary food
- Family owned business, with experienced independent board members
- Was an award recipient of the Africa Diaspora Marketplace competition which was held in Washington DC in January 2010, and sponsored by USAID and Western Union

AAACE Foods – Overview (cont'd)



- Proudly West African: A company run by West Africans for the benefit of West Africans
- Small cross-functional team was hired to cover production, quality control, sales & marketing, and administrative roles
- Low cost semi-automated operations with mostly locally fabricated machinery and contract production staff
- Have processed and delivered over 8 tons of various products to primarily commercial customers over the past several months
- Currently developing additional complementary products

Discussion Items

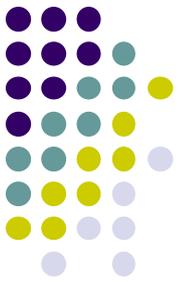


- Introduction

- **Why start AACE Foods?**

- Challenges faced by SMEs
- Opportunities within the agribusiness sector

Why AACE Foods?



- Spent previous two years researching agribusiness sector across West Africa, exploring investment opportunities
- Their was a passion and sense of urgency fueled by two facts –
 - First, according to the 2008 Demographic and Health Survey, 41% of Nigerian children under 5 years old are classified as stunted, 14% are wasted and 23% are underweight.
 - Researchers at the University of Agriculture Abeokuta, estimate that 40-60% of the fruits and vegetables grown and harvested by small holder farmers across the county are wasted annually.
- These statistics unfortunately hold for most countries across West Africa
- AACE Foods intends to directly address these two challenges by processing and packaging nutritious and tasty food made from the best of the fruits and vegetables within the region

Why AACE Foods? (*cont'd*)



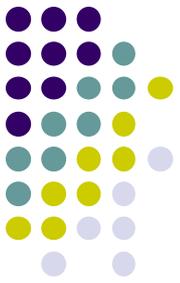
- Economic development impact
 - Job creation
 - Reduction of the wastage of fruits and vegetables across the country
 - Increase in the output, productivity and household income of small holder farmers
 - Through introduction of complementary nutritious foods for toddlers, address the high rate of moderate and severe nutrition among the under 5 population
 - Financial return

Discussion Items



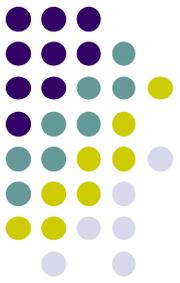
- Introduction
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Challenges faced by SMEs



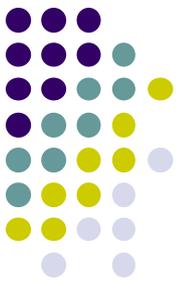
- Start-up issues
 - Infrastructure – power, water, road networks
 - Financing – non-existent without collateral or track record
 - Government agencies – raising hurdles vs. supportive role
- Human resources
 - Fact that educational system is broken is widely discussed, but less so the moral fabric of the country with its consequent impact on businesses
- Supply chain – local vs. imported raw materials
- Equipment – sourcing challenges, maintenance, and scaling up
- Product standards
 - Truth in advertizing / labeling
 - Incentives to provide a quality product

Discussion Items



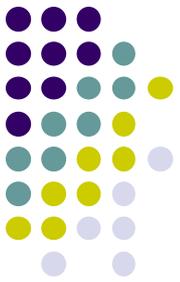
- Introduction
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- **Opportunities within the agribusiness sector**

A problem can conversely be reflected as another's opportunity



- Nigeria is dependent on variety of food imports
 - As result food and food inputs are extremely susceptible to price swings (*really, price increases*) influenced by worldwide supply constraints and relative currency weakness
 - Lead times for delivery of imported inputs, along with correspondent delays at ports, increases inventory carrying costs
- There is substantial under-investment in primary large scale agricultural as well as food processing
 - Historically inadequate financing structures available for primary agriculture
 - Power and transportation constraints for cost-effective processing and distribution of products
 - Opaqueness of pricing, crop harvest volumes, and reliable suppliers within the market
- Proximity to consumers
 - Lower inventory carry costs; hub for distribution within ECOWAS region

Q&A



Thank you !