

\$1²⁵

Thursday, September 3, 2009



HASTINGS STAR GAZETTE

Hastings' source for news and information for 152 years | Read us online at www.hastingsstargazette.com

Identifying a problem



Submitted photo

Hastings resident Ray Menard interacts with some children in the village of Ilambilole in Tanzania. He recently spent nearly two months in Africa seeking out development opportunities for his non-profit, Cheetah Development.

Local man seeks to help Africans not by giving handouts, but asking for solutions

By Keith Grauman
Staff writer

The climate and soil in central Tanzania allow corn to flourish there most years. In the small village of Ilambilole alone, 2,000 tons of corn are produced each year.

At the same time, the number one problem facing the owners of small mills in nearby Iringa is they can't buy enough corn to keep their mills running at full capacity. Yet, right in their backyard, almost half of the corn grown by local farmers ends up rotting and never being eaten or used. Many mills

often end up buying corn from hundreds, if not thousands, of miles away, just to keep their mills in operation.

It doesn't take an agricultural or business expert to realize there's a problem there.

Enter Hastings resident Ray Menard. He recently started a non-profit called Cheetah Development, which aims to get at the heart of the hunger problem and lack of economic growth in developing countries.

"Being in Iringa, with corn in every direction as far as the eye could see, brought the problem

into sharp focus," Menard said. "How could the local corn mills not have enough corn to keep running? Why are they sourcing corn from hundreds of miles away?"

"It turns out the problem of hunger is something other than what we imagine. It's not a lack of production."

Weak links

In Tanzania, hunger is a persistent problem, but food production isn't what's lacking. In fact, local statistics show 40 percent of the crops grown there rot, Menard

said.

The corn mills in Iringa serve as a perfect case in point for the problem.

Food production starts with the farmers. Most have little or no incentive to increase the volume or efficiency of their operations because nearly half of the food they grow goes to waste.

After the farmers harvest their corn, people known as "traders" travel from village to village and negotiate the purchase of crops from farmers. They fill up trucks by

'We will start by making a dent'

traveling from farm to farm, a process that can take up to a week.

There's mistrust among all three groups. Farmers don't trust the traders because they're constantly haggling for a cheaper price, and often buy their crops at or below cost. Mill owners don't trust the traders because they can't sell them enough crops to keep their mills running.

This is just one example of many Menard observed that highlight what he describes as a broken food value chain.

"Although there is plenty of production, beyond that, the value chain is broken," Menard wrote in a report entitled "Field to Table: Following the Food Value Chain to Explain the Problem of Persistent Hunger." "The businesses that would fill this chain are almost non-existent.

"However, this problem can be viewed as an opportunity," Menard wrote. "By creating small businesses, the value chain can be fixed, people can find jobs, incomes can rise, and hunger can be abated. And because the solution is business-based, profitability can drive sustainability and end the cycle of dependency."

Small business, big role

The traditional approach of western aid groups in Africa has been to give food, equipment, new farming techniques, or a combination of them all, to the 70 to 90 percent of Africans who are subsistence farmers. That is, they grow enough crops to live off of and sell the rest.



Submitted photo

A cornfield is pictured near some mud homes in the village of Ilambilole in Tanzania. The hunger problem in Africa is brought into sharp focus when one examines the corn industry in this village and the surrounding area.

The problem with most aid is it creates the dependency Menard referred to and isn't sustainable.

"Aid takes the pressure off of fixing what is broken by providing stop-gap solutions," Menard said. "Aid tends to fail because it is not forced to think like a business. That is, it doesn't need to be locally sustainable which to a business means finding profitability."

"In the developed world, we say to each other that 'It is better to teach someone to fish than to give them fish,'" Menard wrote in "Field to Table." "But we still feel somehow more self-righteous when we are giving the fish. Let's stop this. And let's go one better. Let's teach them to sell fish so that they can eat steak if they want – and afford to send their kids to school. Let's help people get beyond subsistence. Together we can go beyond

hunger, beyond barely enough food, to agribusiness. It really can be done."

In the mature U.S. economy, only about three of every 1,000 businesses have more than 500 employees. Small businesses with five to 250 employees are what drive the economy, Menard said. He uses the example of Apple Computers to illustrate that. Take one of Apple's most popular products, the iPhone. While iPhones are manufactured by Apple, hundreds of small companies are responsible for developing and producing the components that go into them.

The small business sector in developing countries like Tanzania is all but non-existent, and that's where Cheetah Development comes in.

The three goals he's outlined for his business are to unite farmers (which will bring about more consistent food inputs for

mills and food processors), preserve food (so less goes to waste and more can be sold), and add value to the food that's produced by improving the quality and processing efficiency.

Menard knows the problems he's trying to solve are big and ingrained into the fabric of the everyday lives of the people he's trying to help, but, he said, "We will start by making a dent."

"Though small, it will be sustainable," he wrote. "Though small, it will bring lasting change to the people involved. Though small, it will be replicable. Though small, it is designed to grow."

Next week's article will be about the two-month trip Menard took to Africa this summer to find business opportunities, and the projects he's helping put into motion there.