

CoE – CASA Programme – Nepal

Improve Competitiveness of Agri-business through Innovation and Product Diversification

Urban Food Industries Pvt. Ltd. (Urban Food), a rapidly growing player in the frozen meat industry, aimed to take strategic steps to improve its product quality and brand positioning, and diversify into new product segments to capitalize on the immense opportunities that have been identified in the frozen meat and food market in Nepal. Recognizing the potential to elevate overall productivity, efficiency, and competitiveness through the enhancement of firm capabilities and the transfer of knowledge and technology, Urban Food sought the support of the FCDO-funded CASA Programme.



Challenge

Amidst seasoned competition and a desire to evolve as a market leader, Urban Food opted for diversification, particularly in the promising quick meals market. While competitors have ventured into this domain, their small-scale operations resulted in variable product quality. The factory had been operating at 50% capacity and aimed to improve capacity utilization through improved production processes and production of new product lines. However, they lacked the technical knowledge to produce the new “quick meals” products, for which the company sought technical assistance from CASA to conduct comprehensive assessment of its current procedures and provide actionable recommendations for improving production procedures and standards while also helping them diversify their product range. The company also lacked documented organization policies such as financial and procurement policies, posing challenges in clarifying and refining crucial processes that impact capability and efficiency. Furthermore, Urban Food required the nurturing of its team’s capabilities for improved financial and marketing operations. The company also required revamping of its branding through more attractive and informative packaging to differentiate it from competitors, while boosting its marketing activities through campaigns and social media.

Value-add of the COE model

The CoE interventions were primarily oriented towards enterprise growth, with increasing productivity and competitiveness at the center of each design. In contrast, the regular interventions fell into one of three categories: research or policy-based, value chain specific, or crisis response, all under the dairy or vegetable industries. For the CoE interventions, more focus was placed on creating and identifying firm-level measures under productivity and competitiveness with indicators such as improved production capacity, increase in revenue, organizational capabilities, jobs created, and new markets entered, tailored to the particular company. While CASA had built a considerable pipeline of consultants/firms who could provide TA for the regular intervention value chains, building rosters of consultants to support CoE interventions and their value chains remained challenging as this needed to be defined on a case-by-case basis, matching specific experience/expertise with company needs. As a result, CASA relied on the partners’ network to find the TA providers.

Outcomes & Impact

- Generate additional revenue of GBP 71,500 from sales of new product line by December 2024
- Increase collection of meat by 15-20% by December 2024 by introducing new product line and improving quality of existing products
- Create 8-10 additional jobs by June 2025 to support their scaled operations.
- Diversify into new meat products and introduce 2-3 products by 2024
- Improve utilisation of its processing facility capacity
- 500 smallholder farmers (SHFs) expected to benefit from improved meat production capabilities and better access to markets after receiving training on hygienic meat production
- Improved climate resilience for 500 trained SHFs through improved productivity and access to larger markets

Key activities

- *Provided technical assistance from Swiss meat expert for 3-week engagement to help Urban Food improve its production capabilities and create new product lines. **10+ new product lines created, ready to be launched.***
- *Supported to design new high-quality label designs. **62 new high-quality packaging/label designs with nutritional values.***
- *Provided technical assistance through marketing consultant for drafting of new marketing strategies. **New marketing strategies drafted.***
- *Supported to carry out marketing campaigns and social media marketing for promotion of new product lines through a marketing company.*
- *Consultant for scoping of new distributors outside Kathmandu Valley.*
- *Supported with a consultant to develop organizational policies to improve efficiency and firm capabilities. **Financial Policy and Procurement Policies developed.***
- *Trainings provided on effective financial management and marketing/sales communication skills. **14 finance/admin and 21 marketing/sales staff trained; 70 factory staff provided with financial literacy training.***
- *Energy Audit conducted to help the company find ways to efficiently manage its energy usage to lower costs and improve profitability. **Recommendations provided to Urban Food for efficient management of its energy usage were internalized, with the company implementing a few low-investment solutions for energy efficiency.***
- *Waste Management Study conducted with recommendations for effective waste management strategies provided.*