Amazi Foods: Growing and Redefining Agricultural Supply Chains from the Ground Up



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THIRD-PARTY CERTIFICATION RESEARCH

Amazi Foods: Growing and Redefining Agricultural Supply Chains from the **Ground Up**

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Abstract

Amazi Foods is an inspiring health food brand that has gone beyond the fair trade model to connect directly with smallholder farmers in Uganda. Their commitment to sustainable and direct supply chains has allowed the company to make a strong social and environmental commitment to the communities where they source their primary ingredients. Amazi Foods has also leveraged different types of third-party certifications to attract a growing and loyal customer base interested in clean ingredients and different dietary paradigms. The intersection of ethical and sustainable direct supply chains, and direct marketing to consumers through third-party certifications has been a winning formula for this health food company.

KEYWORDS

Third-party certification, Amazi Foods, sustainable supply chains, direct trade, Paleo certification.

| INTRODUCTION

It is estimated that every time we sit down for breakfast, lunch, or dinner, the food that we eat will have traveled over 1,500 miles from

the farms where the food was originally produced to the plates on our dining room tables. While many environmentally-conscious consumers will be rightfully concerned about the enormous carbon footprint associated with the fossil fuels used to transport food around the world, there are other important issues associated with the globalization of our food supply that need to be taken into consideration. For example, the ever-increasing distance between producer and consumer means that it is virtually impossible to know the farmer who produced your food, the wages that he or she earned, or the methods used to cultivate the soil. Long ingredient lists alongside complex global

supply chains make it increasingly harder for consumers to gather an intimate understanding of the wholesomeness of the food we put into our bodies and the health of the farming communities and local ecosystems where that food was grown.

While it is certainly possible to visit your local farmer's market to purchase fresh produce or sign up for a local community-supported agriculture (CSA) program to receive a weekly box of farm-fresh meat, eggs, and dairy, most people who prioritize healthy and organic lifestyles will also probably rely on several food products grown around the world. The quinoa in your morning granola might have been grown in the Bolivian Andes, while the Acai berries in your afternoon smoothie might have been picked by indigenous people of the Amazon.

For consumers who want to develop a sense of relationship with the food they eat, is it possible to stay ethically connected to the farming communities and ecological growing practices when food is produced on the other side of the planet?

1 | THE IMPORTANCE OF SUSTAINABLE SUPPLY CHAINS FOR HEALTH FOOD BRANDS

Amazi Foods is one health food brand that goes the extra mile to make sure that health food consumers can trust that their food is ethically and sustainably produced by farming communities in Africa. According to their website: "We aim to go a step beyond ethical sourcing, supporting sustainable supply chains and creating connection all through the production of our good-for-you snacks. How? We commit to keeping the production process in the country from which we source. With every bite of Amazi you take, you help close the gap between source and consumer, between consumer and source."

Amazi Foods was founded in April 2016 by Renee Dunn [Image 1. During college, Renee studied abroad in Uganda to look at the factors affecting the entrepreneurial sector of the country. She found that even though Uganda was the 2nd largest producer of organic produce in the world, the vast majority of harvested produce was either locally traded or exported as a raw product. Both of these approaches left minimal profit to farmers and stymied entrepreneurial efforts. Instead of using the abundance of organic produce to create pathways towards dignified employment for rural communities, Dunn found growing levels of unemployment, food waste, and business stagnation.

On the other side of the world, Dunn found that the natural, health food industry in the United States was growing by leaps and bounds. According to one recent report, the global health and wellness food market size is expected to grow by USD 235.94 million during 2020-2024, progressing at a CAGR of over 8 percent.



Image 1: Renee Dunn, founder of Amazi Foods

Dunn wondered, how could small farming communities in Africa become meaningfully connected to the growing American interest in healthier, natural foods and snacks?

Following that question, Dunn created Amazi foods and focuses on making healthier, nutritional snacks from plantain and jackfruit that are grown by small Ugandan farmers [Exhibit 1]. "My vision is to transform Uganda's best tropical fruits into wholesome, clutter-free snacks, ensuring transparency, opportunity, quality, and connection so that you can snack on purpose to fuel your purpose-driven life," says Dunn.

Dunn and her startup Amazi Foods opted to support farmers who were growing jackfruit and plantain. "These foods were definitely a more unique and exotic fruit option than we typically see on the market," Dunn



EXHIBIT 1: Amazi Foods Non-GMO, Vegan, and Certified Paleo Plantain Chips and Jackfruit chews directly sourced from Ugandan farms.

told The Paleo Foundation. "They were crops that farmers we partnered directly with Uganda knew how to grow, and they are also some of the most flavorful, most unique, and those foods with the most potential on the market. We also, of course, paid attention to the nutritional profile, and both jackfruit and plantain are really nutrient dense fruits, high in fibers and prebiotic fibers."

Both jackfruit and plantain are a type of tree crop that is grown as a perennial food option. Fruit and nut-producing trees, as a part of an integrated agroforestry system, can regulate the productivity of lands by cycling nutrients and resources sustainably. They also capture enormous amounts of carbon as they grow. According to The International Centre for Tropical Agriculture, increasing the number of trees on agricultural land can sink four times more carbon than traditional agricultural practices centered on pasture and the production of annual crops. By supporting farmers growing tree crops, Dunn and Amazi Foods has also been helping Ugandan farmers adopt regenerative and carbon positive farming practices.

Another advantage that came with opting for jackfruit and plantain-based snacks was the ability to create some exceptionally delicious tastes that were under-represented in the health food snack industry. "We were pretty confident that we could create some incredible flavors and snacks with them," Dunn tells us. "They were super versatile, and both plantains and jackfruit can be consumed in so many different ways. "We were able to think of a new and creative way to introduce them to the market."

2 | MOVING BEYOND FAIR TRADE

For many health food consumers, the best way to

ethically consume the superfoods they depend on to achieve their health goals is to prioritize products that have received some sort of "fair trade" certification. Today, there are dozens of certification agencies that evaluate and appraise everything from labor conditions to the sustainability of forest management. Unfortunately, just because a certain product comes with a gigantic "fair trade certified" label does not necessarily mean the product was ethically and sustainably produced.

In the coffee industry, numerous examples have surfaced of supposedly fair trade coffee paying small farmers' wages that are well below the legal minimum wage of their countries. Furthermore, a report by the Adam Smith Institute concluded that many fair trade certifications amount to little more than a marketing exercise that helps brands stay "competitive" by appealing to the social concerns of their customers. The report goes on to say that many fair trade certifications often leave large segments of the population worse off by only creating relationships with a small member of farming communities.

As more and more consumers begin to demand healthy, nutritious, environmentally responsible, and ethically produced foods, many certification agencies will regrettably be tempted to cut corners to increase their market share and appeal to environmentally and socially conscious consumers. Amazi Foods aims to avoid this pitfall by committing to creating close relationships with the farmers that produce the plantains and jackfruits that are the essential ingredients in the healthy snacks they produce.

In one recent interview, Dunn says: "I wanted to figure out how to break the cycle and move the economy away from solely serving as resource providers to offering more value-added services.

Though agricultural exports make up about 80% of Uganda's total exports, raw ingredients are not processed and packaged in Uganda, which means very little profit stays within the country. I thought, perhaps naively at the time, that if we could take the time to train people how to produce marketable products, recipe development, and quality consistency, we could involve them in the process, increase employment and grow the local marketplace."

Rather than fair trade, Amazi Food engages in what they call "direct trade." This agreement moves beyond simply paying farmers a higher price for their products. Rather, the company believes in building partnerships that are direct and open with the farmers from which they source. Amazi Food includes the farmers in conversations on pricing, seasonality, partnership arrangements, and more so that they can make informed fair decisions. The company aims to cut out any third parties, with production teams purchasing directly from farming cooperatives or family-owned farms.

The direct trade initiatives utilized by Amazi Foods also go beyond fair trade approaches because of the focus on negotiated contracts. Instead of simply responding to global commodity prices, direct trade takes into intimate consideration seasonality issues to determine a fair price for both farmers and manufacturers of their products. For Amazi Foods, direct trade is all about being honest, knowing the farmers at the source, and letting the farmers know them as well.

Dunn says that "I am learning it's not as romantic as simply paying higher wages, there also needs to be transparency around margins and explaining constraints in our cash flow. As a small business owner, I have to play the agility game while also never compromising."

Furthermore, Amazi Foods is one of the few health food brands that manufacture their products in the country of origin. Instead of simply purchasing raw materials for export, the commitment to in-country manufacturing allows for greater employment and entrepreneurial opportunities that allow more of the profit to stay within Uganda. Lastly, Amazi also contributes a type of development fund to farming communities. For every kilogram of jackfruit or plantain that they purchase, the company sets aside \$0.25 for that development fund. During the past years of operation, these funds have been used to support development initiatives that are instigated by the farmer groups they work with, including the purchase of school supplies for local youth, the construction of community centers, and the growing cooperative farming businesses.

3 | THE CHALLENGES OF ORGANIC CERTIFICATION

Today, Amazi Foods is sold across the United States, most notably at Sprouts Farmers Markets, Albertson's grocery store, on Amazon, and through their website. In the years since its founding, Amazi Foods has successfully found coast-to-coast retail locations for its products.

Dunn admits that "I believe there has to be a differentiating factor to get the customer to pay a higher price. Our mission is to provide more opportunities for innovation in Uganda and we hope our customers buy our products because they taste good but also because they can trust that we are giving back to the community."

"There is so much marketing around fair trade and sustainability that it has become hard to know which brands are engaging with the local community so we do our best to be transparent and show our customers how their purchase is making an impact."

Recent polls have found that a large segment of consumers is willing to pay between 50 and 100 percent for sustainably and ethically produced

products. Amazi's efforts to create meaningful connections between their customers in the United States and small farmers in Uganda is an inspiring example of how our globalized food industry can still offer fair, ethical treatment to the often-invisible farmers and laborers who work to put food on our tables.

Because we're a small business with limited people and limited money, it has been very challenging to make [organic certification] happen in a way where we can continue to do business with the farmers we support."

Another of those "differentiating factors" that consumers generally pay a premium price for is organic certification. A 2018 worldwide survey on consumers' willingness to pay a premium for organic food products found that 70 percent of consumers in China stated that they were willing to pay more for organic food products, while 48 percent of consumers in the United States and Europe were equally eager to pay a premium price for organically-certified food products.

Amazi Foods only works with farmers who use 100 percent organic growing methods. However, they do not have organic certification. "It is a very costly process, and as a small business, it's hard for us to avail those funds," Dunn says of applying for USDA organic certification. "Of course, anything in this business costs money, so that's not a good enough reason. The other main thing I would say for us is we

work with smallholder farmers directly, and for us, it's a lot of legwork to get farmer groups certified. That requires an extensive on-the-ground capacity. Even beyond that, it's very hard to incentivize farmers to invest in a partnership that will show itself eight months or a year from now," she explains.

As a small business that is growing, Dunn also believes that they are still in a transitional period. By

choosing to work with several smallholder farmers (instead of one large supplier) there are obvious logistical constraints to the bureaucratic organic certification process. For example, if all of Amazi's farmer partners were undergoing organic certification and certain ones passed the inspection while others don't, then this places a severe difficulty on their supply

chain process.

"Once you certify organic, you can't use transitional farmers (those transitioning to organic methods)," Dunn says. "So it ends up cutting out partners and partnerships that we've built. Because we're a small business with limited people and limited money, it has been very challenging to make that happen in a way where we can continue to do business with the farmers we support."

As of today, Amazi Foods is focused on working with farmers that are growing organically, and those who could easily pass organic certification when the company is ready to go that route. The company does have a goal of trying to get our organic certification and has started to mobilize to identify better certifying bodies who might be able to help them through the long and bureaucratic process.

However, Dunn admits that it has taken time to build up the capacity to be able to even begin thinking about organic certification.

4 | THE ADVANTAGES OF OTHER TYPES OF THIRD-PARTY CERTIFICATIONS

Whereas organic certification has been seen as prohibitive for small companies who are just starting, and especially for those making an effort to implement a direct-trade model with small farmers around the world, Dunn does believe that certifications are very important. "I think that there are other ways to explain and express commitment (besides certifications), I know that a lot of people want to see that certification, and I understand that desire," she says.

During the first years of the company, Dunn decided to get several certifications, including Vegan certification, non-GMO verification, Certified Paleo, and woman-owned business accreditation. "Within the first couple of years of starting the brand we had done some focus groups trying to determine if certain certifications were worthwhile to invest in," Dunn explains. "From our inquiries, it was evident that people cared a lot about knowing the health benefits of certain food items, more than they did about fair trade practices."

While their research found that many potential clients might have skepticism around a certification like Fair Trade, Vegan and Paleo certification was seen as a more important issue from the customer side. "Getting our Vegan and Paleo certification was a quick and easy way to demonstrate our commitment

to those types of customers," Dunn says. "I think that for those communities that do identify with those diets, certification presented a very quick and clear way to powerfully convey that we really care about the integrity of our ingredients."

By having both Vegan and Paleo certifications visible on their product packaging, Amazi Food's customers can identify the product and avoid having to take the extra time to read the back of a label or do more indepth research into the specific ingredients of a given food product. From the brand perspective, certification allowed a quick and easy pathway to connect with a large group of customers who identified with a diet and were specifically on the lookout for Paleo or Vegan-identified food products.

"It is always interesting to watch consumer responses change over the years; to see what certifications people care about," Dunn admits. "For example, people care more about women-owned businesses now than they did before. People seem to care more about plastic neutral certification that they used to. So it is interesting to understand the ever changing hierarchy of the consumer demand."

For Dunn, the Paleo and Vegan certifications that Amazi Foods are a way to display to consumers and retailers their firm commitment to the integrity of the ingredients they use. "I think people, in general, appreciate our short list of ingredients. I think they like that we're allergen-free. I think they like wholesome ingredients that any dietary restriction can really consume," she says.

Though many smaller brands that are just starting may show a bit of hesitation in opting for certifications because of the expense involved, Dunn believes that many types of certifications pay quick

dividends. Certifications allow for direct marketing strategies that can allow companies to directly target and interact with specific populations who have a high affinity for certain types of products. "

We definitely have our certifications very high up on our website. The first thing that people see is the fact that we are Vegan friendly, Paleo certified, and a woman-owned business. All of those certifications are very clearly up top as value propositions to the customer on our website," Dunn explains. "We've also done a number of posts highlighting the clean ingredients we use, and how our snacks are an accessible, clean, and healthier option for anybody who may have dietary restrictions."

Although Amazi Foods has been able to connect with consumers interested in healthier snack alternatives, Dunn is careful to not frame its marketing agenda around condemning different types of foods and dietary agendas. "I know some companies will post about how sugar is going to ruin your life, and I don't find that to be helpful," she says. "I personally don't go that route of kind of vilifying the other side. I focus on the positives, as opposed to all the terrible things that are happening in products that do not have a given certification. I don't know how well that's received anymore, and I think that people are hyperconscious of fear-mongering.

Highlighting the positive social, environmental, and health attributes of their food products has been a foundational marketing strategy for Amazi Foods, and their certifications have contributed to that marketing scheme. "We are always going to commit to making things that are going to make our customers feel really good to eat," Dunn says.

Lastly, Dunn shares a couple of her recommendations for how third-party certification agencies can better support the brands with whom they work. "I think that if there is a sort of following or community network that certifying agencies work with, it would be helpful for small brands to readily tap into those communities," Dunn says.

She believes that highlighting certain products or brands that have a given certification or putting a spotlight on newly certified brands at tradeshows and other similar events might help smaller brands take more advantage of their certifications.

She also believes that collaborating between sectors can also be helpful for small brands. "We have done some collaborations with others brands and agencies where they are doing a piece on women-owned businesses. We will help them do a write-up, we'll send them some copy, we'll send the description and pictures they need, and then they'll share it with their groups who are generally the type of customers that we're looking for," she says.

5 | CERTIFICATIONS

- Certified Paleo
- Vegan Certified
- Non-GMO Project Certified
- Women-Owned Business

6 | CONFLICTS OF INTEREST

The authors report no conflicts of interest.

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