

Octavio's aspiration:

building a resilient business for a nutritious future



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Wanting to build resilience in the food market and also make use of a waste product, Octavio Muchanga founded Limpho Productos Alimentare, to produce cashew nut butter from broken cashews. After identifying another opportunity to use broken rice, the Scaling Up Nutrition Business Network (SBN) Mozambique member is expanding its range to further reduce food waste, provide nutrient-rich flour and rice biscuits to low-income families, and provide farmers with additional income.

According to the 2020 [Global Nutrition Report](#), one in every nine people in the world is hungry, and one in three is overweight or obese. In Mozambique, extremely high levels of chronic malnutrition at 43%, according to the [United Nations Children's Fund](#) (UNICEF), affect almost one in every two children under the age of five. Chronic malnutrition contributes to infant deaths and perpetuates the cycle of poverty, negatively impacting school performance and household income and affecting the ability of children to reach their potential physical and mental growth. Causes include inadequate nutrient intake and poor diets, driven by a lack of economic opportunity.

To assist urban and rural families unable to afford basic and diverse foods, Octavio established Limpho Productos Alimentares. This family-run business in Mozambique aims to provide diverse, affordable, and nutritious foods for low-income families, in place of unhealthy convenience foods or imported and expensive ingredients.

Turning waste into winners

The company initially produced peanut butter sourced from local nuts, but soon identified an opportunity to turn broken cashews, that would otherwise go to waste, into butter as well. "We followed the innovative idea of reducing post-harvest loss of raw cashew nuts,

"When we started peanut butter production we had no experience. We just had the idea, we took the risk and implemented it, and gained experience over time. The main ingredient for any entrepreneur who has a business idea is to believe in their dream, take a chance, and continuously design and improve their business concept."

Octavio Muchanga,
Founder, Limpho Productos Alimentare



using broken cashew nuts that cannot be sold,” explains Octavio. “We did not need to install new machinery to produce cashew butter, because our peanut butter machinery can also process cashew and other types of nuts, such as almond and macadamia. So, as we explore our market, and depending on demand, we see a future where we expand our lines of products using other nuts that we have in abundance in Mozambique.”

The business is currently diversifying its portfolio further to include rice flour made from broken rice, having noticed it being discarded at market. The long-term aim is to use the flour to make biscuits, pasta, and a range of other products. “We had a brainstorming session with our distributor and discussed potential markets that have not yet been explored,” reveals Octavio, noting that rice flour contains essential nutrients, including fibre, carbohydrates, vitamin B1 (Thiamine), vitamin B2 (Riboflavin), vitamin B3 (Niacin), vitamin B6, iron, and zinc. The enterprise’s research has established that almost all biscuits currently in Mozambique’s market are imported from South Africa and Portugal which, although high quality, are expensive. While there are some local companies making biscuits, their quality and nutritious value is considerably lower.

By innovatively turning raw waste products, such as cashew nuts and rice, into new product lines, the enterprise is strengthening its resilience in two important ways. First, through diversifying into new income streams, and second, by utilising waste products to cost-effectively produce sustainable and nutritious products. Now, the company has four products with another in progress: peanut butter made from local nuts, with sugar-free options; cashew nut butter, made with cashew nut and coconut oil; snacks made from roasted nuts; *Chikki*, a mix of roasted peanuts and cassava flour; and the rice flour under development.

Taking small steps to overcome big challenges

When COVID-19 hit Mozambique, with movement restricted and incomes hit through job losses, the enterprise experienced a considerable decrease in demand for its products and subsequent revenue. This challenge was exacerbated by border closures, which affected importation of the company’s packaging from South Africa, and disrupted local supplies of raw ingredients, which delayed production of the nut butters, rice flour, and other products.



With fewer staff able to work due to movement restrictions and reduced hours at the production facility, the enterprise scaled down its supply. However, it made sure to keep at least one distributor to guarantee that their products were still available on the market. The group also focused on building better linkages between local farmers, food producers, and consumers. For example, by creating cooperatives, better links have been forged between farmers and buyers, building resilience in the agricultural sector and providing additional income and job opportunities locally, instead of relying on imports from other areas of the country.

To build a more resilient future, the first step has been to identify and sign agreements with new suppliers of raw materials, and keep up-to-date with the latest news on border movements to replenish stocks. With the re-opening of borders and increased commercial transactions, Limpho Productos Alimentares is beginning to increase production volumes, already reaching 5,000 kg per month of peanut butter, and 500 kg per month of cashew nut butter. In the near future, they are optimistic of increasing production to 2 tonnes per month across their products, and are exploring potential export markets in South Africa.

To further diversify its portfolio, the group has also been exploring chicken breeding to produce eggs. The main aim of this venture is to increase the availability of nutritious food and support women in producing nutritious foods for themselves. "Our focus is to be able to assist women who do not have enough skills to produce food for the family," clarifies Octavio. "We saw the need to contribute to the increase of egg production in Mozambique. So far it has been a success because the cooperative is now formalised, and we are looking for financial means to help the cooperative."

The cooperative currently has 2,000 women members, who are also being taught vegetable garden techniques to help diversify diets. The vegetables can also be a source of extra family income and, with increasing populations leading to smaller pieces of land being available, it's more important than ever that families utilise their land efficiently. "Generally, these families have about 70% of free space in their backyards, and this space can and must be used for the production of vegetables," Octavio emphasises. "We have participated in meetings to develop new strategies with women, and we will be monitoring everything from the mobilisation of women to the provision of technical assistance to this cooperative," he adds.



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