



# GAIN Premix Facility Overview Presentation

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April 2011



INVESTING IN PARTNERSHIPS TO STOP MALNUTRITION

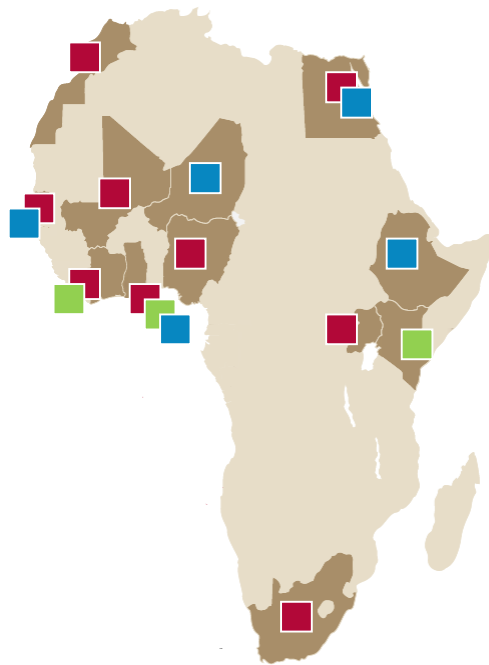
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# The GAIN Vision, Mission, Goal

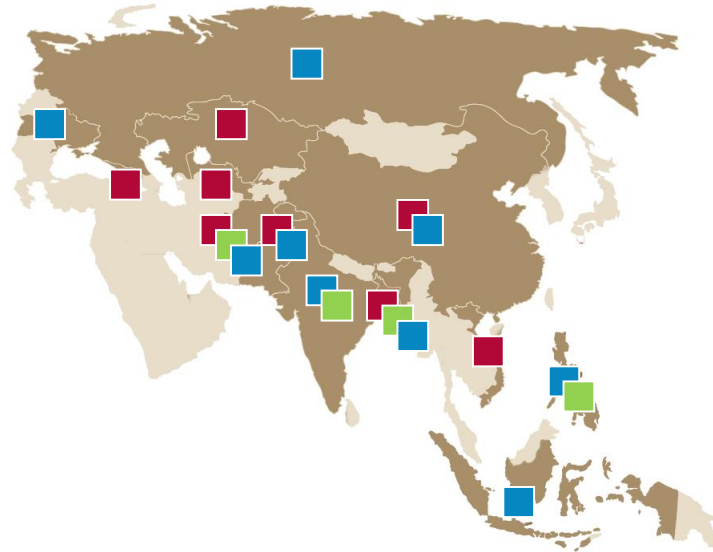
- GAIN stands for the **Global Alliance for Improved Nutrition**
- Driven by the **vision** of a world without malnutrition
- GAIN's **mission** is to reduce global malnutrition through food fortification and other sustainable strategies aimed at improving the health and nutrition of populations at risk, particularly women and children
- GAIN's target is to reach **1 billion** people with improved nutrition, including 500 million women and children

# GAIN Projects Worldwide

## Africa



## Asia



## South America



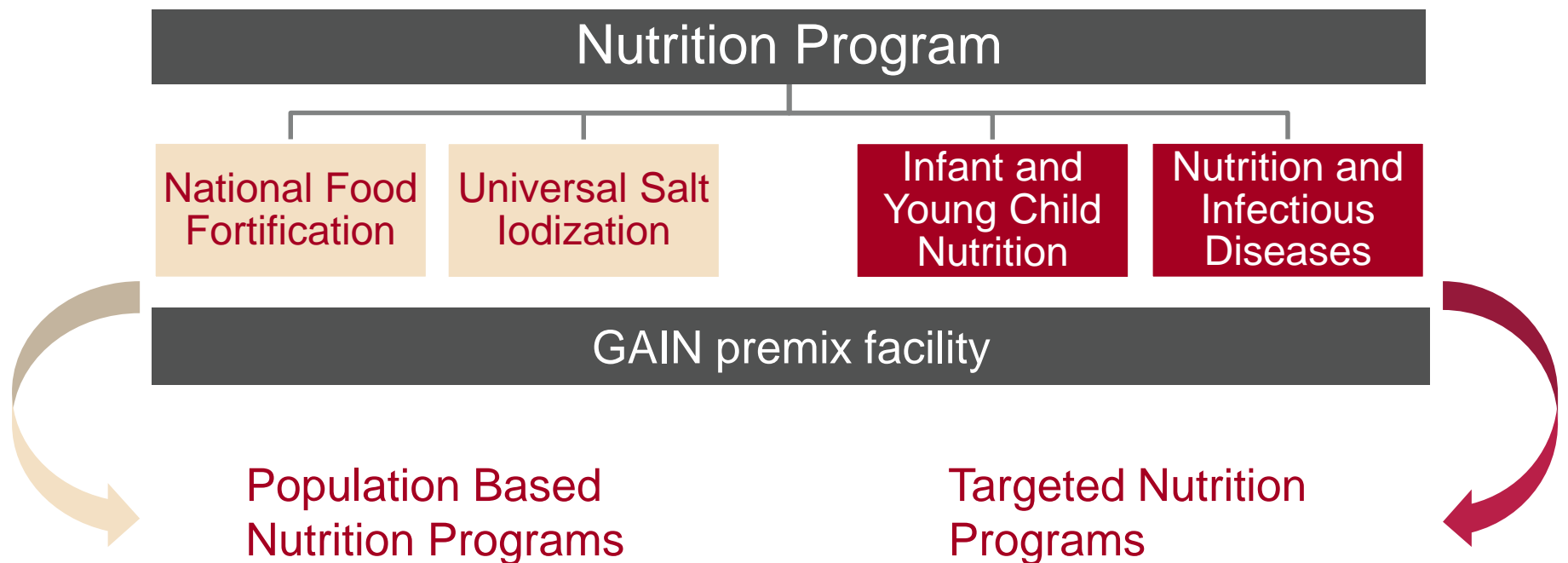
-  Salt Iodization
-  National Food Fortification
-  Infant and Young Child Nutrition

interventions in over 25 countries,  
fortifying staple foods, condiments,  
and complementary foods with  
vitamins and minerals

# Nutrition Program

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GAIN supports population based and targeted nutrition programs, all of which contribute to the target of reaching 1 billion people.



## GAIN premix facility (GPF)

The GAIN premix facility was implemented to make premix procurement more effective for organisations fortifying food.

### Challenges in Premix Procurement

Quality of premix varied due to inconsistent approach & standards

Decentralised procurement drove different price and service outcomes depending on the buyer and supplier

Micronutrient costs are a high proportion of ongoing fortification costs

Some projects struggle to finance purchases upfront

### GAIN premix facility

**Certification Facility**  
(Certification Agent: Intertek)

**Procurement Facility**  
(Procurement Agent: Crown Agents)

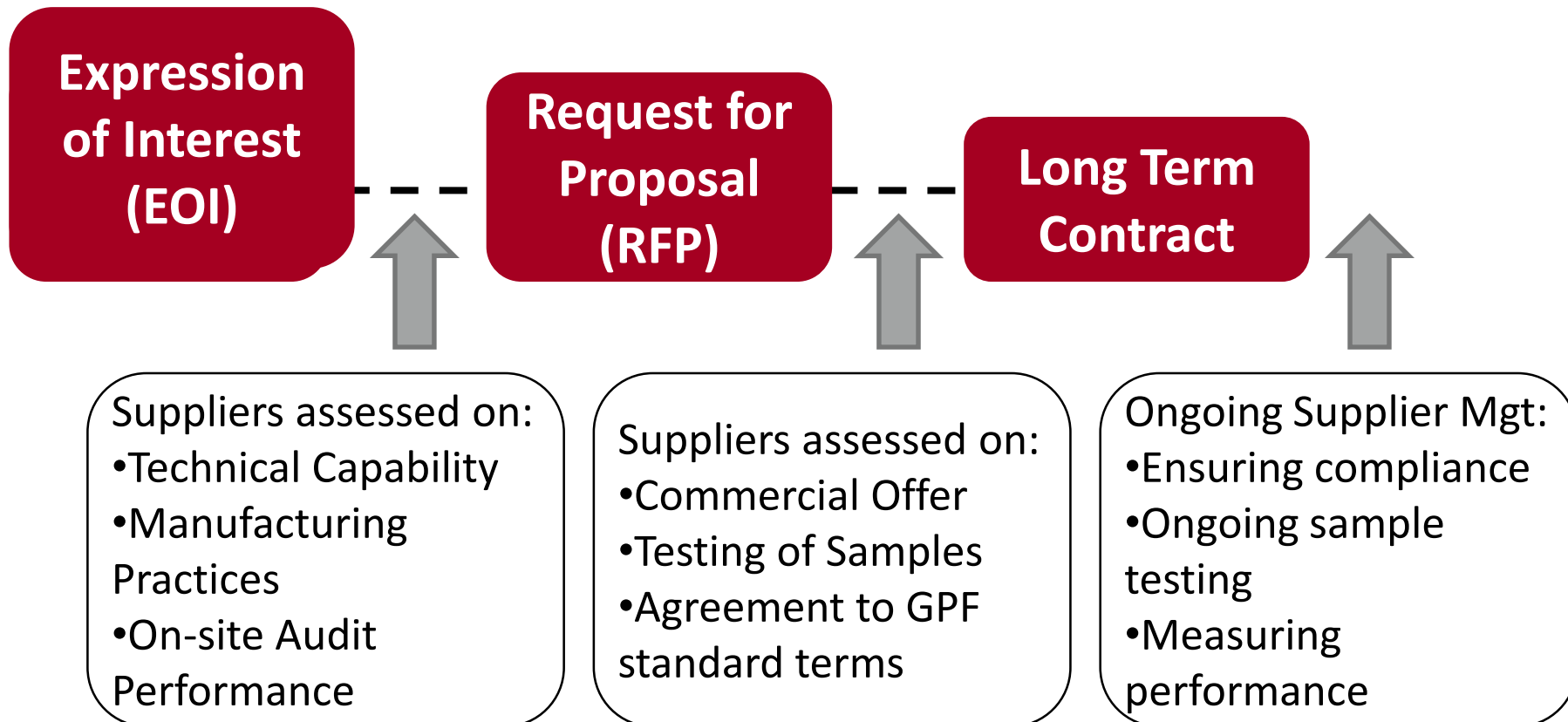
**Credit Facility**

**Grant Facility**

# Supplier Selection Process

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GPF suppliers have been selected through a stringent selection process, including audits, product sampling and review of technical capability.



# Approved GPF Suppliers

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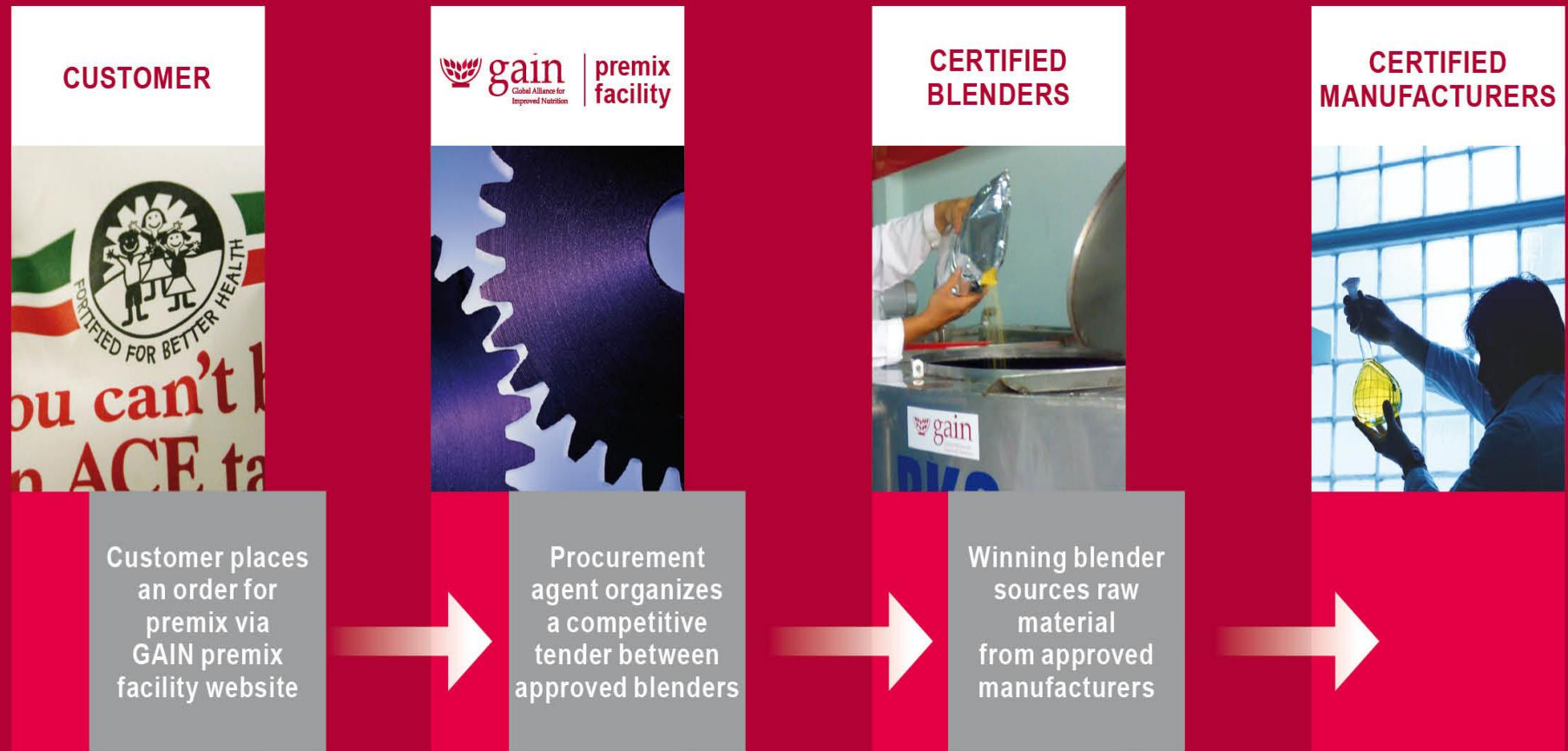
Agreements have been set up with successful suppliers – unsuccessful applicants were provided with detailed development feedback.

Approved Blenders	Approved Manufacturers
Caravan Ingredients	Ajay Europe, SARL
Dr. Paul Lohmann	Akzo Nobel Functional Chemicals Pty Ltd
DSM Nutritional Products Ltd	BASF
Eurogerm	Calibre Chemicals
Fortitech Europe ApS	Dr. Paul Lohmann
Glanbia Nutritionals Deutschland GmbH	DSM Nutritional Products Ltd
Global Calcium Pvt Ltd	Global Calcium Pvt Ltd
Hexagon Nutrition	Industrial Metal Powders Pvt Ltd
Mühlenchemie GmbH & Co	Jubilant Organosys Ltd
P.D. Navkar	Piramal Healthcare
Piramal Healthcare	Sri Krishna Pharmaceuticals
Research Products Company	The Wright Group
The Wright Group	
Bio-organics Nutrient Systems	

# Process - Order to Quotation to Delivery

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The process is simple and efficient – Customers simply place an order, triggering a competitive bidding process amongst the approved suppliers

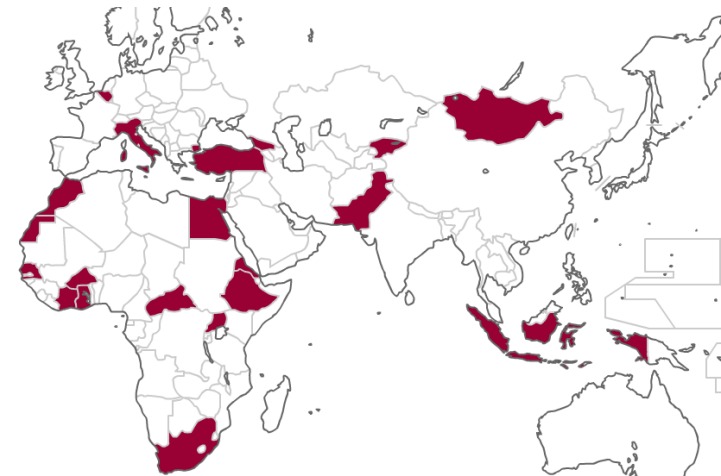




## Results to Date

The GPF has made a promising start – the model is proven to work and the demand pipeline is strong.

- Certified 14 blenders and 12 micronutrient suppliers. > 10 suppliers were excluded and provided with feedback.
- By end of Dec 2010, GPF has sourced premix orders worth > US\$ 9m
- Delivering premix into 19 countries in Africa, Central and Southern Asia and Eastern Europe
- Establishing partnership with major aid agencies such as WFP and UNICEF.

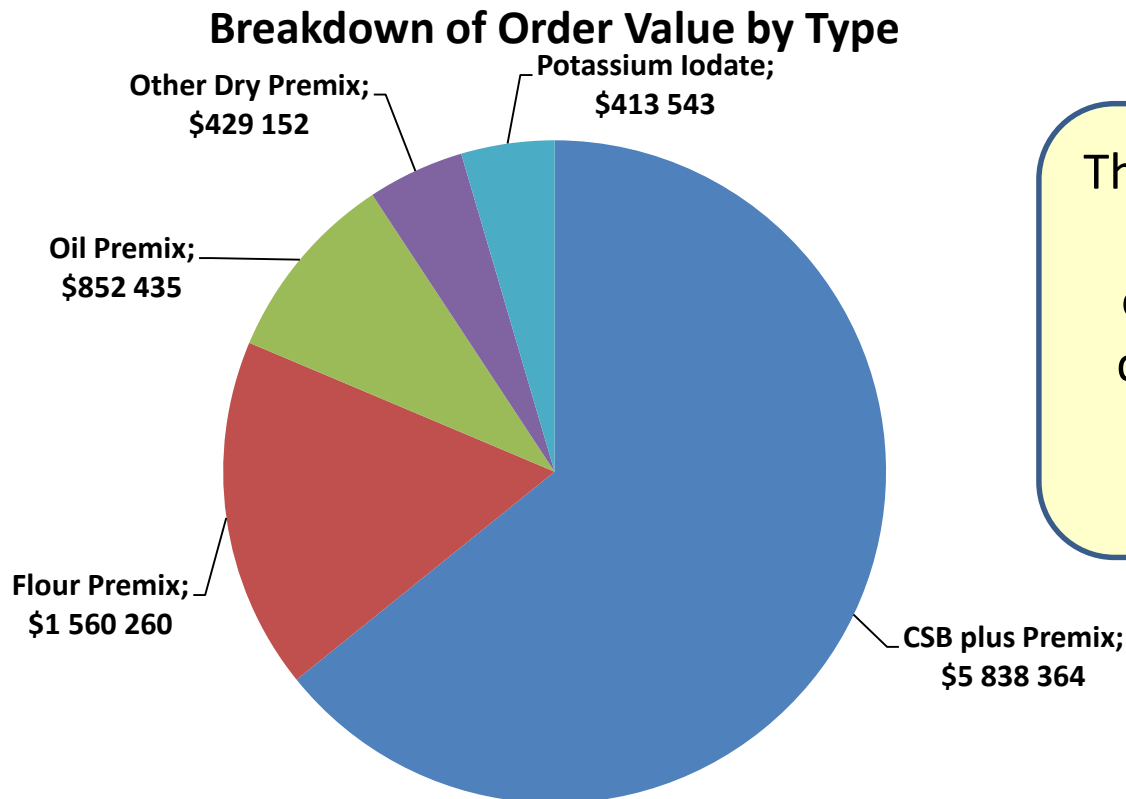


● Customer location

So far, the GPF is estimated to have reached ~ 60 million consumers in developing countries with affordable premix of certified quality

## Type of Premix Sourced

The GPF is already sourcing premix for fortification of oil, flour, salt, biscuits and cereal products – many of these are standard products



Through the GPF, there is a significant opportunity to pool demand and reduce costs for all participants

# Benefits of Centralised Procurement

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Experience has shown the benefits of aggregating demand across different companies through central procurement

## **Example 1 – Vitamin A Retinyl Palmitate 1.7m IU/g**

Tenders for large consolidated requirements have regularly achieved prices 20-25% more competitive than small requirements

## **Example 2 – Premix and Minerals for CSB plus production**

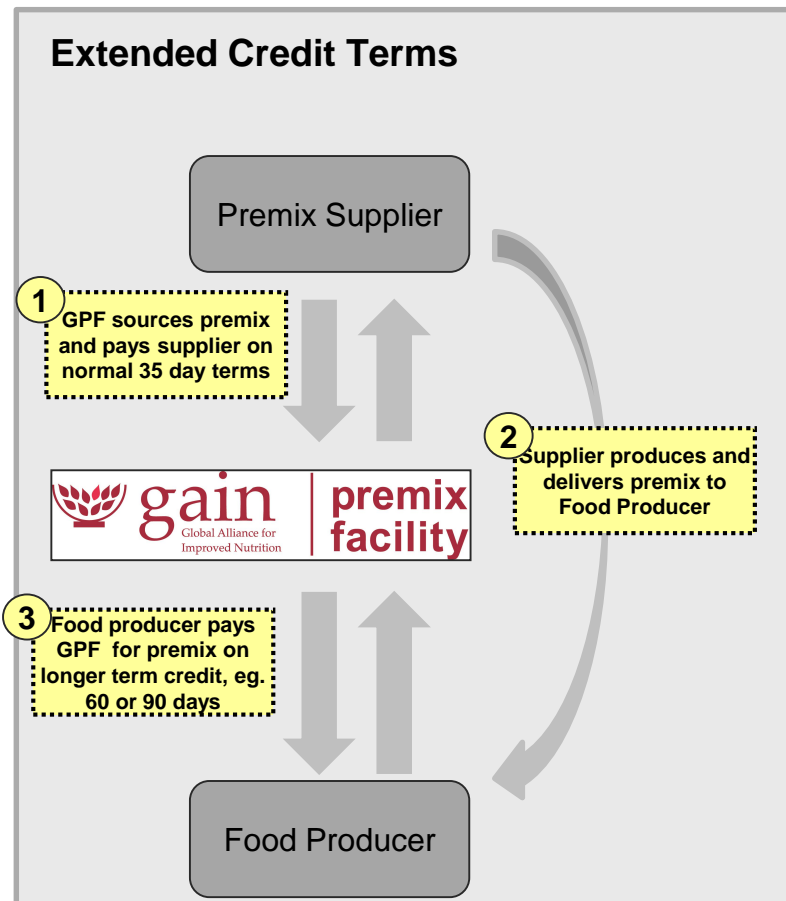
Tenders for large consolidated requirements have regularly achieved prices 25-30% more competitive than small requirements

As an independent 3<sup>rd</sup> party, the GPF is uniquely positioned to facilitate procurement across multiple companies and programs

# Case Study: Assisted Financing Models

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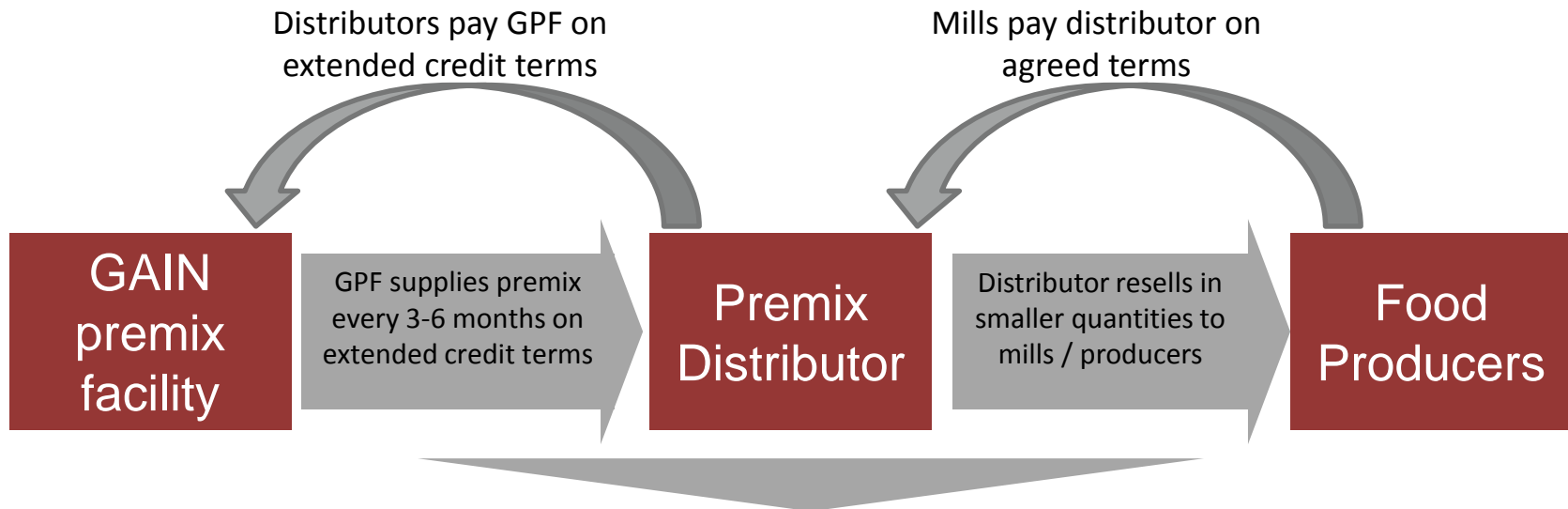
The GPF can supply premix on extended credit terms, allowing companies to reduce costs by aggregating bigger orders without a cashflow impact.



# Case Study: The Distributor Model

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The GPF is working in a number of countries with distributors (commercial or government) to centralise procurement across industry partners

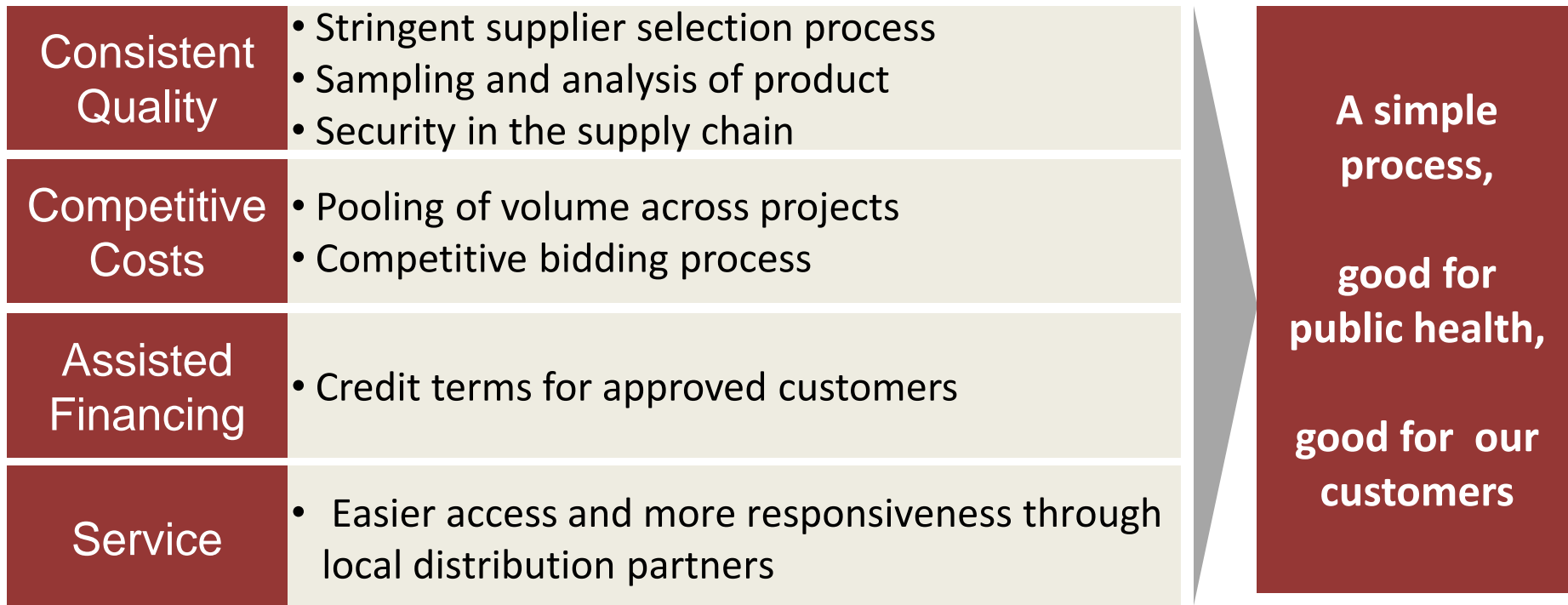


## Key Benefits of this Approach:

- The Distribution Partner plays a key role in getting premix to the small mills which the GPF can't service directly.
- Customers leverage the overall volume by tendering for a consolidated order
- The approach encourages more competition amongst premix suppliers to reduce cost

## Key Benefits

The GAIN premix facility creates value for its customers by improving accessibility and affordability of quality premix from certified suppliers.



# More information and next steps

The GAIN premix facility is open to all organisations involved in food fortification who look to improve nutrition amongst vulnerable groups.

There is no obligation or cost involved in getting a quotation to benchmark your current supplier's performance.

- For more information, send an email to [premixfacility@gainhealth.org](mailto:premixfacility@gainhealth.org) or visit the GPF website: [www.gainhealth.org/gpf](http://www.gainhealth.org/gpf)
- A brochure is also available.



The screenshot shows the GAIN premix facility website. At the top, there is a login section with fields for 'Username:' and 'Password:' and a 'Log in' button. Below this is a search bar with a 'Search' button. A navigation menu includes 'Home', 'About GPF', 'Customers', 'Suppliers', 'News', and 'Contact Us'. The main content area features a large heading: 'Simplifying premix procurement from every angle'. Below this, there are three columns: 'How It Works' with an image of a gear, 'Customers' with an image of food, and 'Suppliers' with an image of a person. A 'News' section on the right lists updates, including 'August 3 - View the GAIN premix video, available in English or French' and 'July 1 - The GAIN premix facility starts operations on July 1, 2009'. At the bottom, there are links to 'View the GAIN premix video', 'Download GAIN premix brochure', and 'Request for Proposals'.



Thank you!



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facility**