



SUCCESS STORY

New investment in Mozambique links smallholders to U.S. market

USAID's Southern Africa Trade Hub helps regional food companies find U.S. buyers and source raw materials for their products



Photo: Elephant Pepper

Elephant Pepper's Baobab Gold Chili sauce is a hot seller in the U.S. market. Its peppers help repel elephants, keeping them away from farmer's fields.

With a comprehensive package of Trade Hub market support, including trade shows and buyer linkages, Elephant Pepper is selling its products to major U.S. retailers – helping elephants and smallholder farmers to become food secure

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Americans can now get a healthy dose of African heat while feeling good about what they are eating and supporting smallholder farmers in Mozambique. In 2009, the USAID Trade Hub assisted Elephant Pepper with securing a new \$1.2 million investment to begin operations in Mozambique. Elephant Pepper, a chili product manufacturer in Southern Africa selling under its own brand and supplying to the United States (U.S.) Tabasco hot sauces product, supports wildlife conservation and rural economic development.

Elephant Pepper's Mozambique operation is similar to the business model used for its Zambian production: a core chili plantation with production and processing facilities, and a network of commercial and smallholder farmers. This model will assist Elephant Pepper to increase overall production for the U.S. Tabasco hot sauce product, and will result in new African Growth and Opportunity Act (AGOA) exports of chili mash from Mozambique. In addition, smallholders benefit from a guaranteed market and price, providing a clear incentive to invest in capabilities and achieving the highest yields possible.

In the first half of 2009, the company shipped orders of over 140,000 units of its Zambezi Red and Baobab Gold chili sauces and spice grinders to the U.S. under the AGOA. Orders are expected to grow as marketing efforts, including participation in the 2009 Summer Fancy Food Show at the "Taste of Africa" pavilion.

Elephant Pepper products were inspired by the conservation work of the Elephant Pepper Development Trust (EPDT), which works with rural farmers to grow chilies for elephant deterrent schemes. EPDT promotes techniques such as chili-laced fences with cowbells or chili dung briquettes to keep elephants from raiding subsistence crops.

Why chilies? While people may enjoy sprinkling food with chili, elephants are repelled by capsaicin, the substance in chilies that makes them hot. The Trust helps mitigate the human-wildlife conflict that threatens both elephants and the food security of communities.