



# **GAIN-PATH Pilot: Commercial Model for Fortified Rice in Brazil**

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# A LITTLE BIT OF HISTORY...



Bon Dente donates UR patent to PATH

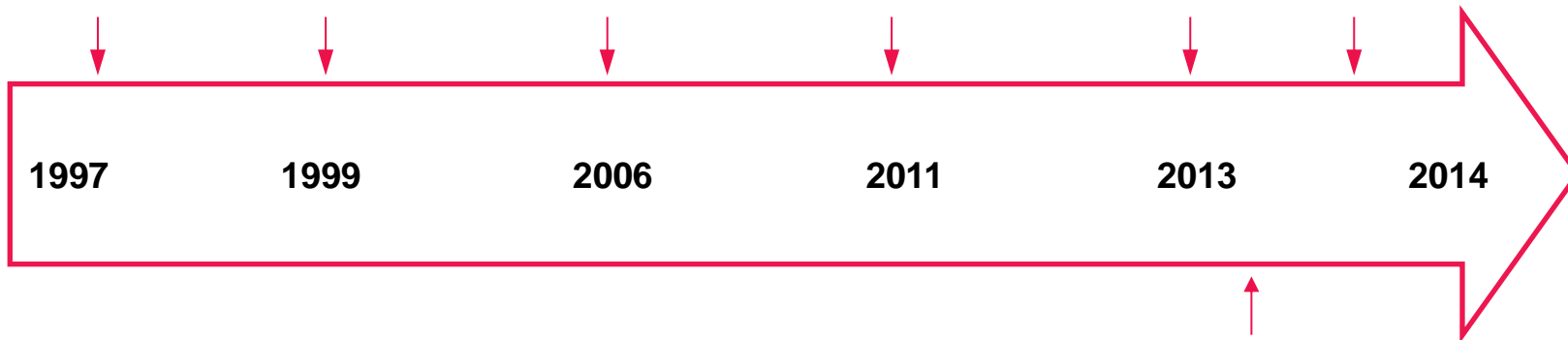
- UR I grant
- Tech transfers to Camil and Arroceros de Colombia

- UR II grant
- Pilots in India and Brazil

- UR III grant
- Private-sector model

Urbano launches its fortified product

Carrefour launches its private label product



1997

1999

2006

2011

2013

2014

Arroz Vitaminado launched at Expoarroz 2013



# PROJECT WITH AMBITIOUS GOALS I

- PATH and GAIN joined forces to develop a scale-up model through **commercial channels in Brazil**;
- Brazil was chosen as a pilot country, because of:
  - Industry consolidation;
  - Mature retail sector;
  - PATH's significant work in the country;
  - Micronutrient malnutrition among urban and rural population.

Project aimed to reach 10 million individuals in 3Y

# PROJECT WITH AMBITIOUS GOALS II



1. Expand Ultra Rice Production

2. Establish Fortified Rice Supply through Commercial Mills

3. Distribution of Fortified Rice through Commercial Channels

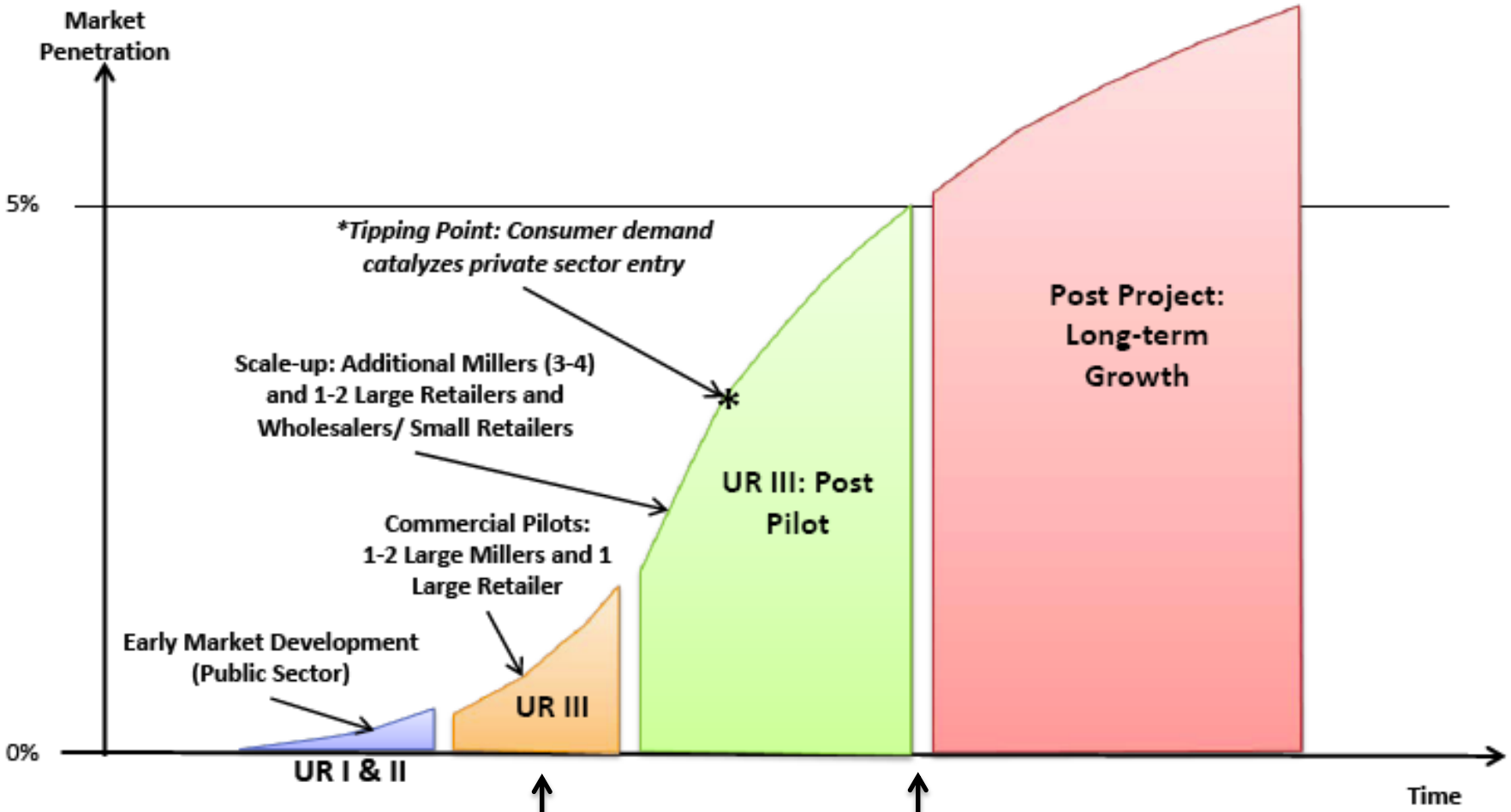
4. Demand Generation with Consumers and Rice Industry

5. Policy and Advocacy (Enabling Environment)

## Project Goal

To develop new markets and drive commercial models at scale for Ultra Rice (UR) production and distribution in Brazil; and to support global advocacy for the field of rice fortification.

# ANTICIPATED DEMAND CURVE



↑  
**Where we are**

↑  
**Where we had hoped to be**



# Key Achievements



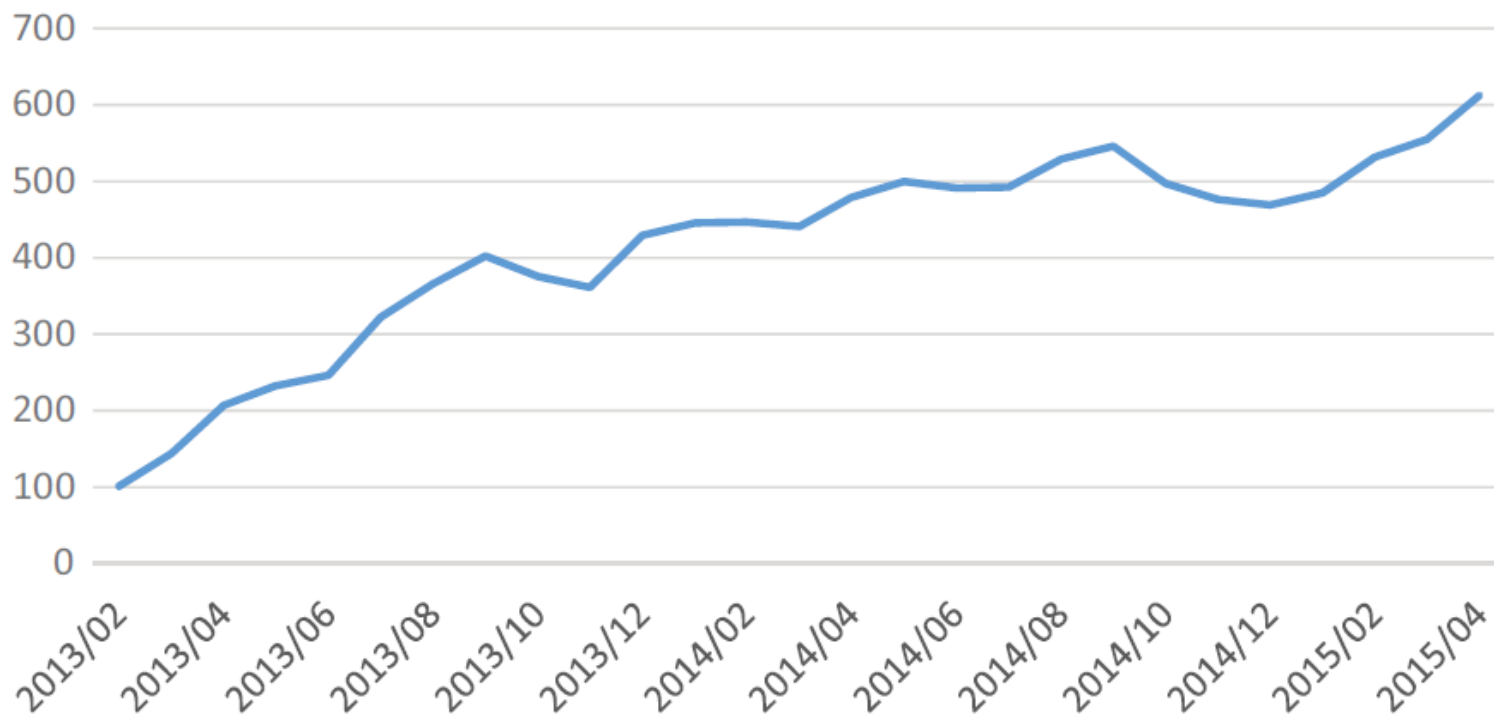
# KEY ACHIEVEMENTS

- Reached **over 2.5 million consumers**;
  - **460'000** of which were **repeat consumers**;
- Engaged the top **3 national retailers** (one of them with a private label), many mid-sized chains, and one national wholesaler;
- Established a **foundational architecture** comprising a category brand, a quality management system, social marketing strategy and actions, and a governance framework;
- Generated **valuable knowledge on commercial implementations** of rice fortification.



# INCREASING FORTIFIED RICE PURCHASE

Total fortified rice sales (metric tons)







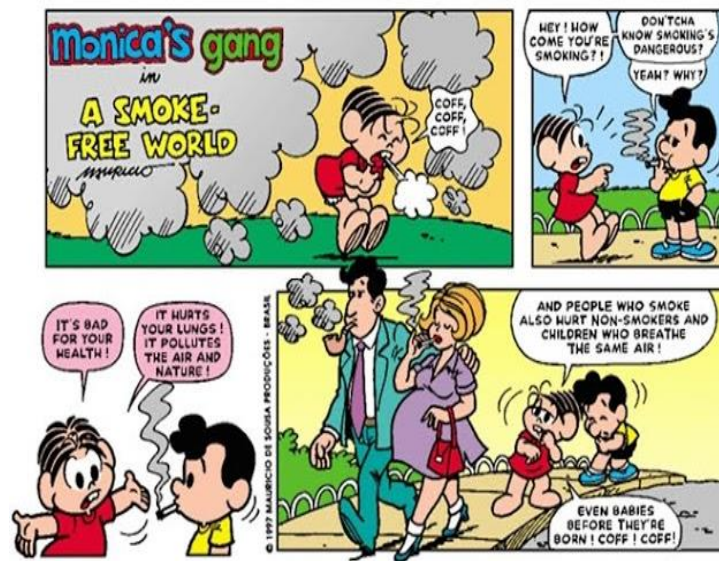
**STEADY AWARENESS BUT THOSE WHO WERE AWARE INCREASED THEIR PURCHASES OF FORTIFIED RICE**

**Consumer research results between February 2014 and August 2014**

	Round 1 (February 2014) Total (n = 400)	Round 2 (August 2014) Total (n = 480)
Aware of hidden hunger	8%	9%
Aware of fortified rice	32%	32%
Aware of fortified rice who purchased it	13%	23%

# A SUCCESSFUL PARTNERSHIP WITH TURMA DA MONICA PRODUCTIONS

- A successful partnership with the famous cartoons characters Turma da Monica- Monica's Gang- created by Mauricio de Sousa
- Mauricio de Sousa became an ambassador for the project:
  - Mauricio de Sousa embraced the cause personally;
  - Ceded right of use for his characters; and
  - Produced a new comic book on fortified rice for broad distribution.





# Lessons Learnt



## 3 MAIN LESSONS LEARNED

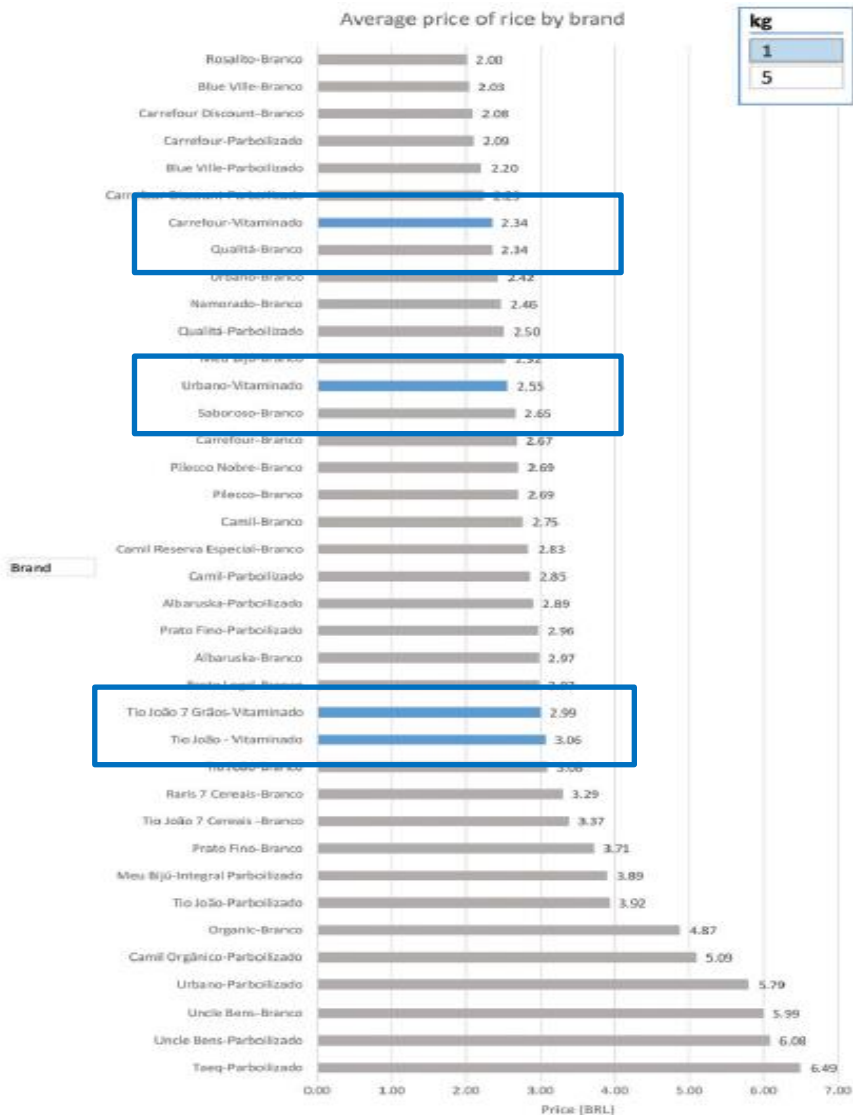
- 1) A purely commercial model for fortified rice is not sufficient to reach meaningful scale within a 3-5 year timeline;
- 2) Governance structure are major determinants of reach;
- 3) Social marketing is necessary but not sufficient.

# I- A PURELY COMMERCIAL MODEL FOR FORTIFIED RICE IS NOT SUFFICIENT TO REACH SCALE

- Public sector engagement is crucial to de-risk fortification and level the playing field;
- 35 rice companies were engaged and 1 decided to invest.

- To reach meaningful scale, it's important to:
  - Gain consensus among key partners;
  - A certain level of public sector is recommended to:
    - 1) Signal to consumers to overcome their mistrust regarding food labelling ; and
    - 2) To overcome hesitation to launch new products.

# LESSONS LEARNED II- PRICING IS NOT A MAJOR BARRIER



- Fortified rice was positioned and strategically priced as aspirational yet affordable;
- Market research showed that only **1 in 5 of rice consumers** has price as the top purchase decision driver;
- With good positioning and messaging a modest price increase can be borne by low income segments.

# LESSONS LEARNED II- LOCAL GOVERNANCE STRUCTURE ARE MAJOR DETERMINANTS OF REACH

- Social safety net programs such as school feeding and distributions are important and are an attractive delivery option for fortified rice
- 1 state government, Tocantins, adopted fortified rice in its school feeding program
  - Reaching approximately **200'000 children**
- In the late 2014 election, a new administration was ushered and chose to discontinue the rice fortification distribution to school children

# LESSONS LEARNED III- SOCIAL MARKETING NECESSARY BUT NOT SUFFICIENT

## Innovative social marketing campaign

1. Endorsements by nationally esteemed key influencers
2. High-profile national events- National hunger day (27th November)
3. Point-of-sale marketing actions
4. Online presence

- Lack of consumer understanding and interest
- Marketing messages struggled to achieve credibility without public sector backing
- Continued and sustained campaign essential





# LESSONS LEARNED IV- UNIQUE RICE CHARACTERISTICS POSED A CHALLENGE

## Reasons why rice purchasers chose their main brand of rice (Round 2, August 2014)

Reasons (Spontaneous, multiple answer)	Rice purchasers (base) (n = 480)	Fortified rice purchasers (boost) (n = 200)
Good quality of the grain	48%	31%
Likes taste/texture	26%	46%
Good/better price/value	20%	17%
Accustomed to it	13%	14%
Others like taste/texture	9%	7%
Children like taste/texture	7%	9%
Confidence/well known	5%	8%
Good for health/nutrition	4%	32%
Offers/discounts/promotions	4%	5%

- Our research showed a strong emotional engagement with rice category
- Rice was also associated with social standing

# LESSONS LEARNED IV- UNIQUE RICE CHARACTERISTICS POSE A CHALLENGE

**Reasons for not purchasing fortified rice among those who are aware of it but have not purchased it.**

Reasons (Spontaneous, multiple answers)	Round 1 (Feb. 2014) (n = 111)	Round 2 (Aug. 2014) (n = 119)
Not interesting/did not catch their attention	57%	63%
Accustomed to other	21%	14%
Price expensive/more expensive/value for money	14%	16%
Lack of confidence	5%	4%
Due to the taste/texture imagined	5%	1%
Does not believe it has vitamins	2%	5%
Distribution/not in store	2%	8%

- Consumer knowledge, attitudes and practices have significant implications for reach
- Gaining as much consumer insight in advance of program design is crucial

# LESSONS LEARNED V- BRAND PROMISE OF QUALITY AND VALUE ESSENTIAL

- An ecosystem comprising a category brand, a quality management system, social marketing and a governance framework can be instrumental to sustainability;
- Brand promise of quality and value was set up with in partnership with UFV and Abiarroz (rice miller association);
- Validated product could display the Vitaminado logo.





# CONCLUSIONS

- Project demonstrated **feasibility of introducing a fortified rice product** on the market through a **vertically integrated model**;
- Fortified rice in Brazil is currently a **niche product**;
- A purely commercial rice fortification model **without sufficient time** to garner **support from public sector** and **understanding among consumers** and industries is likely insufficient to reach meaningful scale.



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**Thank You**