• 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

interventions in over 25 countries, fortifying staple foods, condiments, and complementary foods with vitamins and minerals
GAIN supports population based and targeted nutrition programs, all of which contribute to the target of reaching 1 billion people.
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

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

Expression of Interest (EOI)

- Suppliers assessed on:
  - Technical Capability
  - Manufacturing Practices
  - On-site Audit Performance

Request for Proposal (RFP)

- Suppliers assessed on:
  - Commercial Offer
  - Testing of Samples
  - Agreement to GPF standard terms

Long Term Contract

- Ongoing Supplier Mgt:
  - Ensuring compliance
  - Ongoing sample testing
  - Measuring performance
Agreements have been set up with successful suppliers – unsuccessful applicants were provided with detailed development feedback.

### Approved GPF Suppliers

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

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.

Breakdown of Order Value by Type

- CSB plus Premix; $5 838 364
- Potassium Iodate; $413 543
- Other Dry Premix; $429 152
- Oil Premix; $852 435
- Flour Premix; $1 560 260

Through the GPF, there is a significant opportunity to pool demand and reduce costs for all participants.
Benefits of Centralised Procurement

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 3rd party, the GPF is uniquely positioned to facilitate procurement across multiple companies and programs.
Case Study: Assisted Financing Models

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

**Extended Credit Terms**

1. GPF sources premix and pays supplier on normal 35 day terms.
2. Supplier produces and delivers premix to Food Producer.
3. Food producer pays GPF for premix on longer term credit, eg. 60 or 90 days.
Case Study: The Distributor Model

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.

| Consistent Quality | • Stringent supplier selection process  
|                    | • Sampling and analysis of product  
|                    | • Security in the supply chain |
| Competitive Costs  | • Pooling of volume across projects  
|                    | • Competitive bidding process |
| Assisted Financing | • Credit terms for approved customers |
| Service            | • Easier access and more responsiveness through local distribution partners |

A simple process, good for public health, good for our customers
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 or visit the GPF website: www.gainhealth.org/gpf

• A brochure is also available.
Thank you!