

Resource Guide: Inclusive Business and Agriculture



Around the globe, there are about 500 million smallholder farms. The majority of these farmers are living in poverty, barely making enough to scrape by. In rural areas, agriculture is also the main source of income and employment for 70 percent of the poor.

The private sector has a crucial role to play in integrating smallholder farmers within company value chains, by developing supply chains that grant them access to markets. For companies operating in the food/beverage and related sectors, sourcing from these farmers presents both tremendous growth opportunities, but also new challenges in terms of business model adaptation and supply chain innovation. For other companies, providing products

and services that benefit the smallholder farmers has enormous potential.

The next challenge is to not only help farmers improve yields, but to ensure that land and water for agricultural production are used in an environmentally sustainable way.

Business Call to Action member companies implementing inclusive business models in the agriculture sector include:



Asda is significantly increasing the amount of fresh flowers and plants sourced from Africa. This initiative will create more jobs

and opportunities for farmers and trading partners from South Africa, Kenya, Cameroon, Cote d'Ivoire, Ghana, and Burkina Faso.



Ballarpur Industries Ltd (BILT) is

integrating smallholder farmers in India into its pulpwood supply chain. As a result, 5,000 farmers will have increased incomes. This is helping the company secure a sustainable sourcing model, while generating cost savings for the company.



Diageo is working with farmers to develop the sorghum agricultural value chain in Cameroon. Diageo is working with farmers to develop skills and agronomic practices,

establish collectives, and provide farmers with access to credit and establish collectives. Through this initiative, Diageo will ensure a sustainable source of local grains for use in Diageo's products.



Juhudi Kilimo is providing asset financing and technical assistance

to smallholder farmers throughout rural Kenya. The target is to reach 100,000 farmers by 2015, of which over 50 percent will be women. Farmers supported by the company will increase their incomes by 50 percent. Overall 500,000 of rural Kenyans will benefit.



Multi Commodity Exchange (MCX) of India

is developing 50 rural information service centers throughout India. About 60,000 farmers will be able to keep abreast of market data, crop prices and crop protection products, and weather reports that will allow growers to boost productivity and income. This initiative has the potential to create a new competitive sector that will increase MCX stakeholders, membership and business.



Noha Nyamedjo is building a high-tech processing plant that will turn cocoa beans into high-quality butter, powder and liquor.

This initiative will source an additional 20,000 tons of cocoa from local farmers in Cameroon, thus providing about 60,000 farmers with sustainable livelihoods. By establishing a local industry, the company will benefit from adding value to the crops and increasing its margins.

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SABMiller is working to improve its supply chain of barley in Rajasthan in India. The initiative promotes sustainable livelihoods for 8,000 smallholder barley farmers in India. The company is promoting barley production as part of its effort to secure access to high-quality grain for its products, while reducing the cost of beer production.



The Cocoa Partnership is developing sustainable cocoa communities throughout the world. In Ghana, the Partnership is creating new sources of income in 100 cocoa farming communities benefiting 65,000 farmers. This initiative will increase productivity per hectare by 150 percent by 2018, thus ensuring a consistent, high-quality source of cocoa for its confectionary products, while generating as much as US\$350 million per year in additional revenues.



The Co-operative Group is creating a unique co-operative to co-operative supply chain which will significantly strengthen the trading position of 11,000 smallholder tea farmers in Kenya. This initiative will improve The Co-operative Group's marketing advantage in the Fairtrade market, whilst securing its future commodity supply. Participating tea farmers will increase their incomes by as much as 30 percent.



Thomson Reuters through Reuters Market Light's (RML) subscription service is providing farmers with accurate, timely and local information on more than 150 crop types from 1,000 markets in India. This initiative will reach an estimated one and half million farmers across 15,000 villages with nearly 200,000 farmers already having directly paid to use the service. With 250 million agricultural producers in India, the company sees great potential for increasing its subscribers.



Yara International is building fertilizer handling and blending units at the Dar es Salaam port in Tanzania and the Beira port in Mozambique. Research shows that with better access to fertilizer, Africa's food production could be tripled by 2015, thus impacting food security in the region. This initiative will make fertilizer available to farmers year round, thus increasing the company's fertilizer sales in the region.

Resources Section

Funding Sources

Acumen Fund and its **Agriculture Portfolio** - seeks to reduce costs and increase access to a wide-range of previously unavailable products and services for the world's poor.

Africa Enterprise Challenge Fund (AECF) - provides grants and interest free loans to businesses that wish to implement innovative, commercial viable, high impact projects in Africa.

Africa Financing Partnership (AFP) - a collaborative, co-financing platform amongst development finance institutions active in private sector project financing in Africa.

African Agricultural Capital (AAC) - agribusiness-focused investment fund in Africa that supports its investees through the provision of affordable and flexible capital.

African Agriculture Fund - managed by **Phatisa** to support companies that implement strategies to enhance and diversify food production and distribution in Africa.

African AgriLand Fund - a private equity strategy managed by **EmVest** to buy agricultural land and manage a wide spectrum of agricultural projects, spread across different commodities across 14 countries in sub-Saharan Africa.

African Development Bank Group - aims at assisting African countries in their efforts to achieve sustainable economic development and social progress that also includes financing for **Agriculture & Agro-industries**.

Avantage Ventures - an investment and advisory firm promoting investments in social ventures for positive social and environmental change demonstrating financial viability.

Bridges Ventures - a sustainable growth investor whose commercial expertise is used to deliver both financial returns and social and environmental benefits.

CDC of UK Department for International Development (DFID) - invests in a commercially sustainable manner in the poorer countries of the developing world and to attract other investors by demonstrating success.

EcoEnterprises Fund - supports sustainable businesses in Latin America with expansion capital and advisory support to help ramp up operations and bring results to scale.

Emerging Capital Partners (ECP) - a private equity group that has raised more than US\$1.8 billion for investment in companies across the African continent.

FinnFund - promotes economic and social development in developing countries by financing responsible and profitable private projects. A key investment area is agriculture.

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FMO - provides capital, promotes knowledge exchange and creates partnerships that support and grow lasting economic, environmental and social development.

GroFin - offers a combination of finance, expert business support and guidance to entrepreneurs with SMEs.

IGNIA - an impact investing venture capital firm that supports high growth social enterprises that serve the base of the socio-economic pyramid in Latin America.

International Finance Corporation (IFC) through **Global Agribusiness** - provides financial and advisory support to the agribusiness sector along the full value chain directly to companies.

Inter-American Development Bank (IDB) and its **Opportunities for the Majority** - finances market-based, sustainable business models. IDB's **Agriculture and Food Security's** goal is to accelerate growth of agricultural output in Latin America and the Caribbean while promoting efficient and sustainable management of natural resources.

International Fund for Agricultural Development (IFAD) - a specialized agency of the United Nations. Through low-interest loans and grants, IFAD works with governments to develop and finance programmes and projects that enable rural poor people to overcome poverty themselves.

Private Sector Investment Programme (PSI) - a subsidy programme of the **Dutch Ministry of Foreign Affairs** that supports innovative investment projects in emerging markets.

PROPARCO - an investment and promotions company for economic cooperation partly held by **Agence Française de Développement (AFD)** and private shareholders.

Root Capital - a nonprofit social investment fund that is pioneering finance for grassroots businesses in rural areas of developing countries.

Sarona Asset Management - an impact investment asset manager targeting market financial returns in frontier markets.

Silver Street Capital - an investment management firm focusing on investing in two major areas: Africa and the agricultural sector.

Small Enterprise Assistance Fund (SEAF) - an investment management group that provides growth capital and business assistance to SMEs in emerging and transition markets.

Soros Economic Development Fund (SEDF) - invests in sustainable businesses or initiatives that strive to alleviate poverty by creating jobs and revitalizing deteriorating communities.

Swedfund - provides risk capital, expertise and financial support for investment in emerging markets.

TunInvest-AfricInvest Group - a private equity firm in North and sub-Saharan Africa with over US\$550 million of assets under management.

UK Department for International Development (DFID) and its **Food Retail Industry Challenge Fund (FRICH)** - makes funding available for grants for partnerships that bring UK retailers and African farmers together to encourage the corporate sector to find new ways of buying produce from developing countries.

The **World Bank** and its **Agriculture and Rural Development Department (ARD)** - works to reduce poverty through sustainable rural development.

The **World Bank** and its **Global Food Crisis Response Program (GFRP)** - sets up as a response to the severity of the food crisis and the need for prompt action to provide immediate relief to countries hard hit by high food prices.

Key Actors

Bill and Melinda Gates Foundation - with a key focus on **agricultural development**; working to help small farmers flourish on their farms and overcome hunger and poverty.

Feed the Future - the U.S. Government's commitment under the **Global Hunger and Food Security Initiative (GHFSI)** to help countries transform their own agricultural sectors to grow enough food sustainably to feed their people.

Food and Agriculture Association of the United Nations (FAO) - leads international efforts to defeat hunger. FAO acts as a neutral forum where all nations meet as equals to negotiate agreements and debate policy.

IFDC - focuses on increasing and sustaining food security and agricultural productivity in developing countries through the development and transfer of effective and environmentally sound crop nutrient technology and agribusiness expertise.

International Cocoa Organization (ICCO) - a global membership organization composed of both cocoa producing and cocoa consuming countries.

International Federation of Organic Agriculture Movements (IFOAM) - the worldwide umbrella organization for the organic movement, uniting more than 750 member organizations in 116 countries.

International Fertilizer Organization (IFA) - represents the global fertilizer industry to serve farmers by providing the nutrients needed by soils and crops.

International Finance Corporation (IFC) and **The Biodiversity and Agricultural Commodities Program (BACP)** - seeks to reduce threats from habitat destruction by leveraging market forces at all levels of the value chain to mainstream the use of Better Management Practices that decrease the impact of production on biodiversity.

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[International Food and Agribusiness Management Association \(IFAMA\)](#) - an international management organization that brings together business, academic, and government leaders to improve the strategic focus, transparency, sustainability, and responsiveness of the global food and agribusiness system.

[Kofi Annan Foundation](#) - works with organizations to promote food and nutrition security by empowering small holder farmers in Africa, and encouraging investment throughout the agricultural value chain.

[TechnoServe](#) - helps entrepreneurial men and women in poor areas of the developing world to build businesses that create income, opportunity and economic growth for their families, their communities and their countries.

[World Economic Forum](#) and its **[Agriculture and Food Security initiative](#)** - working to deepen public-private collaboration to accelerate growth in sustainable agriculture.

[World Food Programme \(WFP\)](#) - part of the United Nations system, WFP is the world's largest humanitarian agency fighting hunger worldwide.

[4C Association](#) - a membership driven organization of coffee farmers, trade and industry, and civil society.

Partnerships

[AgriCord](#) - a network of "agri-agencies" with structural links to farmers' and rural members' organizations.

[Alliance for a Green Revolution in Africa \(AGRA\)](#) - a global partnership chaired by former United Nations Secretary General, Kofi Annan working to achieve a food secure and prosperous Africa through rapid, sustainable agricultural growth based on smallholder farmers.

[Comprehensive Africa Agriculture Development Programme \(CAADP\)](#) of **[New Partnership for Africa's Development \(NEPAD\)](#)** - an Africa-led initiative working to boost agricultural productivity in Africa.

[Global Donor Platform for Rural Development](#) - a network sharing a common vision that agriculture and rural development is central to poverty reduction.

[Global Harvest Initiative](#) - a partnership established to eliminate the global productivity gap by sustainably doubling agricultural output to meet the needs of a growing world.

[Sustainable Food Laboratory](#) - a consortium of business, non-profit, and public organizations working together to accelerate the shift toward sustainability.

[TerrAfrica](#) - a multi-partner platform for consultation and action on sustainable land management with the direction and support provided by governments; multilateral organizations; bilateral donors; and civil society organizations.

[The Global Agriculture and Food Security Program \(GAFSP\)](#) - a multilateral mechanism to address the underfunding of country and regional agriculture and food security strategic investment plans.

Guidelines and Toolkits / Research / News

[Consultative Group on International Agricultural Research \(CGIAR\)](#) - a global partnership that unites organizations engaged in research for sustainable development.

[Eldis](#) - an online portal to share the best in development, policy, practice and research, including resource guides on **[Agriculture](#)** and **[Food Security](#)**.

[Forum for Agricultural Research in Africa \(FARA\)](#) - an umbrella organization bringing together and forming coalitions of major stakeholders in agricultural research and development in Africa.

[Global Food Security Crisis](#) - the United Nation System's joint online portal on food security.

[Global Forum on Agricultural Research \(GFAR\)](#) - a stakeholder-led initiative that serves as a neutral forum for discussion and action on critical issues related to agricultural research for development (ARD).

[International Food Policy Research Institute \(IFPRI\)](#) - one of 15 centers supported by the **[CGIAR](#)**, an alliance seeking sustainable solutions to end hunger and poverty. IFPRI's work also includes a **[Food Security Portal](#)** with comprehensive information on food policy developments.

[Organisation for Economic Co-operation and Development \(OECD\)](#) - provides a forum in which governments can work together to share experiences and seek solutions to common problems including **[agriculture and fisheries](#)**. OECD also offers a unique forum for discussion and exchange; the **[Food Crisis Prevention Network \(RPCA\)](#)**.

[Partnership to Cut Hunger and Poverty in Africa](#) - a research and advocacy organization to cut hunger and poverty in Africa by promoting sustainable, Africa-led, agriculture-based economic activity.

[Technical Centre for Agricultural and Rural Cooperation \(CTA\)](#) - an institution to improve the flow of information among stakeholders in agricultural and rural development in African, Caribbean and Pacific countries.

[United States Agency for International Development \(USAID\)](#) and its **[Agrilinks](#)** - a space for agriculture specialists and practitioners to access current information and resources on agricultural and food security issues.

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