

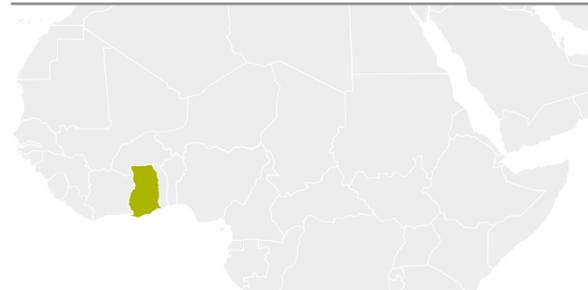
CASE STUDY **AgroCenta**

Empowering smallholder farmers through finance, information and market access



FOUNDING YEAR
2016

GEOGRAPHY
Ghana



FOUNDING TEAM

Francis Obirikorang | Co-founder and CEO
Michael K. Ocansey | Co-founder and CTO

TWEET PITCH

AgroCenta provides smallholder farmers in the staple food value chain (rice, maize, millet and soybean) with access to markets, information and finance.

WEBSITE

www.agrocenta.com



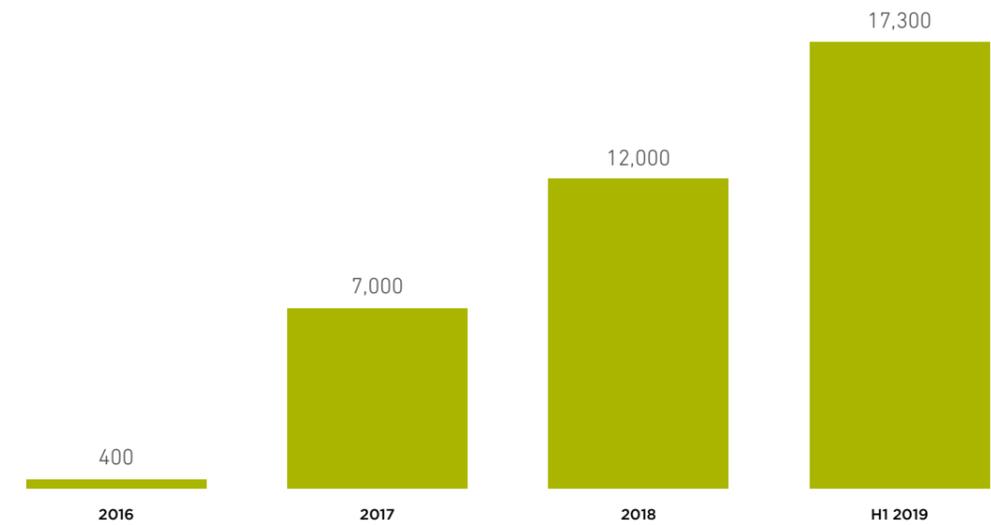
Smallholder farmers in Ghana, while often poor and illiterate, face two main problems: lack of access to structured markets, which leaves them at the mercy of predatory brokers or middlemen who buy at exploitative prices, and lack of access to finance, which means they may never move beyond smallholder farming to middle-level or even commercial farming.

In 2016, AgroCenta set out to address these challenges. In a country where agriculture is the primary economic occupation of many — employing 52 per cent of Ghana’s labour force — the AgriTech start-up launched AgroTrade, an online platform that connects

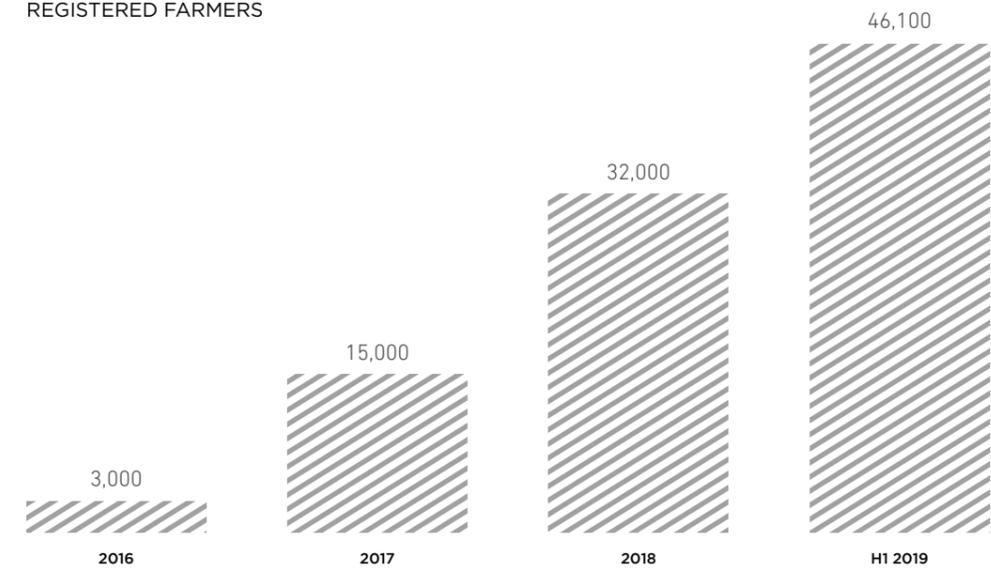
smallholder farmers in the staple food value chain to a wider online market. The start-up provides access to truck delivery services and real-time market information via SMS and IVR. Building on this platform, AgroCenta now enables farmers to receive mobile money, build their credit score and access financial services (like crop insurance) through its latest mobile product, AgroPay.

As of July 2019, AgroCenta had registered 46,100 smallholder farmers on the AgroTrade platform across four regions and 640 communities. Since launching AgroPay in January 2019, 2,750 smallholder farmers in two regions of Ghana are now active on the platform.

AGROCENTA
ACTIVE FARMERS



AGROCENTA
REGISTERED FARMERS



4. FAO, Ghana at a glance, <http://www.fao.org/ghana/fao-in-ghana/ghana-at-a-glance/en/>

How the service works

AgroCenta's mobile app provides two key services to smallholder farmers: access to markets (AgroTrade) and access to finance (AgroPay). On the AgroTrade platform, farmers can trade directly with small, medium and large processing companies that need raw commodities for processing. This is how AgroTrade and AgroPay work:

AgroCenta community agents sign up smallholder farmers on the AgroCenta platform by collecting details such as their name, telephone number, farm and crop information.

Agents begin the trade process by physically inspecting the goods. The agents then conduct a few quality checks, including one for moisture content using a moisture meter device.

The agent searches for the farmer's name in the AgroTrade database and enters the following: commodity type, quantity of goods, weight/measure, price per bag (prevailing market price), date of upload, payment mode (mobile money) and registered mobile number (which must be mobile money-enabled).

The agent confirms payment with the smallholder farmer through mobile money, records the payment and the transaction is completed.



After harvest, the smallholder farmer contacts AgroCenta's community agent and indicates that they have X number of commodities to sell.

Once the crops pass the initial quality checks, the agent uploads the trade deal to the AgroTrade platform.

Once the agent uploads this information to the AgroTrade platform, it becomes a pending payment that is verified at their office and payment to the smallholder farmer is immediately triggered.

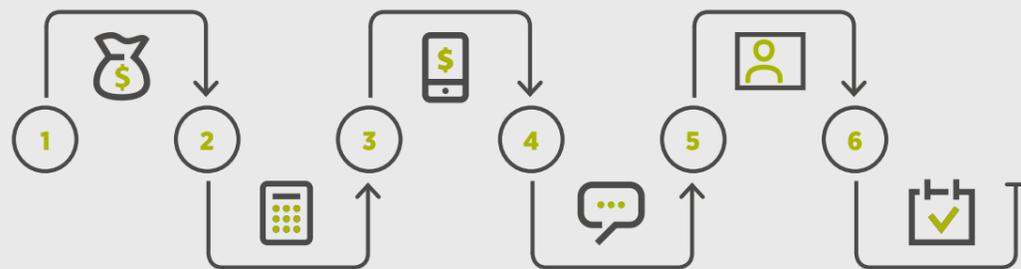
Goods are dispatched to the warehouse for further processing and onward delivery to buyers.

AGROTRADE

Smallholder farmers reach out to AgroCenta field agents to request loans to purchase inputs, such as seeds and fertiliser. They must have a minimum credit score to receive a loan of \$100 to \$500.

Once the smallholder farmer meets the minimum loan criteria, an agent uploads the loan request to the AgroPay platform. Additional KYC is completed by participating financial institutions before lending.

The farmer goes to the input dealer with a valid national ID card, gets verified and inputs are disbursed.



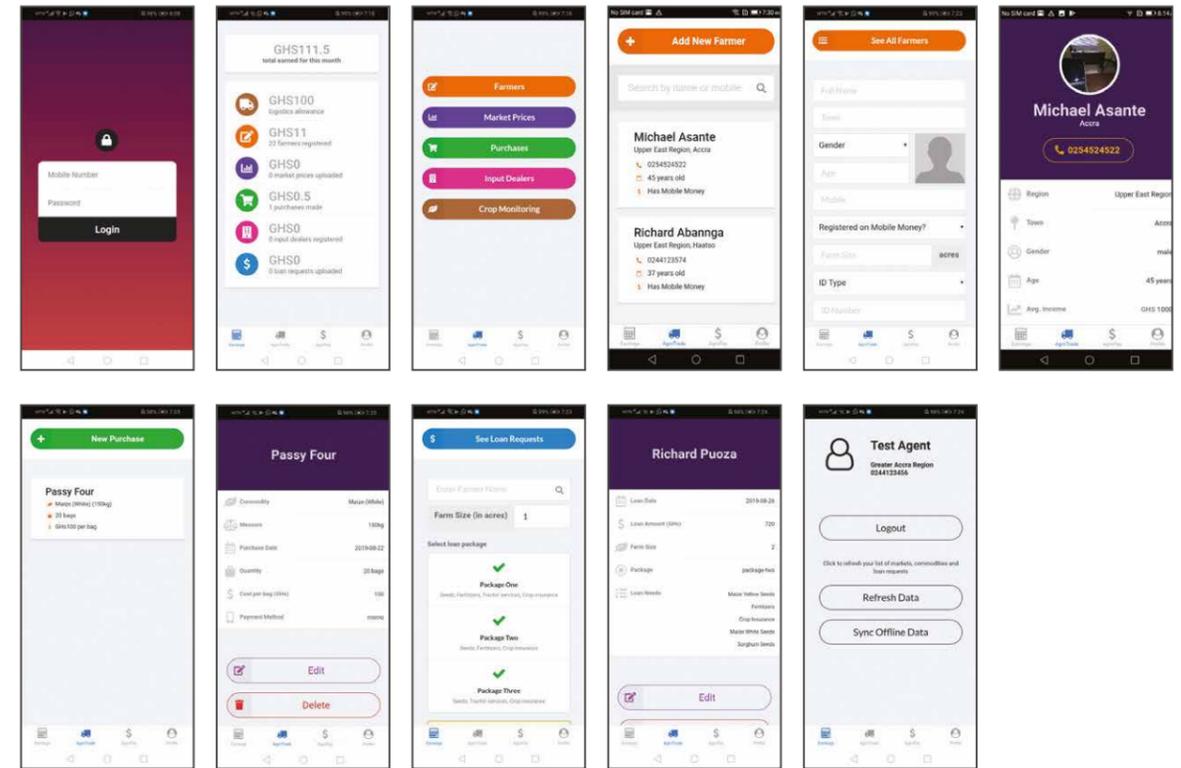
A farmer's credit score is calculated using the following data: number of active months on the AgroTrade platform (minimum 12 months), average income per farming cycle (minimum \$100) and farm size (minimum one acre).

Once a loan request is approved, the farmer receives an SMS notification with information on where to pick up inputs from the input dealers.

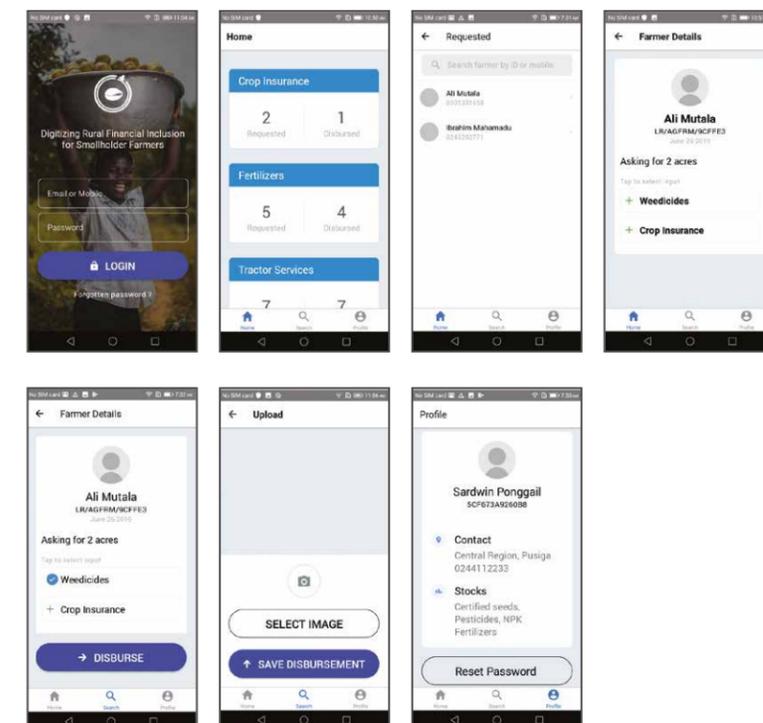
Reconciliation occurs at the end of the month – the input dealer/service provider is credited (via mobile money) and loans are disbursed to smallholder farmers.

AGROPAY

AGROTRADE



AGROPAY



Working with mobile operators

In Ghana, AgroCenta has set up a mobile money API integration partnership with MTN and Vodafone to pay smallholder farmers directly and seamlessly via mobile money through its AgroPay platform. Both mobile operators will also be supporting AgroCenta farmers with financial literacy training on the ground.

AgroCenta has also strengthened its partnership with Vodafone Ghana to allow smallholder farmers on its

platform to access free voice calls between farmers and discounted mobile devices and bundles. Through this partnership, Vodafone Ghana can liaise with the AgroCenta team to onboard AgroCenta farmers on its Small Office / Home Office (SoHo) packages. Vodafone Ghana now pays AgroCenta monthly commissions based on farmers' usage of the SoHo services, and provides all the necessary support and training to farmers.



Vodafone's partnership with AgroCenta is to unlock the financial potential of the rural economy, particularly smallholder farmers in the agricultural value chain where the services of the MNOs are on a steady increase. With the AgroCenta platform, it presents millions of opportunities for Vodafone to deliver services to these rural informal sectors.

Jerry John Quarshie, Head of SME and SoHo, Vodafone Ghana

Changing lives



By matching smallholder farmers with buyers on its platform, AgroCenta eliminates inefficiencies in the value chain and ensures farmers are remunerated fairly. The start-up also provides farmers with higher and less volatile incomes, enabling them to provide for their families and improve their livelihoods. AgroCenta has increased the income of the smallholder farmers on its platform by 35 per cent on average, while reducing food waste by 25 per cent and increasing yields by 40 per cent.⁵

5. The AgroCenta Impact Report was completed in 2017 by Roots of Impact GMBH.



AgroCenta has hosted and provided over 500 farmer engagement sessions and trainings since launch. Skilled professionals deliver these sessions in farming communities and methodologies are continuously updated to reflect state-of-the-art farming practices. At least 50 per cent of the trainees are women. A call centre service — accessible 24/7 in local languages — has also been set up to support farmers with information about crops, fertiliser application and other areas of interest. By combining agro-training with microloans, the company is providing the extension services farmers need to expand and improve their farms, yields and revenues, and contribute to greater agricultural production and food security.

AgroCenta now assures me of a ready market for my commodities so I no longer have to worry about where I will sell. All I need to do is to produce, knowing AgroCenta will take care of the market for me. I couldn't be any happier.



AgroCenta project beneficiary from Talensi, Upper East Region

With the timeline and consistent delivery of commodities by AgroCenta, we have managed to boost production by 40 per cent and also reduce importation costs by sourcing locally.



Stephen Ghansah, Head of Agribusiness, Guinness Ghana Limited (subsidiary of Diageo Group)

Working with the GSMA Ecosystem Accelerator

AgroCenta received a grant from the GSMA Ecosystem Accelerator Innovation Fund in November 2018 to further develop and scale its financial solution, AgroPay. This will enable smallholder farmers in rural Ghana to receive digital payments and build their financial identity to complete deliveries through the platform. It also gives smallholder farmers the ability to avoid middlemen and sell their products directly to the agribusiness at better prices. This is expected

to improve the livelihood of smallholder farmers in Ghana and increase food production and food security in the country.

By the end of the grant in November 2019, AgroCenta plans to have reached over 3,000 smallholder farmers through the AgroPay platform. In addition to funding, the GSMA is supporting AgroCenta to strengthen its relationships with mobile operators in Ghana.