AgriSME Investment Context

- Inadequate supply of debt
- Financing targeted at established businesses with no provision for early and growth stage businesses.
- High interest rates and collateral requirements
- Improving government support; agriculture sector lending is mandated among BFIs; subsidized interest rates are available:
  - However, product is limited and requires immovable collaterals.
  - Misuse of funds
- PE/VC and other investors are only just emerging but not active in the agriculture sector.
- FDI regulated.
- SMEs are family-level enterprises set up with family savings. The ownership and management are usually controlled by the same individual with powers over all decisions.
- Since personal and family savings are the major sources of equity capital, credit worthiness of SMEs is low.
- Access to institutional credit for SMEs, despite provisions for the same, is limited due to individual entrepreneur’s inability to contribute to equity capital and collateral security.
Paicho Pasal: Business Model

Smallholder Farmers

More Farmers

Technical advisory and input support

More Agri-products

Money

Collection Centres

Paicho Factory

Paicho Outlets

End Consumer

Supermarkets and Institutional Clients

Export Markets

More Processed and Fresh produce

More Processed and Fresh produce

More Processed Products

More Processed Products

More Processed Products

More Processed and Fresh produce

Unsold Produce

Money

Money

Money

More Agri-products

More Processed Products

More Agri-products

More Processed Products

More Processed Products

More Processed Products

More Processed Products

More Processed Products

More Processed Products
Commercial Agriculture for Smallholders and Agribusiness (CASA)

- CASA aims to drive global investment for inclusive climate-resilient agri-food systems that increase smallholder incomes.

The programme achieves this goal by:

- Demonstrating the commercial viability and investment-readiness of small and medium-sized (SME) agribusinesses with significant smallholder supply chains
- Helping investors to increase the impact of their investments through the provision of inclusive technical assistance
- Strengthening the socio-legal empowerment of smallholders within value chains
- Tackling the information and evidence gaps holding back investment

- **53** Agribusinesses Supported across Nepal, Ethiopia, Malawi, Rwanda, and Uganda
- **Total Outreach:** 324,357 Smallholder Farmers
- **Third Party Commercial Investment Leveraged:** £2,609,962 (US$ 3,179,377)
- **Farmer Net Attributable Income Increased by an average of £172pa** (US$ 210) (of those reporting an increase)
- **Funded by UK International Development, Implemented by NIRAS, Swisscontact, and CABI

*Results as of Sept 2023*
Thank you

Supported by:

UK International Development

Partnership | Progress | Prosperity

Implementing partners:

CASA

Commercial Agriculture for Smallholders and Agribusiness