

IDH Farmfit Program

A data-informed, market-based approach to
inclusive value chain development

November 2024



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**Leveraging the
power of value chain
companies to deliver
impact and generate
returns for both
businesses and
smallholders**

Introduction

The IDH Farmfit Program, launched in November 2018, set out with an ambitious goal to create inclusive, and commercially viable agricultural value chains in Africa that enable smallholders to thrive. Through partnerships with agribusinesses, financial institutions, and service providers, Farmfit addressed critical gaps in value chains, facilitating access to services, markets and finance to 253,659 smallholder farmers, 42% of whom are women and shared our insights on what works under which conditions with the wider sector.

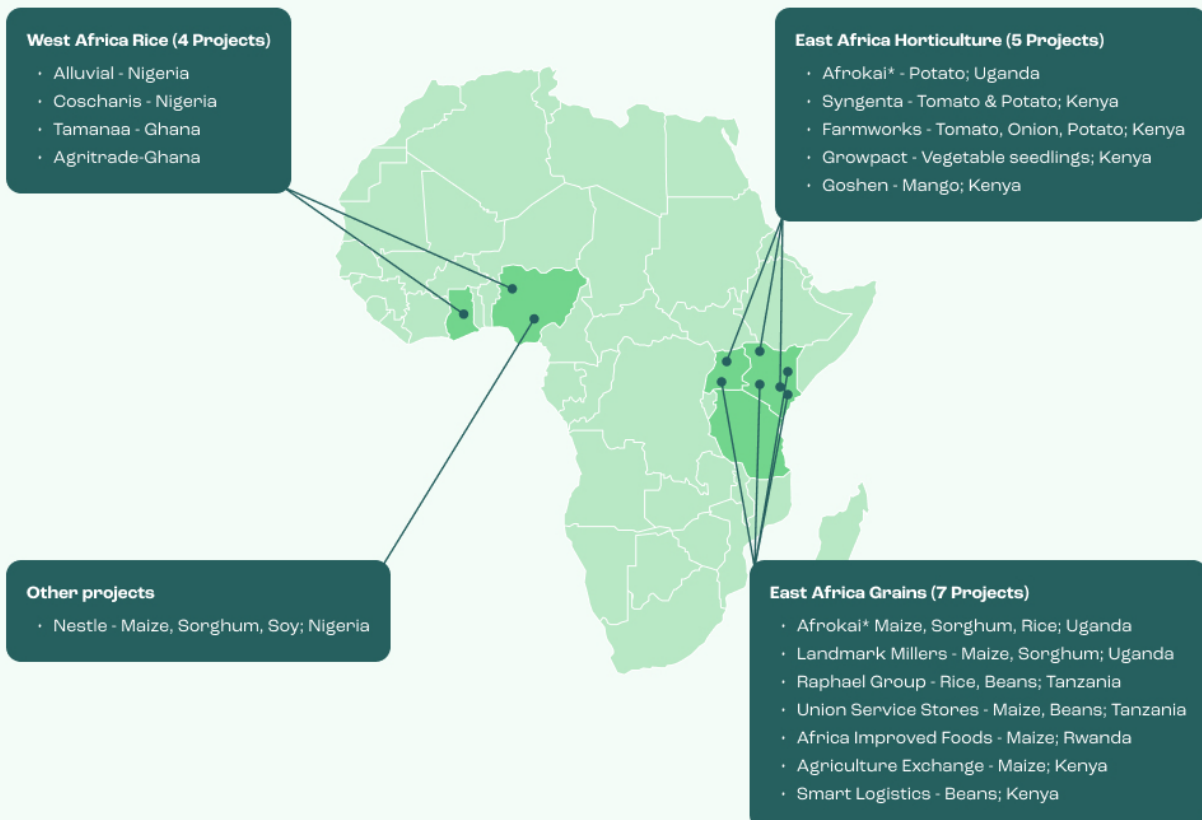
Despite global challenges like COVID-19 pandemic, climate shocks, and economic instability, the program delivered positive outcomes for both farmers and the participating companies. Farmfit's inclusive business analyses have shown their effectiveness by influencing companies to change their practices, scale services to underserved regions, and increase smallholder engagement.

The program's impact was evaluated by [ADE](#) and the [Institute of Development Studies](#), whose findings affirm that Farmfit's framework is pioneering in **advancing knowledge on sourcing and service delivery models, as well as scaling these models within inclusive businesses**. Additionally, the dissemination of insights from the Farmfit Program has helped push forward the sector's learning around smallholder-inclusive business models.

This publication outlines the key achievements of the Farmfit Program, highlighting its impact on farmer livelihoods, business sustainability, and sector-level transformation. For more information on the program's evaluation, read [here](#).

Program Overview

17 companies in the Farmfit Technical Assistance portfolio



\$24.5 M

USD grant funding

253,659

USD grant funding

40

Partners

7

Countries

42%

Women smallholder farmers

60%

Farmers reported income increase

51%

Productivity improvement

The Pillars of the Farmfit Program

The approach applied in the Farmfit Program pursued private sector development through three complementary pillars: inclusive business analyses, technical assistance and aggregate insights.

Inclusive Business Analysis¹: A data-driven methodology used to assess, design, and improve smallholder-inclusive business models.

The Inclusive Business Analysis involves deeply engaging with and understanding the structure and economics of the model that companies use to integrate smallholder farmers into their business in an impactful and sustainable manner. Inclusive business analyses are often paired with [farmer surveys](#) to collect more granular data around farmer characteristics, needs, satisfaction and impact. The insights from an inclusive business analysis have multiple use cases, including:

- Actionable recommendations for companies to adopt on a standalone basis
- Feasibility and impact assessment of different interventions to inform TA design
- Data and indicators that can be aggregated for the production of aggregate insights
- The assessment of impact at the farm and business level (when an analysis is conducted at the end of a TA project)

So far, IDH has carried out 150 Inclusive Business Analyses and has data of over 17.000 farmers in its database.

Technical Assistance: Offered to businesses to support them optimise and scale their services to smallholder farmers.

Technical Assistance, carried out by the IDH Value Chain Transformation team, featured the provision of grant funding, business coaching, matchmaking and partnership building, and the deployment of innovative business practices. 17 projects were conducted on a subset of the total number of companies that went through an inclusive business analysis. These projects were chosen on the basis of their potential for business practice change and impact. All projects featured an adaptive learning (action research) approach, where deep insights were gathered on the implementation of innovations and the resulting impact, and at the same time, insights fed back to companies to support them through their trajectories.

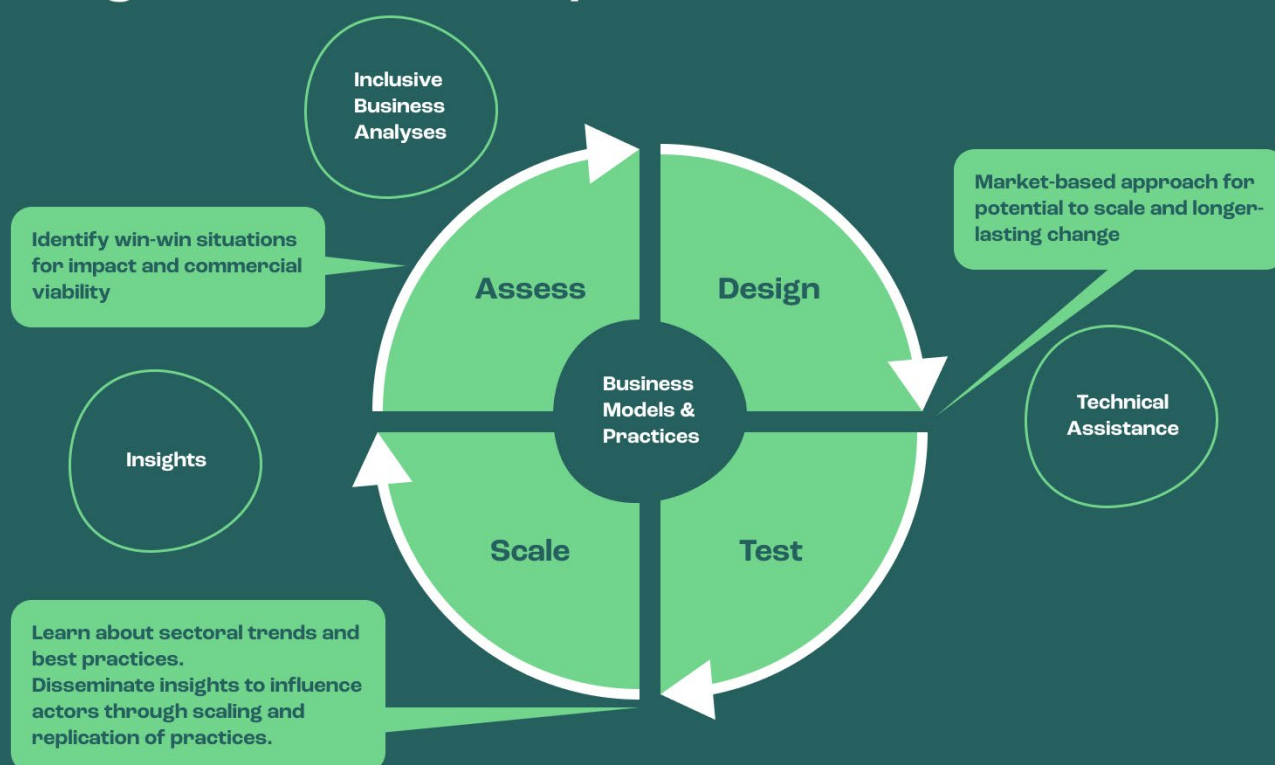
¹ Inclusive Business Analysis is formerly known as the Service Delivery Model or SDM

Aggregate Insights: The production and dissemination of actionable insights to contribute to changing business practices and market transformation beyond the companies that we engage with directly.

Aggregate insights, primarily carried out by the IDH Intelligence team, were built off quantitative and qualitative data from inclusive business analyses, farmer surveys, and technical assistance. These insights are fed back to the Business Analytics and Technical Assistance teams to support their activities. They are also made available to the public in a variety of knowledge products, such as reports, methodologies, tools, events and webinars – all accessible on the [FarmFit Insights Hub](#).

The Intelligence team have also open-sourced the Farmfit Learning Framework, the Farmer Survey Primary Data Collection Methodology, the Farmfit Survey Dataset and other assets on [ZENODO](#). To date, 175 resources including innovation guides, videos, blogs, and external reports are available on the Insights Hub.

Our data-driven and private sector approach aims to bring effective business practices to scale



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Achievements of the Program

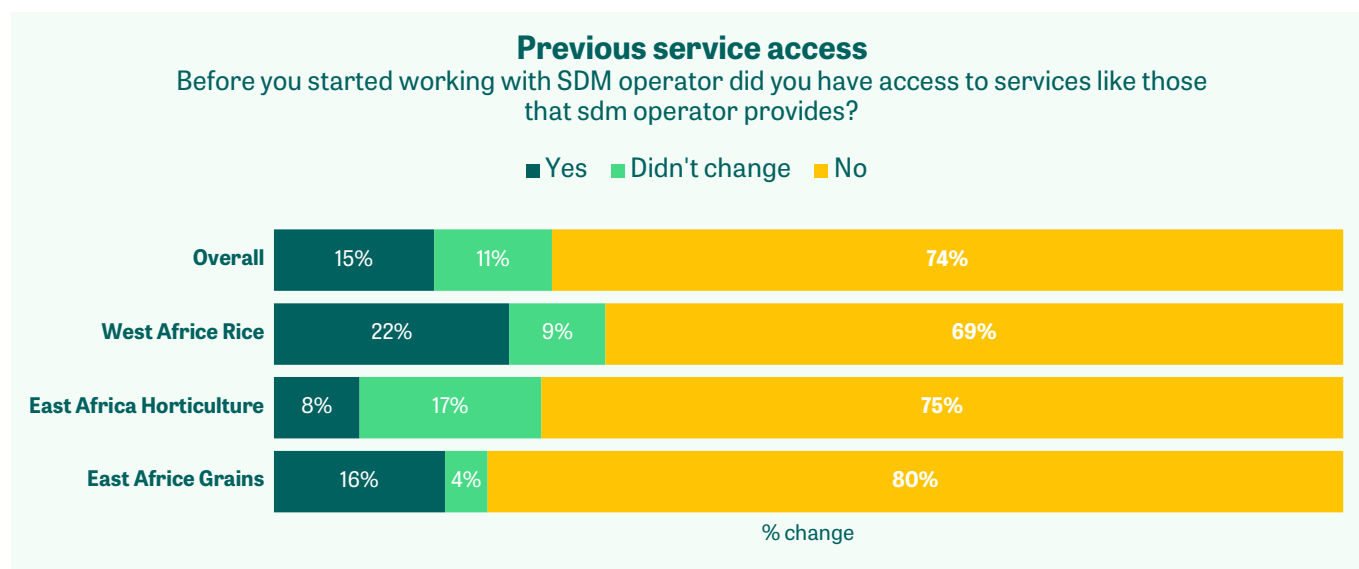
A. Farm-Level Impact

The Farmfit Program has generated significant farm-level impact through a data-informed and market-based approach, reaching over 253,000 farmers. Around three-quarters of the farmers are accessing such services for the first time showing the additionality of our market-based approach, and crucially, the majority of farmers reported an increase in focus crop net income

Additional key outcomes from the program include improvements in access to services such as training, inputs, finance, markets, mechanisation, post-harvest support, as well as enhanced gender equity and climate resilience.

1. Increased access to services

Around 74% of farmers accessed essential services like training, inputs, finance, mechanisation, and post-harvest support for the first time through Inclusive Business Models of companies designed as part of the program. This access significantly enhanced farmers' productivity and income potential, with 50% reporting better access to mechanisation and 60% noting improved access to inputs. Furthermore, at the end of the program, 52% of surveyed farmers reported that they can't access similar services elsewhere (32% said maybe).



2. Improvements in access to finance

Access to finance remained a challenge, with financial institutions being less involved than anticipated. However, 66,000 farmers received loans, representing a significant increase from baseline. About 79% of farmers attributed their improved access to finance to Farmfit's interventions, particularly through [tripartite financing arrangements](#) between agribusinesses, financial institutions, and input providers.

3. Improved market integration

Many farmers gained access to premium markets through off-take agreements with companies like [Landmark Millers](#) and [AfroKai](#), leading to guaranteed purchases and input support. Although side-selling remains a challenge, these partnerships have integrated smallholder farmers into more lucrative market systems where they often benefit from higher prices through premiums and more assurance of a market for their produce.

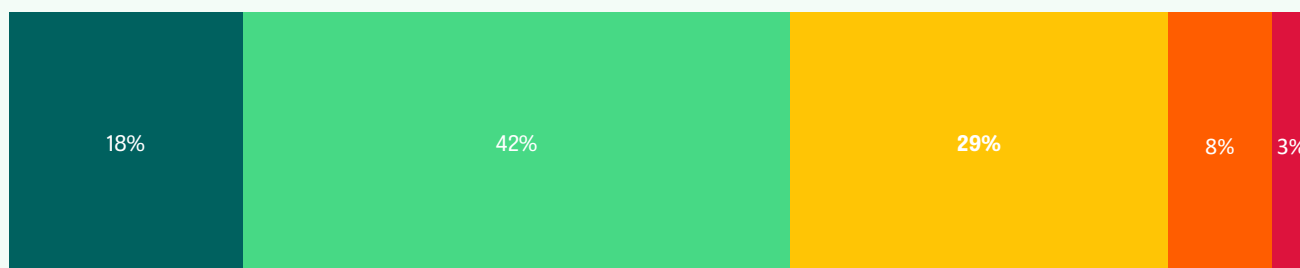
4. Productivity and income gain

The inclusive business models in the program led to a 51% median increase in productivity and a 200% median income increase for farmers, driven by improved farming practices and access to premium markets. In addition, over 60% of farmers reported an increase in their income. Of the farmers reporting an increase in income, three quarters indicated that this was to a little, some, a lot or completely due to the services they received via the business applying the inclusive business model. Over 35% indicated that a lot of or all of the increase of income was due to the services accessed via the inclusive business model.

Net income

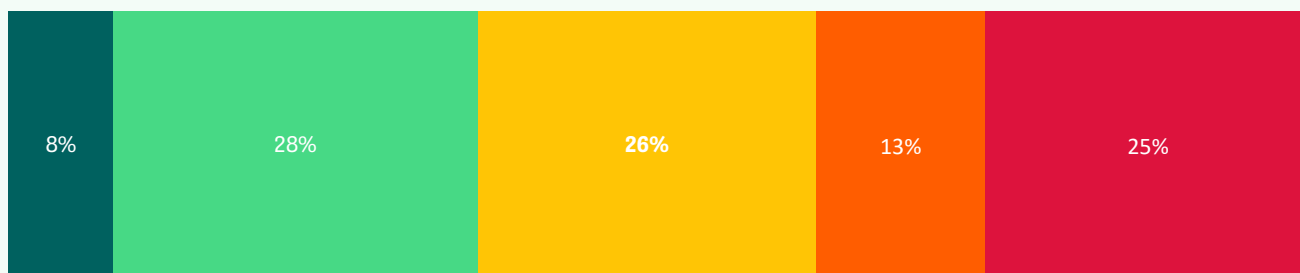
Over the last 3 years, how has your ability to deal with climate issues changed?

■ Increased a lot ■ Increased a little ■ Didn't change ■ Decreased a little ■ Decreased a lot

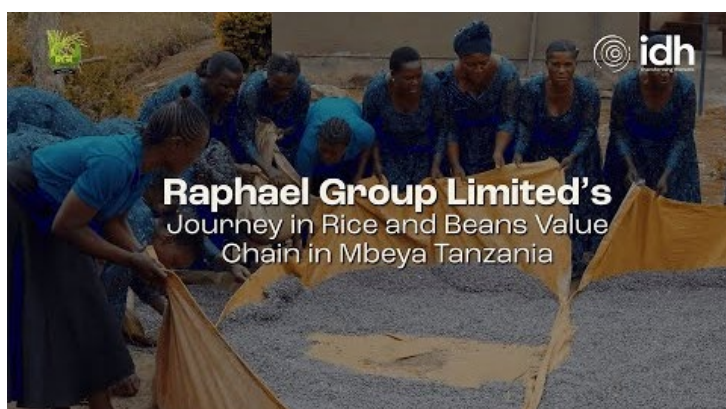


How much of this change in net income was due to your relationship with the company?

■ All of it ■ A lot ■ Some ■ Little ■ None of it



5. Gender impact



Farmfit's gender-transformative projects, such as those with Raphael Group Limited in Tanzania, Tamanaa, and Rujo Agri-Trade in Ghana, provided targeted support to women farmers. These projects saw higher income increases for women compared to gender-intentional projects.

Our gender transformative projects demonstrate a significant impact on the professionalisation of agri-SMEs, in a way that outperforms other projects in terms of effectiveness and reach. Interestingly, men participating in these gender transformative projects report even higher increases in income than their female counterparts.



While these projects specifically address the systemic challenges faced by women, they do not discriminate against men ensuring that they also benefit. However, the observed differences in income gains between female and male farmers highlight the persistent barriers faced by women-operated farms.

These include limited access to land, and financial resources, which continue to restrict their full participation and potential. Addressing these barriers is crucial for achieving gender equality.

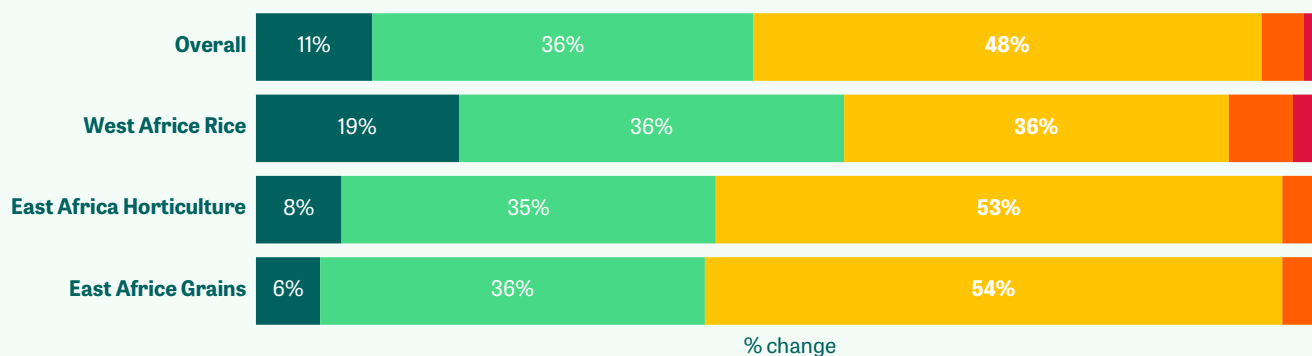
6. Climate resilience

Over 160,000 farmers benefited from climate resilience interventions, including climate resilience training, drought-resistant seeds, promoting crop diversification, climate insurance and irrigation support. Nearly half of the farmers reported an improved ability to adapt to climate challenges, with notable success stories such as Coscharis, which implemented a GIS-based weather forecast system to mitigate the impact of extreme weather events.

Climate

Over the last 3 years, how has your ability to deal with climate issues changed?

■ Increased a lot ■ Increased a little ■ Didn't change ■ Decreased a little ■ Decreased a lot



Overall, the Farmfit Program enabled companies to operate inclusive business models improving smallholder farmers access to critical services, enhancing their productivity, increasing their incomes, and strengthening their resilience to climate change.

B. Changing Business Practices

The Farmfit Program has successfully driven meaningful changes in businesses practices among companies in its portfolio, particularly as it relates to smallholder farmer engagement.

These changes were achieved through the program's approach, business analytics, technical assistance and aggregate insights, which together influenced companies to broaden their service offerings and changing their operating structures.



The key outcomes of these changes include:



Expanded Service Offerings

Nearly all companies in the Technical Assistance portfolio enhanced their service offerings to smallholder farmers. Initially limited to training, businesses expanded services to include areas such as finance, mechanisation, and post-harvest support. This shift was driven by the program's insights that show that a holistic approach to service provision is essential for improving farm-level outcomes and delivering returns on investment.



Innovation Adoption & Sustainability

A key success factor for successful change in business practices is a strong and committed SME that is able to deliver and implement. The technical assistance provided by the program was key in helping businesses innovate while aligning with their capacity. For example, using the Inclusive Business Analysis, companies like [Rujo Agric-Trade](#) and others adopted innovations, such as providing organic fertilisers, mechanised services and seed multiplication. The companies are continuing these innovations after the Farmfit projects, although scaling remains context specific.



Professionalising Operations

Many companies transformed their operational structures to better engage with smallholder farmers. This included hiring new staff such as service delivery coordinators and agronomists, adapting processes, and establishing new governance structures. For example, companies implemented [Farm Management Information Systems](#) and [Farmer Organisation Segmentation](#), which improved service delivery efficiency and farmer engagement.



Increased Farmer Reach

The number of farmers reached by portfolio companies grew by 174%. Companies balanced scaling ambitions with sustainable impact, often expanding partnerships to support scaling efforts. Notably, projects like those involving Raphael Group and Syngenta leveraged [service coalitions](#) to increase their farmer reach and reduce service delivery costs.



Successfully Reaching Female Farmers

A strong emphasis on gender equality was integrated into business models. Companies targeted and empowered women farmers through gender action plans, resulting in a 189% increase in the number of female farmers served. Initiatives such as land allocation to women and prioritising them for mechanisation services demonstrated significant progress in addressing gender imbalances.



Shift in Procurement Practices

Companies have increasingly sourced directly from smallholders, with 1.8 million metric tons sourced, signifying a significant shift from trader reliance. Contract farming models and guaranteed off-take arrangements were successful in building long-term relationships with farmers and securing better crop quality.

C. Business-Level Impact

The Farmfit Program has enabled businesses to significantly benefit from changes made to their business models, particularly in service delivery to smallholder farmers.

The key outcomes of these changes include:

1. Improved efficiency in service delivery

Half of the companies in the portfolio reduced their service delivery costs by over 25%, with a median reduction of 42%. This was achieved through economies of scale, targeted service provision using technologies like [Farm Management Information Systems](#) and enhanced [last-mile delivery](#). Reduced service delivery costs allowed companies to expand their farmer reach and ensure sustainability over the long term. However, in the few cases where we saw increased costs per farmer, this tended to reflect deeper investments in engagement, rather than inefficiencies.

2. Increased service revenues

On average, companies saw an average rise of 24% in service revenues, although this fell short of the targeted 60%. Many companies charged for services such as inputs and mechanisation to recover costs, ensuring commercial viability. However, some companies struggled with revenue growth due to limited access to finance, hindering their ability to offer services at scale. Access to finance for agri-SMEs and smallholder farmers is a key factor to be solved to make smallholder inclusive business models work at scale.

3. Business profitability

While most companies in the portfolio maintained profitable business models, various external factors—including climate change, high interest rates, unfavourable trade policies, and COVID-19—presented significant challenges.



Increased Profitability: Nigeria Case Study

A good example of increased profitability is Adefunke Desh in Nigeria, a company that works with lead farmers to mobilize farmers, provide services and aggregate maize produce. The business experienced positive performance as EBIT grew year-on-year surpassing the projections in 2021 to 2023. This was driven by an increase in the volumes sourced (based on an increase in farmer yields and farmer numbers) and an increase in service income which on average accounted for 65% of total incomes over the period. The service delivery model is currently sustainable as the company generates enough revenue to cover costs.



Increased Profitability: Tanzania Case Study

Raphael Group Limited (RGL)'s financials also remained resilient and showed steady growth in EBITDA over the project period (2019/2020 - 2022/2023) despite challenges which impacted the business' operations and service coalition activities. This growth in profitability was on the back of increased revenues from an increase in sourced volumes over the project period coupled with low service and operational costs. These service costs were adequately compensated for by commercial margins.

These headwinds reduced profitability for some businesses, delaying the benefits of investments in service delivery models. Climate-related impacts, such as floods and altered rainfall patterns, further limited the scalability of innovations.

4. Adapting post- subsidy

Companies have been adjusting their business models to sustain operations after the Farmfit Technical Assistance grants and Inclusive Business Analysis (IBA) advisory services ended. Many businesses are institutionalising changes made during the program, refining their operational structures and focusing on high-potential practices and regions. Farmfit's support also helped companies secure over USD 16 million in investments to strengthen their supply chains, improve working capital, and build long-term sustainability.

D. Sector-Level Impact

The Farmfit Program has driven sector-level change through two key mechanisms: (1) directly via Technical Assistance (TA) and Inclusive Business Analysis (IBA) engagements with companies, and (2) indirectly by influencing companies, investors, donors, TA providers and governments through the dissemination of insights and best practices.

Below are the main outcomes of these interventions at a sector-level:

1. Replication and scaling of business models

Several companies have successfully replicated their business models in new geographies, expanding their reach and impact. For example, Alluvial replicated its model from Nigeria to Kenya, while Syngenta and Agricultural Exchange initiated expansions into Tanzania, Uganda, and India. While some companies scaled to engage over 20,000 farmers, others strategically chose to work with fewer farmers to deepen their relationships and ensure commercial viability

2. Insights on regional food trade

Despite limited impact on regional grain trade, Farmfit produced two major knowledge products: [Unlocking Regional Trade Whitepaper](#) and [Unlocking the Potential of East Africa's Grain Trade Policy Brief](#). The policy brief provides strategic recommendations to improve intraregional grain trade, with a focus on regional policy implementation, formalising informal traders, and addressing gender-specific barriers faced by women, who make up 70-80% of informal traders in the region.

3. Shifting toward data-informed, market-based decision-making

IDH has become a recognised source of credible insights on smallholder-inclusive business models as noted in the [evaluation of the Farmfit Program](#). Through events, reports, study tours, and webinars, the program has disseminated valuable data and methodologies, leading to widespread recognition and uptake of innovations by companies. Key publications, such as the [Shifting Gears](#) report, have won awards, and Farmfit actively participates in knowledge-sharing networks like the Agribusiness Market Ecosystem Alliance (AMEA) and the Council on Smallholder Agricultural Finance (CSAF).

4. Sector engagement and knowledge dissemination

Farmfit's comprehensive knowledge production and dissemination strategy has significantly increased the reach of its insights. The [FarmFit Insights Hub](#), launched in September 2023, has attracted 8,931 active users within its first year, and Farmfit's newsletter (now called the Smallholder-Inclusive Business Newsletter) and LinkedIn page have gained close to 2000 followers. Farmfit staff are active participants of a range of networks, such as the Council on Smallholder Agricultural Finance, the Agribusiness Market Ecosystem Alliance, and the Agri-SME Learning collective. Through these networks and also via a range of partnerships, Farmfit staff have also been invited to collaborate with various organisations and events, demonstrating the demand for this expertise.

Our Journey Continues

With the Farmfit Program having come to an end we are keen to continue making an impact. We are applying our approach in other programmes and offer it as a service to companies as IDH Solutions. Furthermore, we are continuing to generate insights and make our data and insights more accessible via the [FarmFit Insights Hub](#), our [Smallholder Inclusive Business Newsletter](#) and [our LinkedIn page IDH Intelligence](#).

About IDH

IDH (°2008) is an international foundation that brings together public and private stakeholders to make global agricultural markets more sustainable and more inclusive. Together with our partners, we develop solutions to critical challenges in value chains, such as climate change, unfair working conditions and wages, unequal value distribution, and gender inequality.

IDH Farmfit would like to thank our donors for their support and partnership:

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