

Inclusive agribusiness

There are a large number of inclusive business ventures in agriculture, 450 million smallholder farmers to work with in the supply base, and a daily necessity to feed a growing human population. Despite production uncertainty, agriculture-based development has demonstrated potential to drive economic growth while reducing poverty, strengthening social stability and preserving natural resources. So the potential of inclusive agribusiness is enormous.

This month, the Practitioner Hub and [Seas of Change](#) take an in-depth look at inclusive agribusiness (IaB). As summarised in our Hub Editor's [series overview here](#), our contributors consider how social and business priorities can be reconciled; highlight the massive need for more finance for smallholders and IaB; and share ideas and inspiration from multiple examples on the ground.

NEW Know-How page on Agribusiness

Visit this new resource created by the Practitioner Hub and Seas of Change, which outlines key issues and questions, provides links to the latest resources and interesting perspectives from entrepreneurs on the ground.



More resources on inclusive agribusiness on [Search Inclusive Business.org](#)

- [There is a lot going on in the inclusive agribusiness space](#) and Jim Woodhill shares his 'mind map' illustrating scores of initiatives. But, he argues, disputes about the meaning of inclusive agribusiness, different political views of where it leads, and lack of evidence, undermine incentives for action and investment.
- [The informal economy](#): a key issue that many IaB initiatives seek to address is the high numbers of smallholders operating informally. IIED's Bill Vorley argues, however, the dynamism and significance of the informal economy to smallholders needs to be appreciated and taken into account in the 'formalisation process'.

Making it work: seeds, milk, fast food, packaging and agro-processing

- [Looking for balance](#): as someone working for a seed company, Stuart Morris from East-West Seeds is puzzled by NGO mistrust of profit-making companies serving smallholder farmers, given demonstrable benefit from using improved seed. He hopes inclusive business can be taken seriously, given the development potential.
- [The Africa Milk project](#): a dairy project drawing on complementary strengths of civil society and business, scaled into a successful enterprise with multiple community benefits. But with farmers living far from the main milk-drinking, cheese-eating markets, attention is needed to balance social and commercial objectives, says Karim Karaki of ECDPM.
- [The Jollibee Food Company in the Philippines](#) is famous for its burgers and fried chicken but long before those hit the plate, 25% of raw vegetables are sourced directly from smallholder farmers. Jollibee Foundation works with local partners to build capacity of smallholders to meet modern market demands and improve their livelihoods. IBAN's Sarah Schaefer's explains how.

- [What is the reality for agribusinesses on the ground?](#) David Irwin, Team Leader of matchmaking initiative Connect to Grow, visited over 30 enterprises in East Africa recently to find out what their main challenges were and what support they needed. We interviewed him to find out what he learnt about agri-processors, nutrition enterprises and more.
- [Packaging for prosperity:](#) the lack of affordable, quality packaging is a major constraint in Africa, preventing farmers from getting their produce to premium local markets. After extensive research in Rwanda, Endeava believes the 'Co-packer' model used in high income countries can solve this problem and have set up a company to introduce the model. Partners sought!



Trainees at a Centre for Development Innovation workshop on inclusive business

Unlocking finance for smallholders

- [This month's Editor's Choice](#) estimates that the financing need of smallholder farmers is US\$210 billion, while only US\$56 billion is available. "Inflection point: unlocking growth in the era of smallholder finance" by Initiative for Smallholder Finance (ISF) and Rural and Agricultural Finance Learning Lab, presents a global strategy to bridge this gap. It adds necessary sophistication on the need, availability and build of the smallholder finance sectors says our Guest Editor Joost Guijt.
- [Progressive partnerships between financial service providers and value chain actors and the use of digital technology](#) are two trends that Rural and Agricultural Finance Learning Lab are tracking as promising ways to get finance to smallholders and make inclusive agribusiness work. The Lab's Fauzia Jamal explains why.
- [Inclusive impact investing:](#) Global Partnerships, a social investor, has invested \$70 million in smallholder agriculture so far. Kusi Hornberger explains why trends for small farmers look bad and how their focus on farmer services and rural livelihoods finance offers structural opportunity for smallholder farmers.
- [The middle-man we need:](#) financial services providers (FSP) are critical for enabling strong laB models but how do FSPs themselves access capital? ISF is adapting its role to serve as an intermediary in this gap. Dan Zook explains why and how it helps structure partnerships and blended finance facilities to increase capital flow to FSPs.



A Global Partnerships investee in Kenya



Australian citrus producer, Ironbark, providing extension services to a Laos farmer, so the business has a supply chain during off-season in the Asian market

Balancing commercial and social returns

- [Size isn't everything:](#) demonstrating impact is crucial to justify inclusive business but to measure meaningful impact, one has to go beyond numbers reached. Agribusiness consultant Karen Smith compares the potential development impact of consumer and producer focused models but recommends a systemic approach to create lasting change.



Endeava is looking for partners to develop the 'co-packing' model in Rwanda.

- [Beyond business as usual](#): is it enough for smallholders to participate or do they need to benefit more than they would from business as usual? Caroline Ashley reports on this debate from the IB in Asia Forum, with examples of how companies report their net positive impacts for farmers.
- [The natural conflict between social and commercial value](#) in this space can be a difficult one to navigate for agribusinesses and facilitators. In this blog, Mark Ingram, CEO of Business for Development, argues profit has to be made, but the focus should be long term mutual value.
- [An inclusive agribusiness model needs to be both 'inclusive' and commercially viable](#). Through her training of NGOs wanting to develop inclusive businesses, Monika Sopov, Senior Advisor at the Centre for Development Innovation, finds they often need more business skills, but feel more comfortable focusing on the inclusive dimension.

You may have noticed we've changed. We're trialling a [new-look Practitioner Hub](#), with new features and updated content to support you in your work in inclusive business.

Watch out for an email next week that will show you around the new site.



Other updates on the Hub

- Register for the new free online course on an ['Introduction to Inclusive Business'](#) from Inclusive Business Accelerator, MDF, Food & Business Knowledge Platform, and CDI.
- A new series from Social Value UK takes a look at the challenge of aggregation of impact. With contributions from Big Society Capital, Bridges Ventures, EVPA, Center for Social Value Creation and Ashley Insight, [read the overview and download the report here](#).
- A wealth of lessons, recommendations and evidence from scores of companies on ['Marketing to the BOP'](#) are now available from our webinar series by Hystra and the Hub. View the recordings or access the materials for free.
- Join the William Davison Institute, The Inclusive Business Action Network and the World Business Council for Sustainable Development on July 20th 2016 for the first in the Webinar series: ['Building Sustainable, Scalable Inclusive Businesses'](#).
- The [Private Sector Conference on Sustainable Inclusive Business was held in April in Kenya](#). Key takeaways are now available in the Conference booklet.
- [Key inclusive business trends in Asia](#): a blog series by the ADB and the Hub explores the key trends emerging in Asia that are the subject of a [new publication](#) on inclusive business in the region.



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The Practitioner Hub is sponsored and funded by [Ashley Insight](#) with support from the Asian Development Bank and the Inclusive Business Action Network of GIZ. [Seas of Change](#) is a long term applied research, innovation and exchange programme that helps businesses, governments and NGOs tackle operational challenges and innovative practices. The programme focuses on the question of "what works when scaling inclusive agri-food markets."

The views presented here are those of the authors and do not necessarily represent the views of Seas of Change or Ashley Insight, and do not constitute professional advice. We welcome feedback on our publications – please contact us at enquiries@inclusivebusinesshub.org