

# Agriculture is a leading source of employment & GDP in Africa but under-invested by private sector & government

- **70% of Africans** depend on agriculture for livelihoods and ag accounts for **25% of GDP**
- **BUT <4% of national budgets** go to agriculture (v. 10% CAADP target for gov't spending)

- **<5% of commercial lending to agriculture sector**
- **Agricultural finance gap of \$180B/year** in Africa (75% of total market size)
- **30%+** is for **small & medium enterprises (SMEs)** in the “missing middle”

# Investing in SMEs along agricultural value chains will benefit smallholder farmers, create jobs & strengthen food security




## Financing inclusive SMEs along agricultural value chains leads to

- Higher & more stable farmer incomes
- Job creation
- Opportunities for women & youth
- Food security & nutrition
- Economic growth & resilience



- Founded in 1999, nonprofit to address market failure
- Loans (\$100k-\$2M) & financial training to agricultural SMEs in Africa, Latin America, and Indonesia
- Scale
  - \$100M lending/year to 200 businesses reaching 600,000 farmers
  - Historically, \$1.4B lending, 500 businesses, 1.2M farmers
- Impact:
  - Enterprise growth (25%/yr) & resilience
  - Market access, increased & more stable incomes (~20%)

## Example: Sorghum Pioneer Agencies (SPA), Kenya

- Founded in 2009 by Beatrice Nkatha, 1<sup>st</sup> loan from  in 2015
- SPA provides inputs, credit, agronomic extension, harvest services to farmers (avg. 0.5 ha/farmer)
- Market access: East African Breweries, World Food Programme, regional buyers
- Since first loan, **revenues have doubled, SPA now buys \$1M annually from 8k farmers, 55% women**
- **Farmers report income gains of 60%**

# Council on Smallholder Agricultural Finance (CSAF)

Pre-competitive alliance of financial institutions to share learning and develop industry standards & best practices for lending to agricultural SMEs globally

## CSAF Members & Affiliates

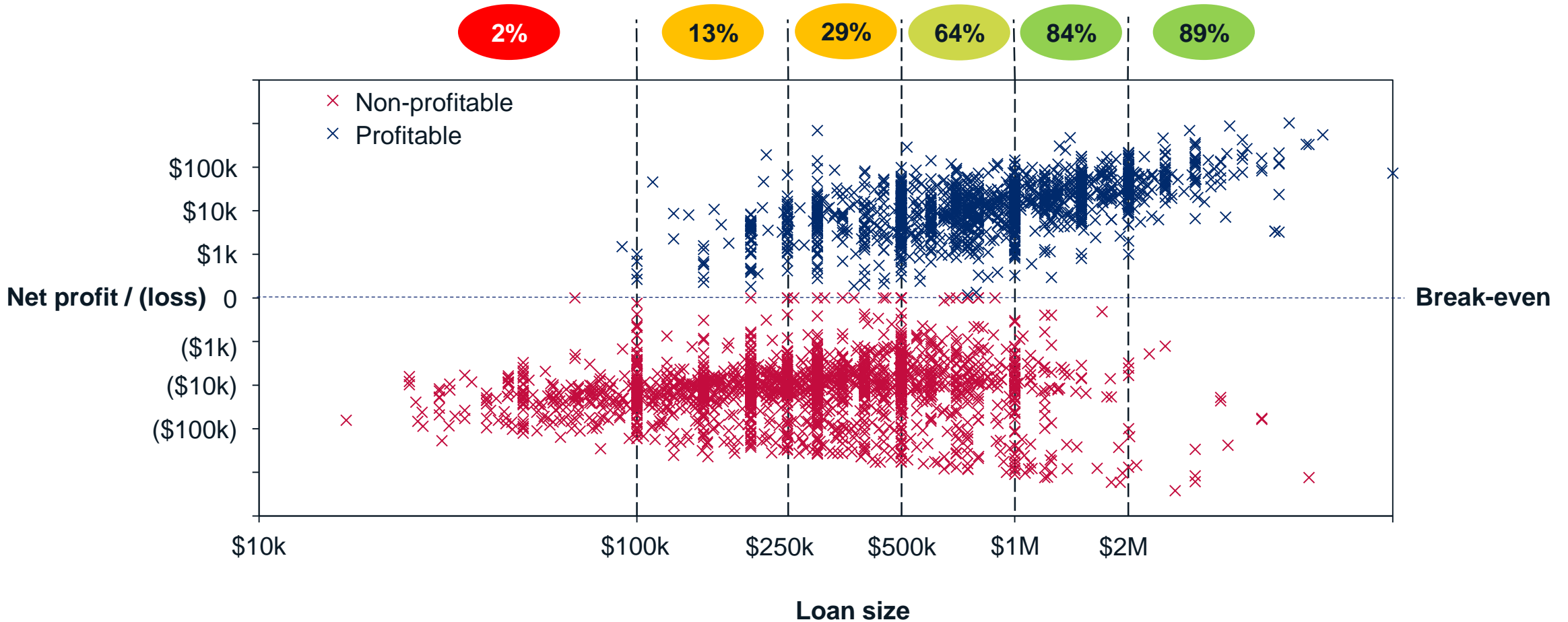


## 2017 Lending



State of the Sector  
2018

# Smaller loans are less likely to be profitable than larger loans







**PROSPER**  
AFRICA

Catalyzing a competitive marketplace  
for agricultural SME finance in Africa