



In this pathway, farming households take a business-oriented approach to farming and are able to consolidate multiple plots of land for more efficient, cost effective, and competitive commercial production.



Target Outcome Effects

Production	Resilience	Employment	Nutrition	Climate	Gender	Youth
 Increased production levels, efficiency, and price realization	 Increased land and farm asset ownership and greater discretionary income potential	 New (primarily informal) jobs created through hired farm labor	 Increased production of affordable, fortified staple crops and reduced post-harvest losses	 Reduced farmland/habitat degradation and adaptation to climate-related changes	 Increased instances of joint asset ownership and labor renegotiation within the household	 Increased farm ownership by youth and retention of youth in rural areas

Client Profile:

Smallholder farmer has expanded the farm after intensification and runs a small commercial farm. Farming is perceived as the primary livelihood source and the farmer is working to grow the area under cultivation and implement more sophisticated farming techniques for greater efficiency. Farmer intends to grow business, typically with ambitions to move into other value-added activities.

Primary service needs

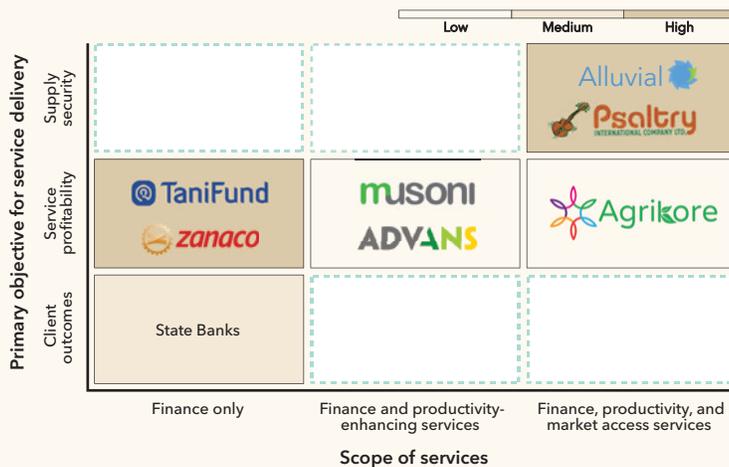
- Securitized land purchase loans and working capital
- Advanced training on business and farm management practices
- Agricultural insurance (indemnity or index based)
- Support in expanding value adding activities on farm (incl. post-harvest processing, quality grading)
- Precision ag technology and knowledge
- Farming technology and (small-scale) mechanization

Secondary service needs

- Inputs including (improved) plant material, fertilizer, and pesticides
- Storage services, particularly for perishable crops
- Long-term financing for planting of perennial crops

Financial Service Provider Landscape

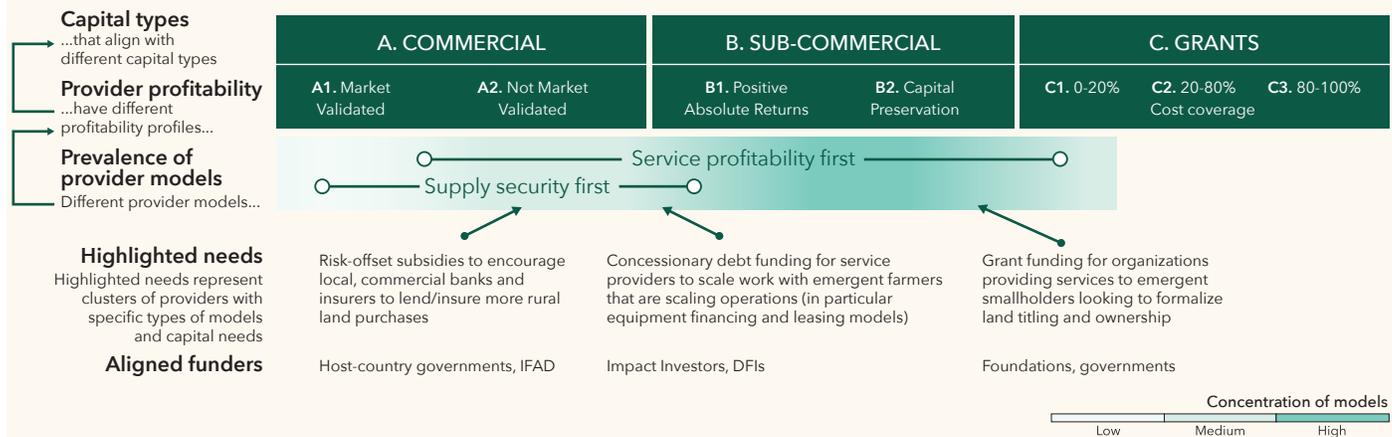
Prevalence of provider service delivery models



Observations

- As farms increase in scale, farming operations are typically profitable and have collateral to offer in structuring finance. They are also likely to start actively sourcing more specialized services from a broader variety of providers and have less need for bundled service provision.
- Local commercial and state banks often move in to provide collateralized debt finance to these emergent farmers for land purchase, supported by legal providers and brokers who support titling and rights transfer.
- Additional specialized services such as equipment financing, insurance, and advanced training may be offered by service providers who are deeply integrated into the value chain or more generalist providers.
- Certain supply security-oriented providers may also set up block farming models, where farmers receive or lease parcels of land of an optimized size, shape, and location, where the proximity of many of these farms makes (shared) services such as mechanized land preparation, input application, and harvesting economically viable.

Capital Market Alignment



Enabling Environment Dependencies

- Functioning land rights system
- Dispute resolution/arbitration system
- Cultural norms around consolidation