Agriculture Financing Flows in Sub-Saharan Africa

Executive Summary

October 2026

TechnoServe
Business Solutions to Poverty ®

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Background and scope of this research

Background

CASA TAF donor and investor partners requested quantitative data that tracks agri-investment flows in Africa to understand needs, gaps, and inform their future strategy in agriculture sector

Scope of agri-finance flow research

Track investment flows into African agriculture to inform our recommendations to investors and donors on approaches

Focus on Mozambique, Nigeria, Tanzania

Analyse financing needs across agriculture and food sector

Quantify financing provision by source and type of finance

This document frames findings of that research in context of broader sector insights from CASA TAF work

Addressed in this document

- ✓ Data on investment flows into African agriculture and food
- ✓ Evidence from CASA on how to unlock private investment
- ✓ Priorities for aligning donors, DFIs, investors on way forward

Not covered: for later learning papers

- × Detailed analysis of host government and multilateral investments, FDI, remittances
- × Recommendations on host govt. agriculture policy
- × Proposed roadmap and strategy for unlocking investment

Research conducted by FCDO-funded CASA TA Facility (CASA TAF)

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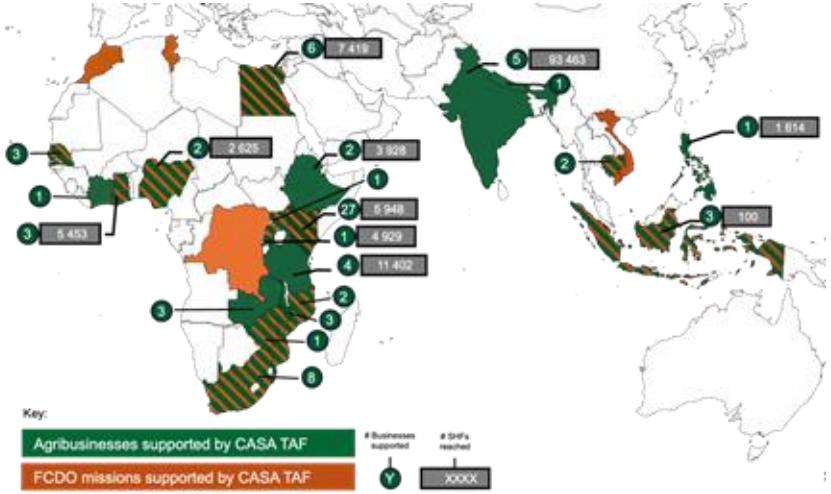


Core solution: Tailored inclusive TA to portfolios of leading investors in agriculture

- **20** Investors and DFIs partnered
- **88** Agri-businesses receiving support
- **20** Markets across Global South
- **$400M** Invested capital enhanced
- **150K** Farmers getting increased investment

Additional solutions introduced to drive scale and meet needs of partners

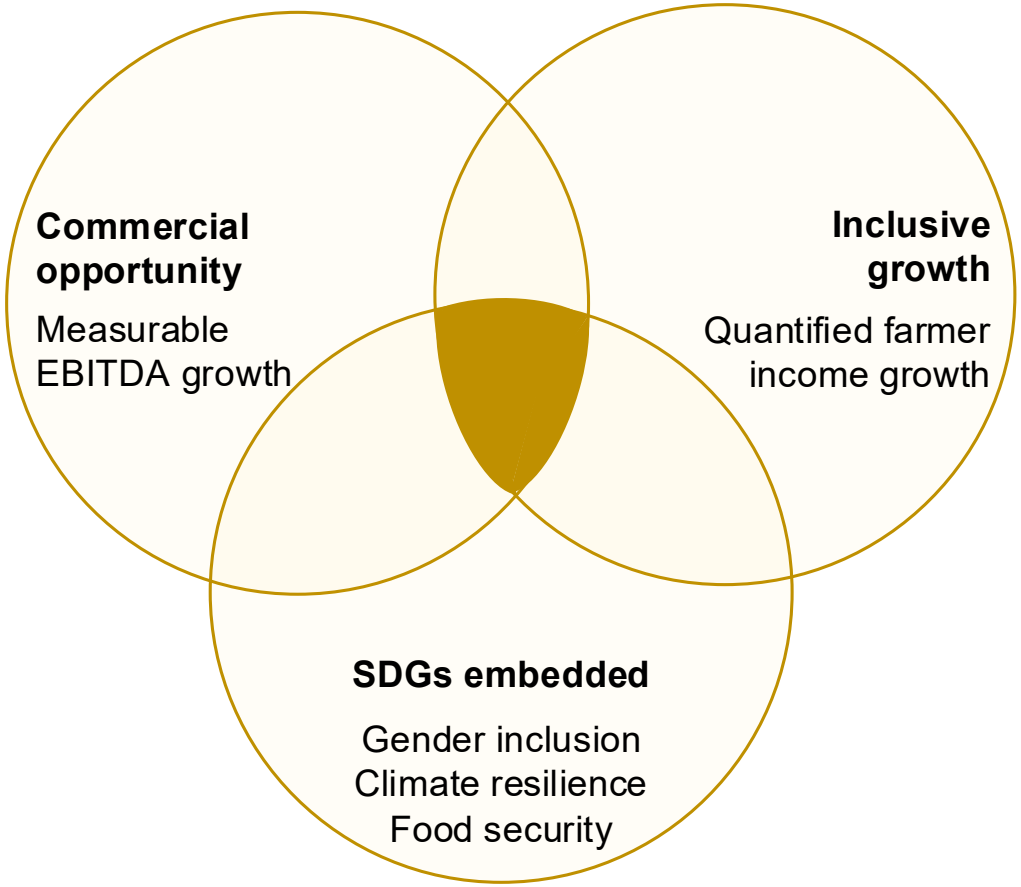
Centre of Expertise
Advisory support to FCDO Posts on Green and Inclusive Agriculture

CASA Plus
Established by FMO and BII alongside FCDO - to deepen TA offering and unlock finance in sector via Market Creation

Financing Advisory
Advisory and learning support to FCDO on alternative finance instruments to address financing gap

CASA TAF approach is to deliver shared value via inclusive TA to unlock investment in farms

Our Approach



Terminology

1. Deliver **shared value**	Long-term business relationship between agri-SME and farmer that delivers additional profits to both actors
2. via **inclusive technical assistance**	Combined commercial and technical advisory provided to agri-SME, investor or FI for design & delivery of shared value business models
3. to unlock **investment in farms**	Agri-finance from financial institutions or forms of shared value: supplier credit (for equipment or working capital for inputs), investment in human capital (farmer extension) or preferred buying relationships (e.g., long-term purchasing)

Sources of information used to develop research

The research in this report is based on data and insights from over 100 pre-existing reports and investor & donor databases relevant to the agriculture sector in Africa

This secondary information has been complemented by ~200 interviews with CASA Plus' investor, agri-SME, and donor partners, both for this research as well as related CASA Plus research. As CASA works with most of the leading investors in the priority African countries, we believe insights from these conversations are representative

As shown in the table, data on investor, DFI, and donor flows principally comes from public information. While data at the agri-business and/or farm level come from a mix of interviews and data from CASA

Actor	Primary Sources to Inform Investment Flow
DFIs/MDBs[1]	• DFI publications • MDB publications
ODA	• OECD CRS database
Govt	• Ministry of Agriculture • State DFIs
Foreign Direct Investment	• Central bank data • Agribusiness interviews
Deposits	• Balance sheets from banks
FIs	• Central bank data • FI annual reports • Industry reports • FI interviews • FI inclusion programs
Non Bank FIs	• MFI annual reports • Central bank data • Industry reports
Funds	• Fund websites • CASA TAF dataset
Programs	• MDB / govt reports • Program publications
Agribiz	• Expert / agribusiness interviews • CASA data (value chain financing) • Industry reports
Farmers	

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African agriculture is a central investment priority for growth, trade, food security and climate adaptation

Smallholder production dominates African agriculture. Consequently, the majority of high potential agri-business models rely on smallholders too

But buying from farms is different from investing in them. While investment in agri-business grows, it is getting “stuck” and not reaching the farm

The result is production (farming) is not becoming more competitive, investees relying on that production fail, and economies grow too slowly

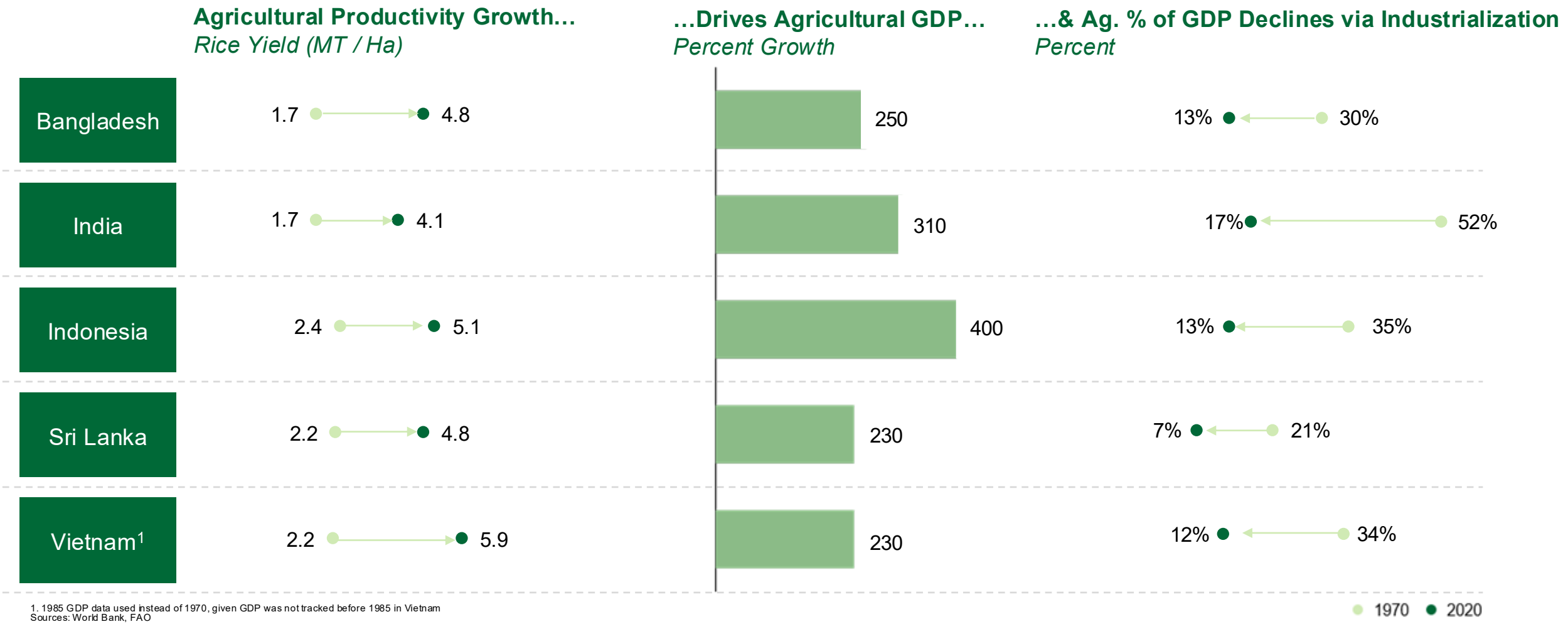
CASA TAF has worked with 88 agri-SMEs using shared value to unlock smallholder investment while generating data and codifying what works

To grow the pool of investable agri-SMEs, CASA TAF advises leading DFIs on “market shaping” efforts and donors on financial innovation

As donors, DFIs, and investors collaborate, our call to action is focused on centring farm-level investment to achieve common objectives

Historically, agriculture productivity and food security have been critical to development

Asia Agricultural Sector Development (1970 vs. 2020)



1. 1985 GDP data used instead of 1970, given GDP was not tracked before 1985 in Vietnam
Sources: World Bank, FAO

However, today agriculture's centrality to Africa's development is not reflected in investment

Agriculture's role in economy and climate

Economy

GDP	19%
Export value	16%
Jobs	45%

Climate

GHG emissions	59%[1]
Adaptation needs	50%[2]

Investment in agriculture

Private capital

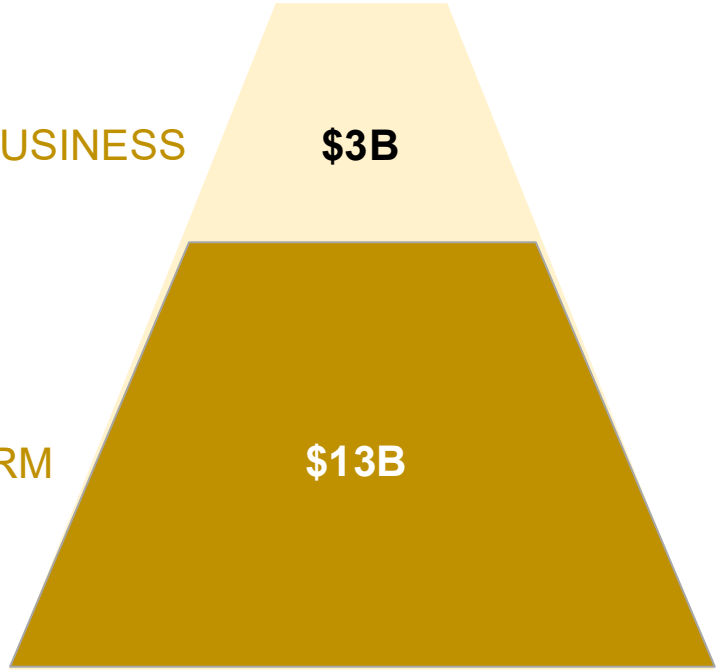
DFIs	6%
Commercial banks	<5%
PE / VC funds	<5%

1. GHG emissions figure represents the whole African continent and includes farm-gate, pre- and post-production, and associated land change; 2. Represents the higher limit of the estimated 30-50% range ($9-14B out of the total $30-50B adaptation cost); Source: World Bank, FAO, AfDB, WMA, ACET, SAFIN, Acumen

The majority of the African agriculture sector investment need is at the farm

Annual Agricultural Finance Need (Tanzania Example)

Market Level	Per Farming Household Equivalent
AGRIBUSINESS $3B	$350
AT FARM $13B	$1,500



Specific breakdown varies by market

For example, Nigeria has 55% of finance need at farm, while Lower Income Countries like Mozambique and Tanzania are 80%

Note: Agricultural finance need includes annualized CAPEX and annual working capital for both segments. Finance need at farm addresses smallholder farmers who on average operate on two hectares in Tanzania. More details behind the analyses are found in the respective country report

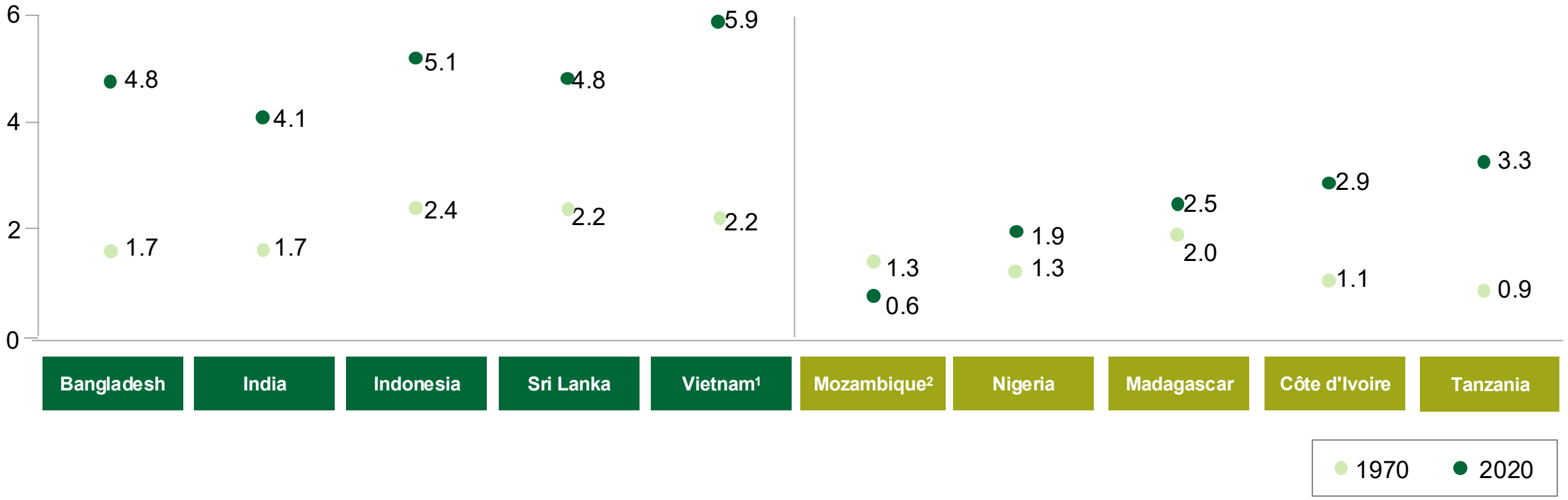
Farm-level investment needs for growth, food security, and adaptation overlap extensively

Sub-Saharan Africa Agriculture Needs[1]		Critical for Food Security	And Adaptation
Inputs IV seed & fertilizer	**10%** use improved seeds **15%** global avg. nitrogen	Biggest driver of productivity gap	Adaptation not possible without right inputs
Water Irrigation, water harvesting	**5%** irrigated	Critical enabler for competitiveness	More critical as unpredictability increases
Knowledge Extension	**10%** access extension[2]	Lack of knowhow undermines productivity	Diversified models more complex; ROI data needed to adapt effectively
Markets Structured relationships	**7%** structured supply chain[3]	Supply-demand link drives markets	Often prerequisite to get adaptation finance

1. Sub-Saharan averages are often directional averages triangulated with data from a few representative countries and value chains; 2. Directional estimate based on Tanzania, with high inter- and intra-country variations; 3. Based on CGAP definition of "commercial smallholders in tight value chains"; Sources: AECF, World Bank, International Water Management Institute, CGAP

Under-investment has resulted in modest African agriculture productivity gains vs. peers

Rice Productivity Growth (1970-20): Select Asian and African Markets
Rice Yield (MT / Ha)



1. 1985 GDP data used instead of 1970, given GDP was not tracked before 1985 in Vietnam; 2. rice yield decline since 1970 mainly due to climate change
Sources: World Bank, FAO

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There are various myths about smallholders' role in agriculture

There are a set of myths that underplay the role of smallholders (SHFs) in economic development

Smallholders are not material to food security	**40-55%** of world's food - including in developed economies - grown by SHFs <5 hectares
Smallholders are not commercial	**60%** of African SHFs commercialized or doing agriculture as part of diversified income strategy. Smallholder models certainly overlap with subsistence models but are not the same[1]
Smallholders are not competitive	**90%+** of critical export crop production dominated by SHFs: coffee, cocoa, cashew. Cotton at **75%.**

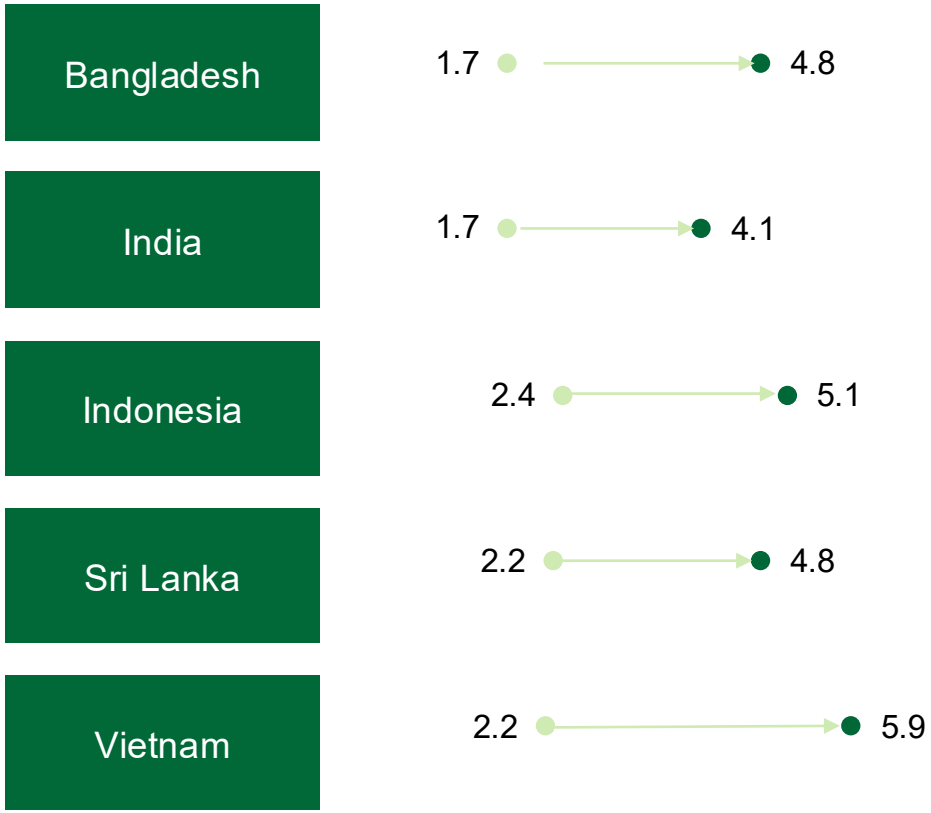
However, myths that over-state the role of smallholders are unhelpful too

Smallholders are path to food security for all foodstuffs	**10-20%** maize & wheat yields for African SHFs vs. commercial best practice is normal. Low margins and economies of scale make profitability of some cereals challenging for SHFs
All smallholders can or should be commercialized	"SHF food security" programs often mean large scale training programs focused on subsistence grains farmers. Limited evidence of efficacy of this approach over past four decades
Smallholders are "better" than large farms	SHF competitiveness a product of unpriced externalities (unpaid family labor, child labor, land). SHFs can have as substantial environmental challenges as commercial farms

1. Following CGAP framework where ~60% of smallholder farmers in sampled African countries are either commercializing (mainly in cash crops) or diversifying (have non-agri incomes); Sources: Ricciardi et al., CGAP, Fairtrade, IISD, Nature

Asia's development model provides evidence of the critical role of smallholder production

Agricultural Productivity Growth in Asia
Rice MT / Ha (1970 vs. 2020)



1-2Ha typical size of overwhelming majority of Asian rice farms across all countries in chart displayed

Enhanced productivity and food security over last 50 years driven through smallholder production model

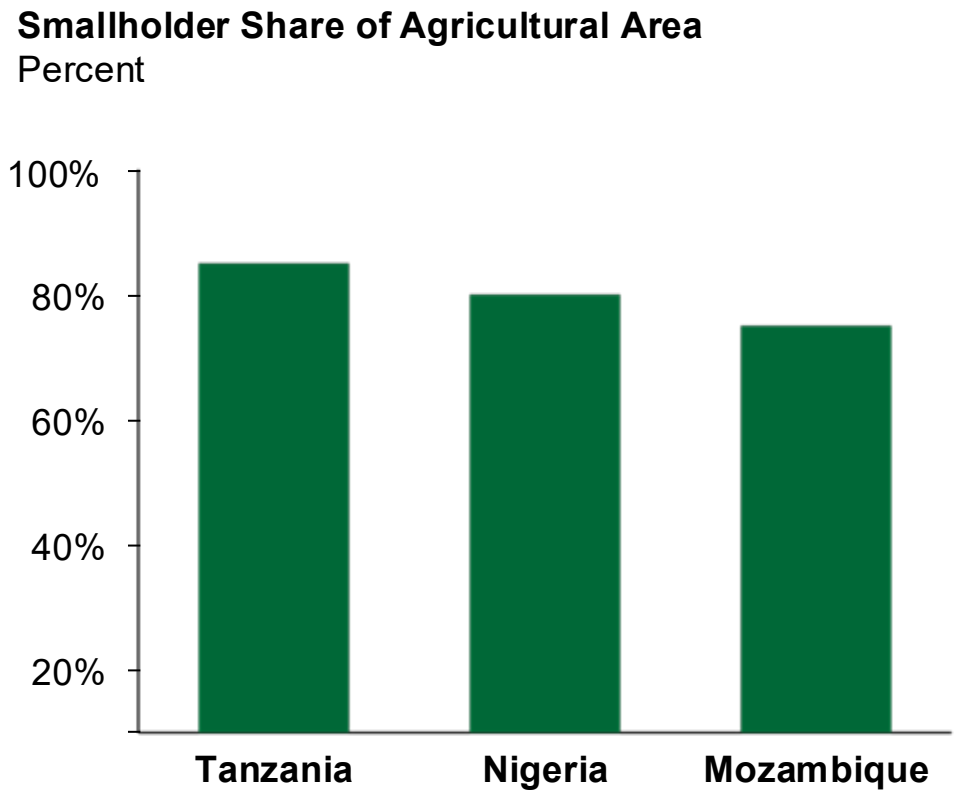
Smaller does not mean "better". Farm size in Asia a function of i) labor availability, ii) land and food policies, iii) population density, iv) lack of primogeniture which all inform economics

3Ha+ identified as optimal plot size for rice farming purely based on economics, for example

Countries that hit certain income point - e.g., South Korea - start to focus more on land aggregation to drive efficiency

Source: FAO, USDA, Rikolto, BPS, IFPRI, FFTC Agricultural Policy Platform

Smallholders predominate in African agricultural production too



Smallholder Farm Definition

There is no universally agreed definition for a smallholder farmer

Specific countries often rely on definitions anchored in comparison to their large, commercialized farms, which vary by country. Historical, cultural and policy factors also play a role

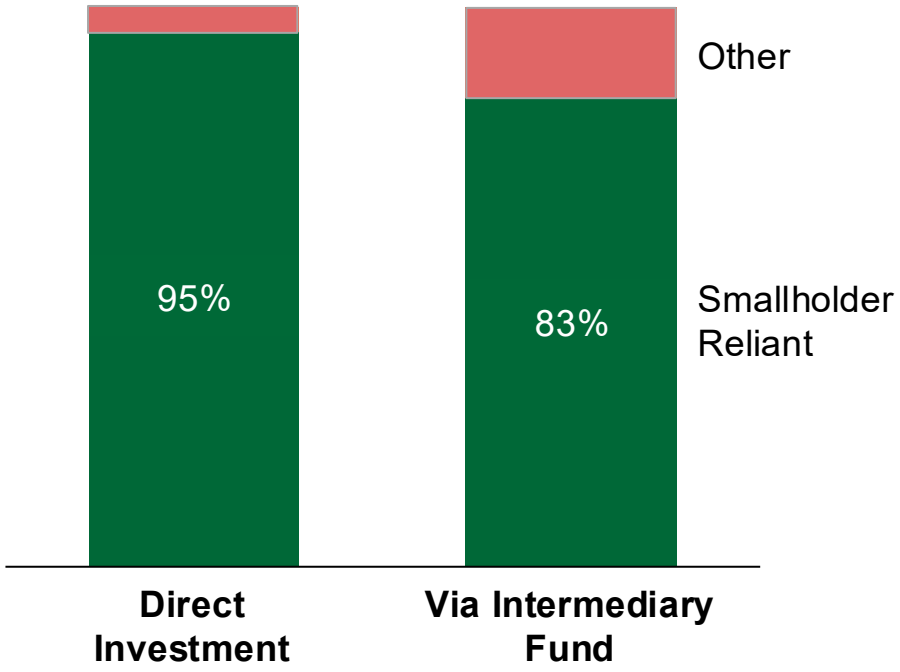
Individual countries' statistics agencies segment their farm base differently (in the chart to the left, Tanzania uses a 3Ha threshold, the others 2Ha). Some multilateral agencies use 2Ha, while others use 5Ha

In practice, a more flexible definition tends to be useful: this emphasizes i) family-run nature of operation, ii) modest size of the landholding, iii) role of agriculture as a primary income driver for the household

Sources: USAID, CGAP, FAO

The result is today leading investors primarily invest in businesses who rely on smallholders

Agri-portfolio of CASA Plus Investor Partners in Sub-Saharan Africa
Percent



	Direct Investment	Via Intermediary Fund
Total Investments	**67**	**31**

CASA Plus Investor Partners have made **98** agricultural investments in Sub-Saharan Africa, either directly or through intermediary impact investment funds.

92% of investments are "smallholder reliant". This is defined as agri-businesses who do a material amount of buying or selling to smallholders

This is a reflection of how smallholders are dominant mode of production. Any investment in the sector is likely to be into business models that rely on buying or selling to such farms

Note: 109 agriculture-relevant direct and indirect investments from FMO and BII in Sub-Saharan Africa since 2010. 11 of them were deprioritized from the analysis due to limited data availability on their potential relationships with smallholders
Sources: BII database, FMO database, underlying fund websites and annual reports, CASA analysis

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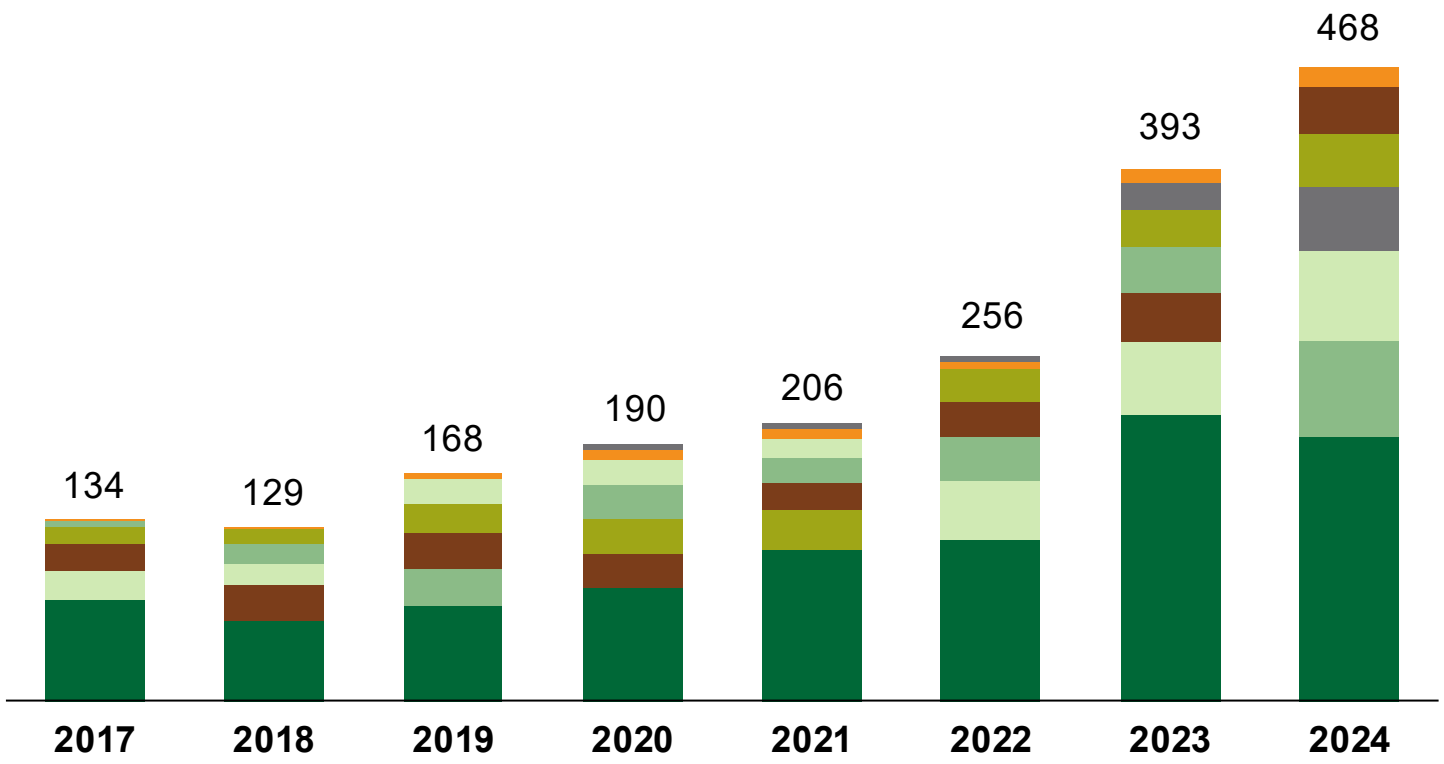
DFI investment growth in agriculture suggests increased recognition of need and opportunity

DFI Investment in Agriculture in Mozambique, Nigeria, Tanzania[1]
$ M, 3-year rolling average from 2017-2024

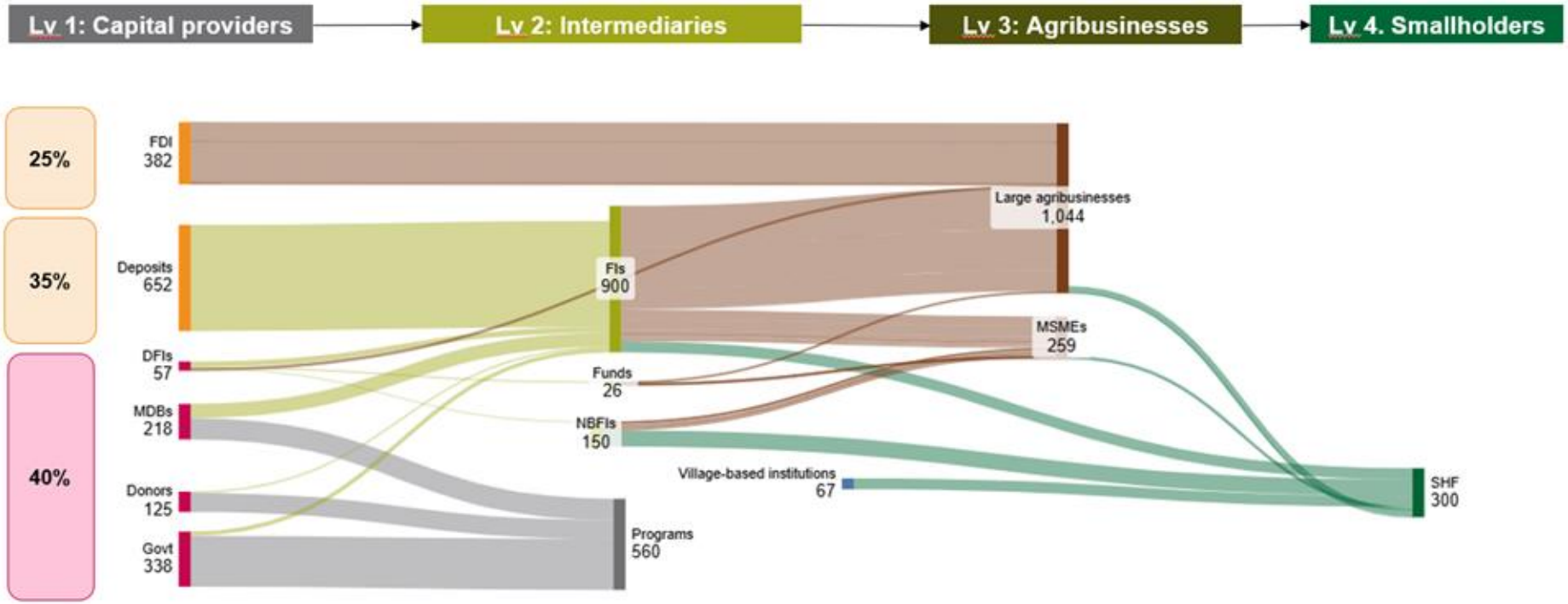


	2017 vs. 2024
Norfund	+$12 M
Proparco	+$14 M
BII	+$28 M
DEG/KfW[2]	NA
FMO	+$45 M
DFC	+$67 M
IFC[3]	+$120 M

1. Includes 100% of investments into agribusinesses as well as ~15% of cross-sectoral investments with explicit / implicit contributions to the agricultural sector (e.g., sector-agnostic SME loan credit lines at local Fis). This is not an exhaustive view as only top 7 DFIs were considered; 2. DEG/KfW only reports the last 5 years of their investment history; 3. IFC included as a DFI given their direct investment model; Source: CASA analysis, DFI databases

Our research tracked and quantified DFI and other investment flows in the agricultural system

Annual Financing Flow in Agriculture (Tanzania Example)
$ M



The visual is a summary of the detailed analysis, which can be found at the end of the presentation and is for illustrative purposes only

The detailed analysis highlights insights for practitioners in the focus markets including:

- Finance gap by type and size of agri-SME and value chain
- Finance products available and particular gaps
- Key government agricultural policies and programs
- Investments of key MDBs, DFIs, impact investors, FIs

The following slides highlight the priority findings for policy makers and global investors

Note: Highly directional given data limitations and potential overlaps between public funding sources (e.g., donor funding used for govt expenditure). Detailed methodology and data sources are found in the respective country report

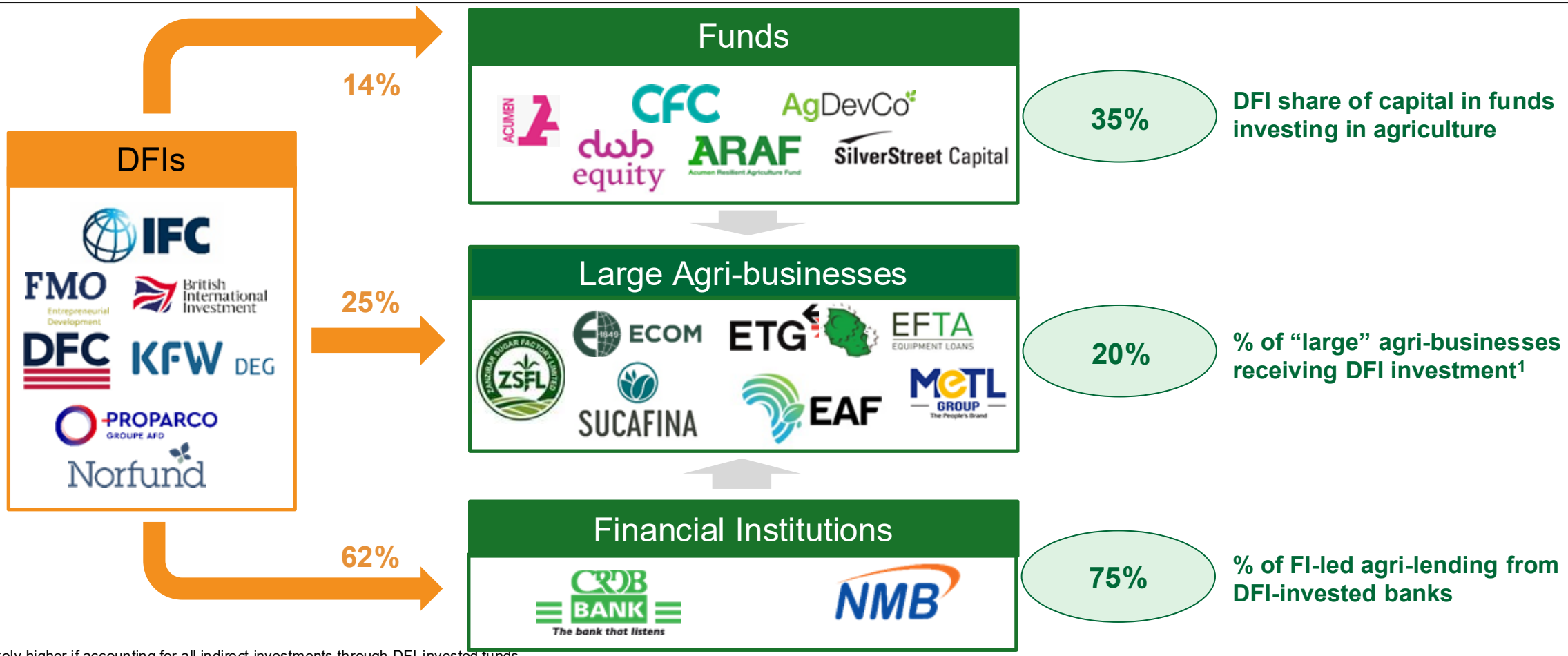
The main conclusion of research is the extent to which investment is not reaching the farm

	Tanzania	Nigeria	Mozambique
Annual Agri sector investment	$1.6B	$5.6B	$0.7B
To Farm	$0.3B **19%**	$1.1B **20%**	$0.1B **13%**

Note: More details behind the aggregated numbers are found in the respective country report

A second insight is the relative size - and influence - of different DFI agri-investment pathways

DFI Investment Flow in Tanzania
Directional



1. Likely higher if accounting for all indirect investments through DFI-invested funds
Source: DFI databases, investor websites and reports, bank annual reports, CASA analysis

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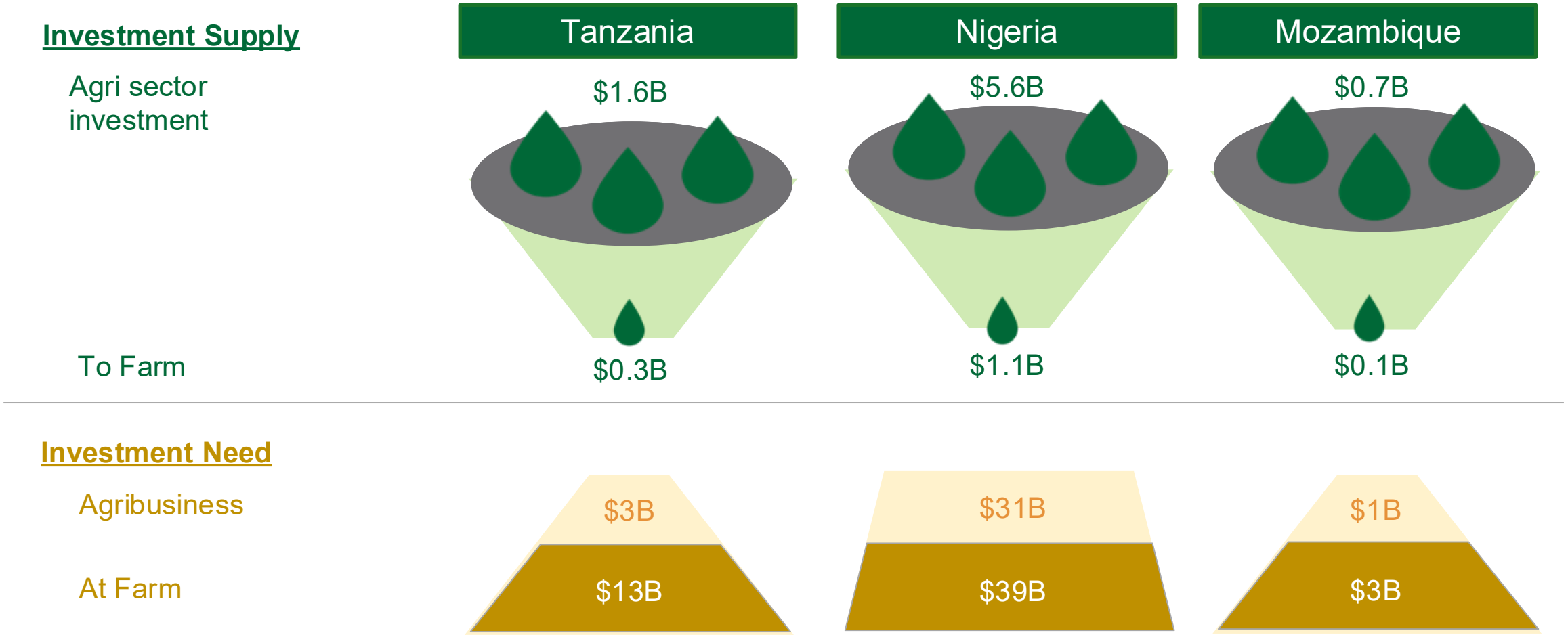
The research quantifies mismatch between where investment is needed and where it is going



Note: More details behind the aggregated numbers are found in the respective country report

The result is agribusiness investees — who rely on local competitive farming — underperform

Agribusinesses Introduced to CASA TAF by Investor Partners

$21M DFI investment

Oil seeds processor

Ethiopia

Factory utilization of 40% due to low productivity of local supply, weak linkage to market, price expectation mismatch

$6M impact fund investment

Rice processor

Nigeria

Inconsistent and unpredictable sourcing as floods become more frequent. Price paid to farmer too low to secure volumes and utilization

$14M DFI / impact fund investment

Agri-tech platform

Ghana

Growth expectations cannot be realized without combined circular input and offtake model to smallholders

$27M DFI investment

Coffee trader

Tanzania

Working capital alone insufficient to drive market share growth and secure enough coffee at right quality point in market

Source: CASA TAF data & analysis

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The solution aligns investors and agri-SMEs on shared value models that unlock investment

Solutions Deployed by CASA TAF Alongside Investor Partners

$21M DFI investment

Oil seeds processor

Ethiopia

Agent-based sourcing model building trusted relationships with farms and seeds on credit eventually reaching 100,000 farms+

$6M impact fund investment

Rice processor

Nigeria

Support shift to flood-resistant seed varietals through seed multiplication and outgrower model to farmer suppliers

$14M DFI / impact fund investment

Agri-tech platform

Ghana

Support agents who just buy from farmers to diversify offering to inputs, mechanization to eventually reach 100,000+ farms

$27M DFI investment

Coffee trader

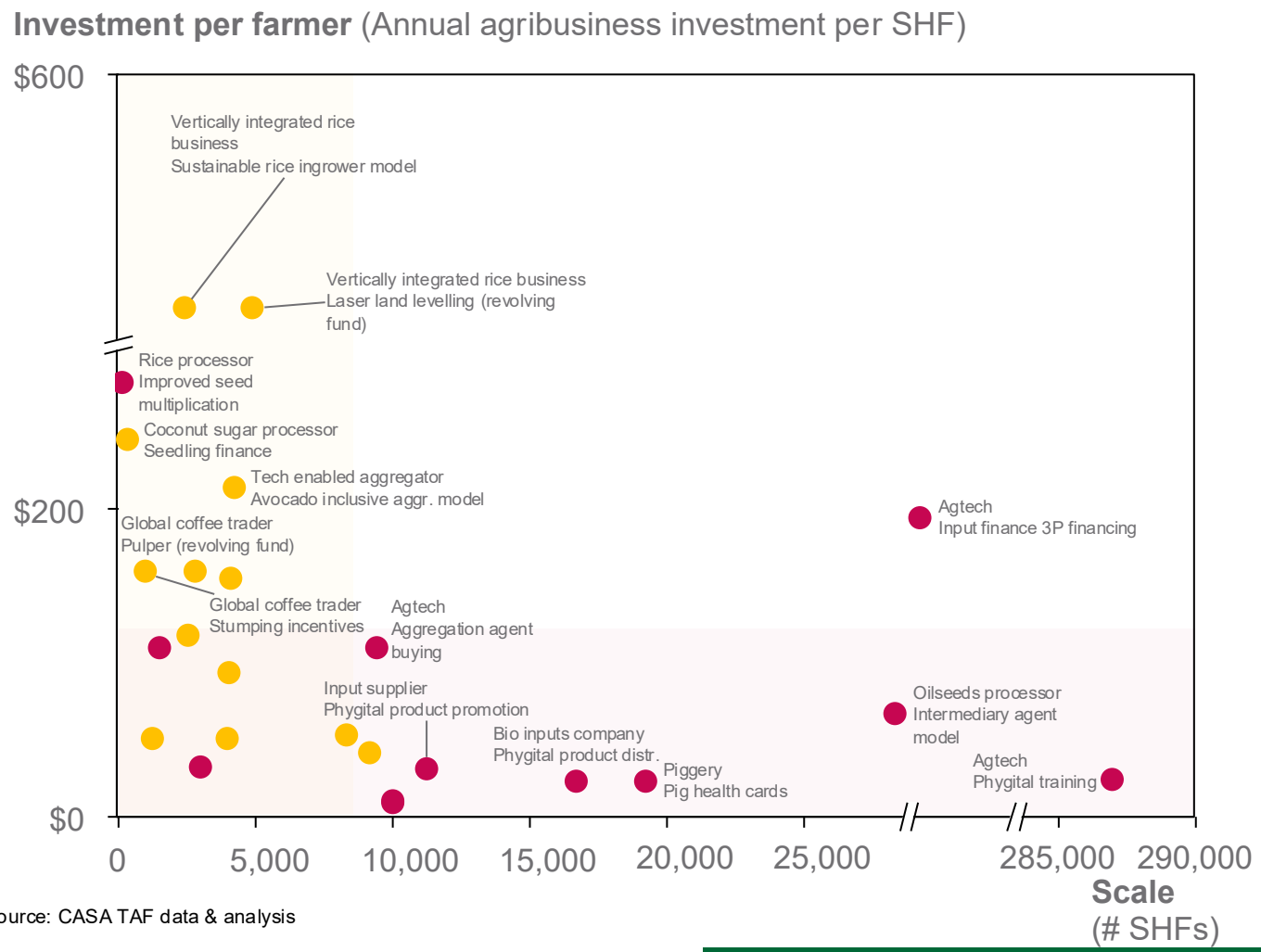
Tanzania

Establish farm-supplier gold-silver-bronze segmentation and loyalty programme to provide services including finance and agronomy

CASA TAF public case studies available on each of the above

CASA TAF is generating data and insights on different solutions and how to scale

Modelled annual investment per farmer vs. number of farmers (pilot phase)



Source: CASA TAF data & analysis

Business case data from supporting **88 businesses**

Updated with actual data as initiatives come online

5 public learning papers and **10** public case studies published

3 FCDO Missions set up Country-level "spin-offs"

Annual TA in person learning event for practitioners

Reports accessible here.

The main lesson is a framework for how to unlock farm-level investment

Green and Inclusive Growth Ladder

	Typical growth and adaptation needs	Typical investment per farm
Extend finance for growth and resilience	Appropriate inputs, water, and mechanized solutions central to growth and adaptation	$500-1000
Commercial extension provision	Understanding right inputs and adaptation priorities informs credit priorities	$100-300
Structured buying relationship	Allows for premiumization / differentiation / incentive for quality. Collateral for securing finance	<$100

Example companies

Notable minority of CASA TAF businesses willing to invest further to advance growth priorities

Most CASA TAF supported businesses investing to strengthen marketing and sourcing

Source: CASA TAF data & analysis

Commercial fundamentals and management capacity are drivers to unlock investment

	Basic Conditions	Success Factors
Finance	Company financially stable Willing to make level of investment required	Access to working capital
Management	Trustful relationship with company mgmt Management buy-in to vision	Champion w/ long-term vision; adaptive mgmt Strong middle mgmt and ability to absorb TA
Design	Impact projections attractive Business model attractive	Commercial materiality of opportunity Timeframe to implementation

CASA TAF public learning paper unpacks these drivers, why they are so important, and implications

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Motivated actors are testing innovative solutions to also unlock finance to more agri-SMEs

Problem Statement	Solutions	
Finance solutions address needs of a relatively narrow segment of agribusinesses This is a function of specific risks of investing in agribusiness and of financial institution capacity Result is majority of agri-SME sector lack access to financial products that meet their needs And risk that increased finance in sector going to "usual suspects" and/or struggling to be mobilized	**Market Creation driven by leading DFIs like FMO**	• Support origination of growth focused agri-SMEs and connect to right investors • Leverage full DFI portfolio - direct intermediary, FI - and build synergies across portfolio
	Financing innovation driven by efforts of donors like FCDO and others	• Smart incentives to local FIs to incentivize lending • Fund of funds for more dynamic agri-fund sector • Funds focused on smaller SMEs or working capital • De-risking mechanisms for investments in local FX

CASA also sees a need to combine the shared value approach with models focused on FIs

Problem Statement

CASA supported agri-SMEs are now investing in farms and realising the business case

However, agri-SMEs ability to invest their own capital is capped as competing priorities require that investment

Going from pilot to scale therefore requires working with banks to develop finance products delivered and distributed by motivated agri-SMEs

Actors working on shared value with agri-SMEs (like CASA) typically operating in silos from actors working on local banking sector reform

Internally, typical DFIs silo financial sector and agri teams. Synergies therefore not obvious

Solution

Future focus:
Market creation efforts of DFIs like FMO unlocking synergies across agri and FI portfolios to help develop new (tech-enabled) financing solutions. Specialists like Aceli critical.
Piloted by CASA Plus

Continued efforts:
Design and implementation of solutions aligning investors and agri-SMEs on shared value models that build foundations for farm-level investments.
Sustained by CASA Plus

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Final thoughts

1 **Different actors are trying to solve the same underlying challenge which yields a common investment priority**

Investors and development actors approach agriculture with different objectives: compelling returns or climate resilience or food security or inclusive trade or smallholders. The underlying, overlapping shared objective is unlocking investment that reaches the farm

2 **Increased collaboration between development actors and investors requires clarity on their shared challenge**

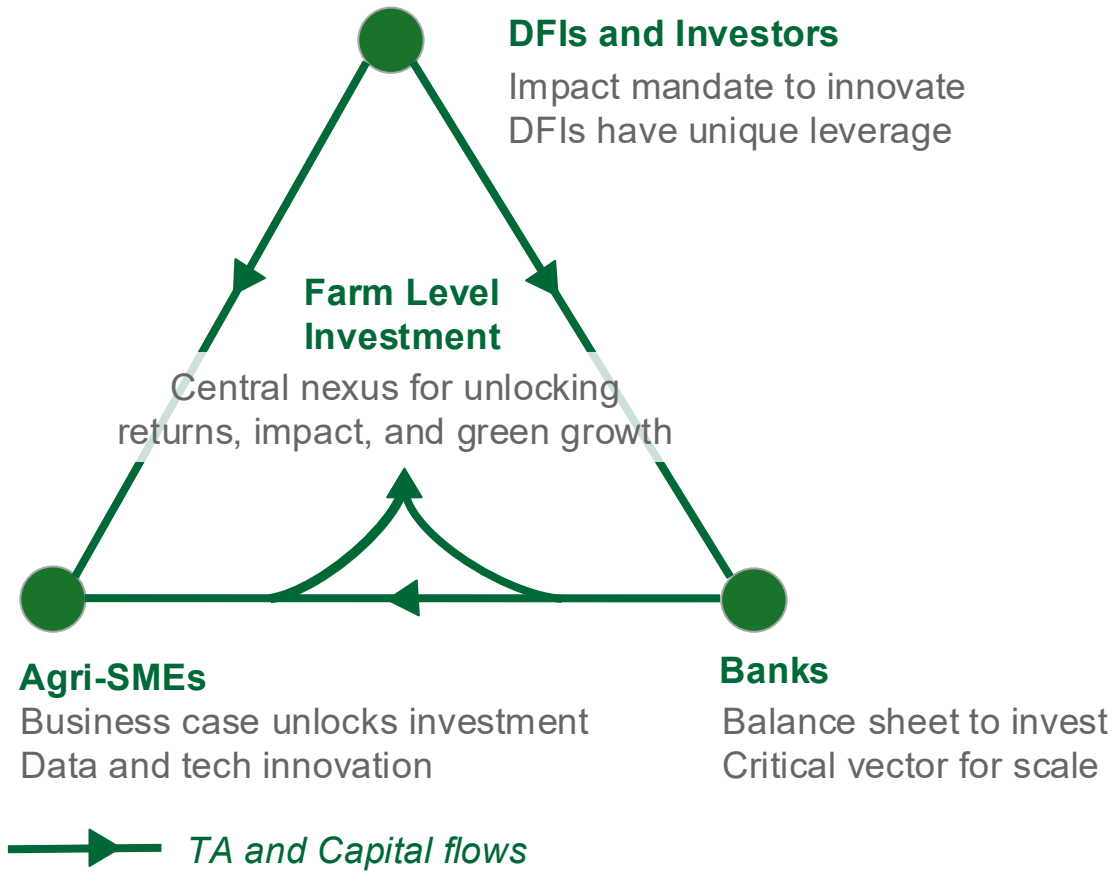
The primary production investment need across only the three profiled countries is over $50B. Donors and investors will need to collaborate to bridge that gap. Any partnership must be built on shared value creation to address needs of both investor and donor

3 **Engagement with partners suggests that shared clarity is not currently present**

TA often treated as a donor “top-up” rather than core value creation strategy by many investors. The link between productivity of supply chain partners (farmers) and agri-SME success is inconsistently understood. Use of SDGs or similar proxies to validate development additionality creates confusion around value and impact drivers.

Recommendations

- Investors and development actors need to align objectives on farm level investment as central nexus for unlocking returns, impact, and green growth.
- DFI role as investor in bank, funds, and agri-SMEs and focus impact mandate makes them essential scaling actor; Donors should absorb early risk in new agri-finance pathways.
- Scale will require:
  1. **Inclusive TA** to build business case and unlock investments into agriSMEs
  2. **Affordable, patient capital** for on-lending to farms leveraging balance sheet from local FIs
  3. **Data and technology innovation** to de-risk and improve economics of farm lending



Source: TechnoServe analysis

Next steps

Through the Center Of Expertise, **CASA expanded the evidence base** conducting in-depth agri-finance mapping in **7 African countries**, highlight critical adaptation pathways given varied market context.

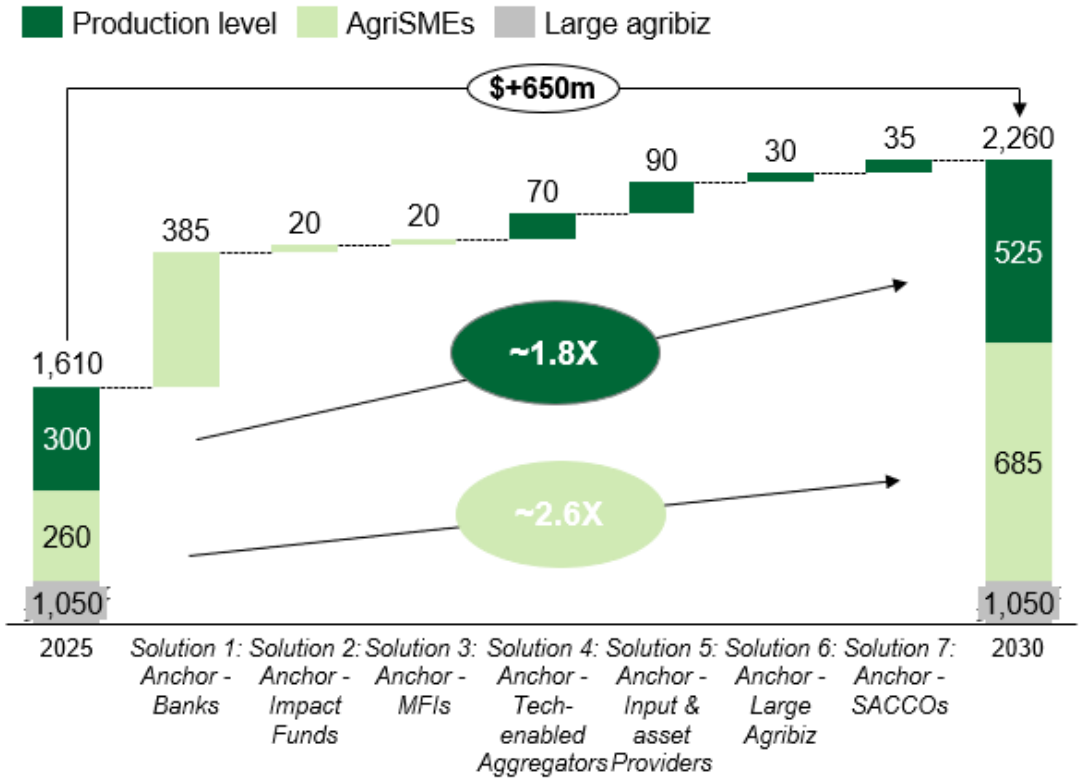
A **technical solution-oriented document** consolidates insights, including:

- Framework for agri-finance solutions
- longlist of potential intervention models
- CASA case studies with directional capital mobilization leverage

Similar **action-oriented roadmaps** like the Tanzania example were developed in Kenya, Sierra Leone, South Africa, and Uganda, with tha ambition **influence future programming** for FCDO and partners.

Tanzania example: Market Level Agriculture Sector Investment Roadmap

Est. annual investment into agriculture sector in Tanzania (USD M)



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3 **Additional Detail - Methodology and Tanzania Example**

The following report provides an overview of agri-financing demand and supply in Tanzania

CONTEXT: Agriculture remains a cornerstone of the Tanzanian economy, contributing 24% of GDP

- The sector employs **9M households** (avg. 2 hectares), **65% of total workforce**
- **100k agribusinesses** operate across value chains, **70% of which are in local food crops**

DEMAND: 80% of the $16B investment need in Tanzania is at the production level

- **Farmers**: **$1.5k is needed per HH**, with **~90% for working capital** to access quality inputs and expertise for yield and resilience
- **Agribusinesses**: **Crop purchase account for 50-80% of investment need** across business type and size. Bulk of investment need comes from **local food agribusinesses** (40%) and enablers (32%)

SUPPLY: Only $1.3B (10% of total demand) is available, with ~80% directed to agribusinesses

Level 1 (Capital providers): **40% of agri-financing** comes from **public funders** (donors, DFIs, MDBs, Tanzanian government), followed by consumer deposits (35%) and FDI (25%)

- While public capital flows mainly through programs, DFIs—accounting for only ~3% of inflows—have the broadest reach, investing across commercial banks, non-bank financial institutions (NBFIs), funds, and agribusinesses
- **FDI targets large agribusinesses** ($10M+ turnover), often via M&A and intracompany debt involving multinationals

Level 2 (Intermediary financiers): **<60% of agri-financing ($900M) flows through local banks**

- **Banks**: **~90% of bank credit to agriculture** is deployed through **TADB, CRDB, and NMB**
- **NBFIs:** Savings and Credit Cooperative Societies (SACCOs) and other NBFIs (e.g., ASA, BRAC, EFTA) provide **$150M in microfinance** to underserved MSMEs and farmers
- **Funds:** Regional impact funds (e.g., Acumen, AgDevCo) **deploy $20-30M**, mostly to export-oriented, tech-enabled enterprises

Level 3 (to agribusinesses): **~80% of agri-financing ($1.3B) flows to businesses**, mainly through FDI and local banks

- Large agribusinesses are nearly fully financed, while only **12% of MSME need is met**

Level 4 (to farmers): **~20% of agri-financing ($300M)** flows to farmers, **meeting 2% of their demand**

- 80% of farmer financing comes from concessional bank programs, SACCOS, and community institutions.
- **Value chain actors** such as off-takers and input suppliers provide the remainder **(~$60M)**, mainly in kind to farmers in structured value chains

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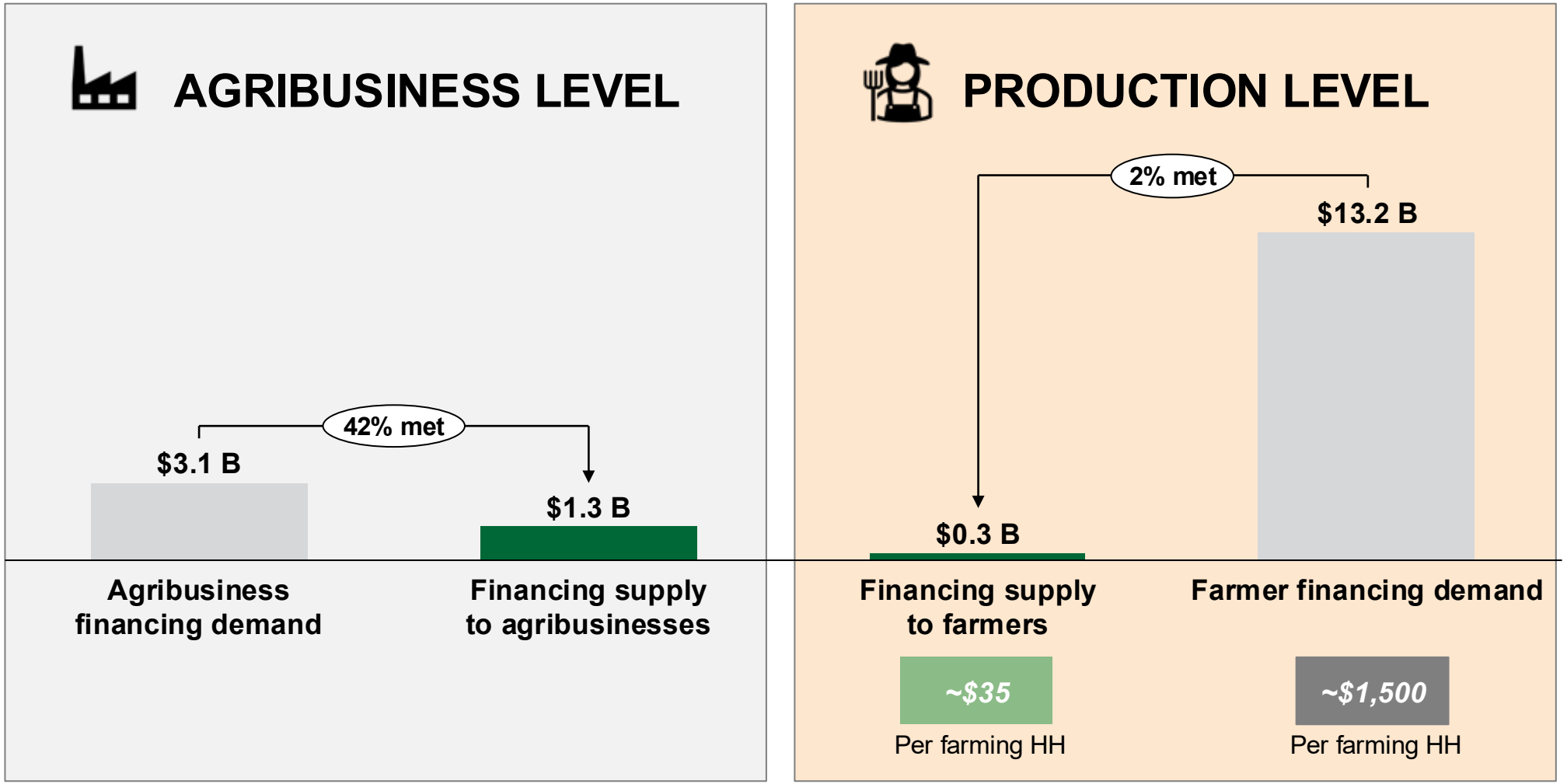
3 **Additional Detail - Methodology and Tanzania Example**
3A: INTRODUCTION

This report estimates the demand and supply of agri-investment at the agribusiness and production levels in Tanzania



Methodology - demand: we ran a bottom-up agricultural investment need estimation across top 13 value chains for both farmers and agribusinesses

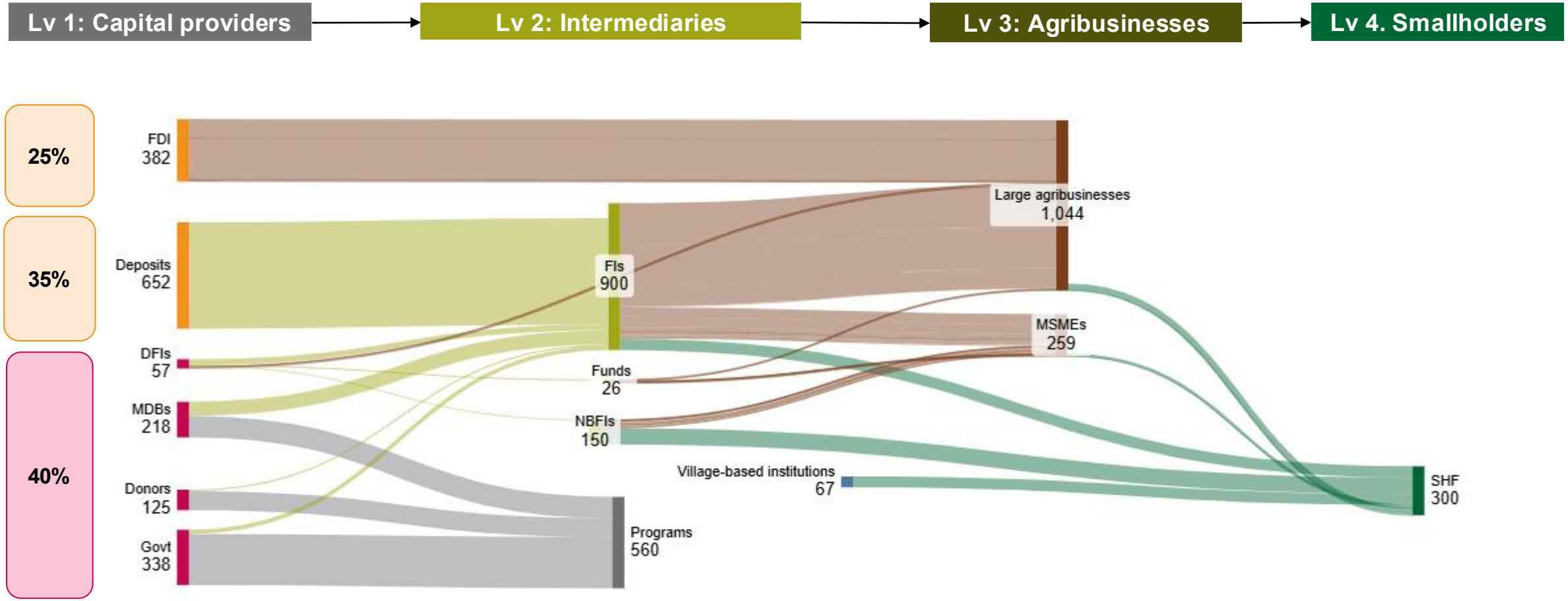
Type	Volume driver		Value driver		Total financing need
Farmers	**# of SHF households per value chain**, for top 13 value chains by production value	×	**Annual avg. financing need / HH** in each value chain *Required to reach climate resilience, implementing regenerative practices* **Annualized CAPEX** (e.g., machinery, infrastructure, irrigation) **OPEX** (e.g., labor, inputs)	=	**Total estimated financing demand for smallholder farmers**
Agribusinesses	**# of agribusinesses by:** • Business orientation (local, export, enabler, agtech) • Annual turnover segment[1] (micro, small, medium, large)	×	**Annual avg. financing need / agribiz** in each segment *Required to upkeep current level of operations* **Annualized CAPEX** (e.g., machinery, infrastructure) **OPEX – crop purchase** **OPEX – other** (e.g., overhead)	=	**Total estimated financing demand for agribusinesses**

1. We employ the following categorization: Micro = <0.1M USD, Small = 0.1-0.5M USD, Medium = 0.5-5M USD, Large = 5M+ USD
Note: # of SHF households from industry reports, # of agribusinesses and avg. financing needs from value chain experts, avg. financing needs from value chain participants

Methodology - supply: We conducted an extensive exercise to track and quantify agri-finance flows through the sector

Estimated annual agri-financing flow (Tanzania)

HIGHLY DIRECTIONAL



Source: CASA analysis based on methodology

Methodology - supply: we used different sets of databases for each flow of finance, including the CASA TAF program data

Level	Type	Methodology	Exemplary sources	Assumptions / commentary
1	DFIs/MDBs[1]	Analysis of 2015-2024 investments published by main DFIs and MDBs to identify *agri-specific* (e.g. direct investment into agribusiness) and *cross-sectorial* investments with partial relevance to agriculture (e.g., financial institution with exposure into agri, sector-agnostic SME fund)	• DFI publications • MDB publications	15% ag share of cross-sectoral DFI / MDB investments (after reviewing exposure into agriculture for all cross-sectorial DFI/MBD investments one by one)
	ODA	Analysis of OECD 2015-23 data on ODA to Agriculture, Forestry, and Fishing	• OECD CRS database	Does not capture cross-sectoral ODA; limited data on financing from private foundations
	Govt	Analysis of Ministry of Agriculture budget and capital injections into FIs for agri-lending	• Ministry of Agriculture • State DFIs	
	FDIs	Analysis of reported FDI and estimation of unreported foreign investments (e.g., shareholder loans from parent companies to country-specific subsidiaries)	• Central bank data • Agribusiness interviews	The large majority of FDI goes to large agribusinesses operating in the country (based on interviews to agribusinesses)
	Deposits	Analysis of the balance sheet of main banks, calculating the customer deposits out of their total liabilities	• Balance sheets from banks	~70% of funding for banks comes from depositors (e.g., ~68% for NMB and 75% for CRDB in 2024)
2	FIs	Estimation of FI lending to agri-sector in country through triangulating different sources of data.	• Central bank data • FI annual reports • Industry reports • FI interviews • Aceli Africa	Triangulation of different databases on bank assets and outstanding loans based on data availability
	NBFIs	Estimation of NBFI lending (non-bank MFIs, NGOs, SACCOS/cooperatives) to agri-sector in country through industry reports	• MFI annual reports • Central bank data • Industry reports	Definition and sub-categorization of NBFI varied greatly by country. Community-based NBFIs were accounted mostly for farmer lending
	Funds	Analysis of portfolios of funds that have investment in agribusinesses	• Fund websites • CASA TAF dataset	Average ~10 yr time horizon per investment for annualization (8-10yr avg lifecycle)
	Programs	Qualitative analysis of largest agri-focus programs, incl. objectives, recipients, timeline, financing structure	• MDB / govt reports • Program publications	
3	Agribiz	Estimation of Lv 1 and Lv 2 financing supply flow into different segments of businesses by revenue size and business segmentation	• Expert / agribusiness interviews • CASA data (value chain financing) • Industry reports	Lending between agribusinesses excluded for simplicity
4	Farmers	Triangulation of expert interviews, CASA data, industry reports to derive annualized supply of credit and extension based on total # of HHs, % of HHs with access to credit / extension, avg. credit / extension package / HH		Majority of farmers (>90%) in local farming

1. AfDB, World Bank, and IFAD tagged as MDBs, consequently taken out from ODA to avoid double-counting

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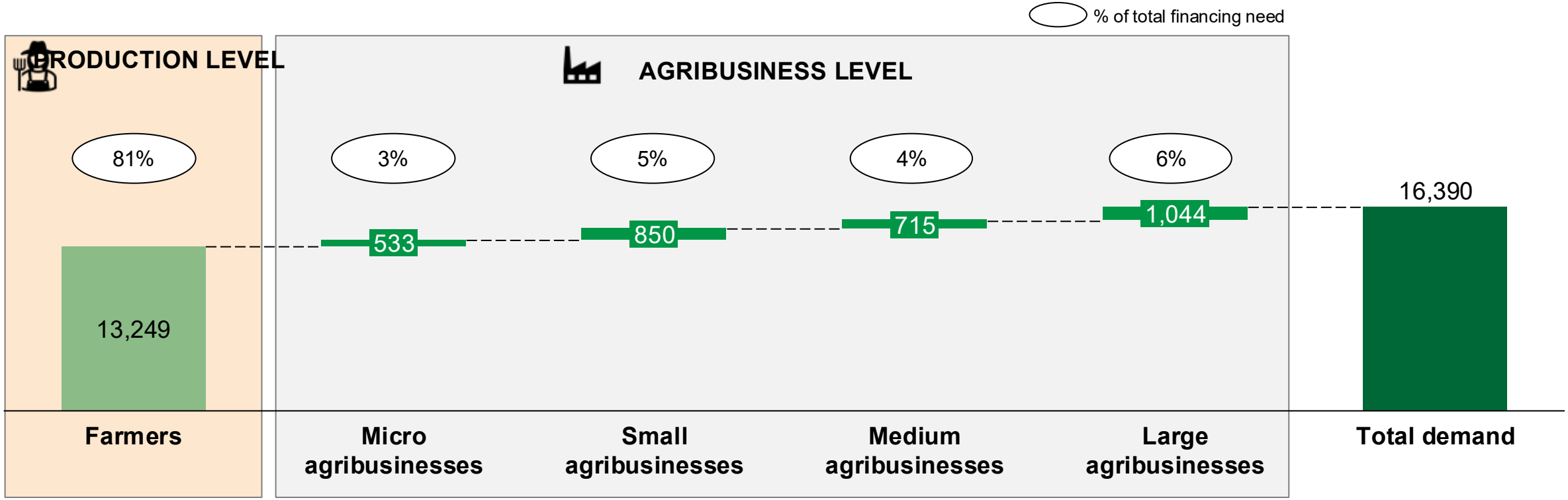
3B: DEMAND

80% of the $16 bn agricultural investment need is at the production level

Overview of estimated annual ag-financing demand (USD mn)



Average financing need per unit (USD)

Farmers	Micro agribusinesses	Small agribusinesses	Medium agribusinesses	Large agribusinesses
1.5k	~6k	~140k	~1.5mn	~11mn

Source: stakeholder interviews, industry reports, team analysis

Smallholders dominate across local and export value chains in Tanzania

DIRECTIONAL

Value chain segment	Strategic value chain	Production value (USD mn)[1]	Production (k ton)[1]	% p.a. (2018-2022)[1]	Geography[2]	# SHF[3] (m)	SHF production %[4]
Local staple crops	Rice	1.4k	3.7k	-4%	North-South	1.3	95%
	Maize	1.3k	6.3k	-2%	Nationwide	4.8	95%
	Banana	1.2k	3.4k	1%	North-South	1.8	95%
	Cassava	1.1k	7.2k	-7%	North-South	0.7	100%
	Beans	1.0k	1.2k	5%	North-East	1.5	95%
Local cash crops	Beef	2.2k	0.5k	3%	North-Center-South	1.8	80%
	Dairy	1.2k	2.8k	9%	North-Center-South	0.2	80%
	Vegetable	0.6k	1.9k	0%	Nationwide	0.5	95%
	Poultry	0.4k	4.3k	12%	Nationwide	3.7	70%
Export cash crops	Tea	0.3k	0.01k	-7%	North-South	0.03	50%
	Cotton	0.3k	0.03k	8%	North	0.5	95%
	Cashew	0.2k	0.02k	-9%	South-East	0.7	95%
	Coffee	0.1k	0.01k	10%	North-South	0.5	80%

Source: 1. FAOSTAT (2018-2022); 2. Highly directional estimates triangulated based on expert interviews; 3. Tanzania's National Bureau of Statistics, which defines SHF as "agricultural households" with <25 ha. While the SHF threshold is high, the average farm size continues to be ~2 ha in Tanzania; 4. Calculated as SHF cultivated area out of total area, mainly with AASS 22/23 report

Tanzanian farmers require ~$13 bn annually, ~80% of which is for OPEX

DIRECTIONAL

Value chain segment	Strategic value chain	SHF count (HH mn)[1]	Average unit / HH	Annual financing need / unit (USD)	CAPEX %	OPEX %	Total financing need (USD mn)
Local staple crops	Rice	1.3	1 ha	1,039	4%	96%	1,784
	Maize	4.8	1 ha	610	2%	98%	3,895
	Banana	1.8	<1 ha	2,057	34%	66%	838
	Cassava	0.7	1 ha	1,010	1%	99%	798
	Beans	1.5	1 ha	410	2%	98%	471
Local cash crops	Beef	1.8	10 heads	134	52%	48%	2,439
	Dairy	0.2	5 heads	260	42%	58%	263
	Vegetable	0.5	<1 ha	1,017	26%	74%	402
	Poultry	3.7	100 birds	1,030	13%	87%	627
Export cash crops	Tea	0.03	<1 ha	1,062	29%	71%	13
	Cotton	0.5	1 ha	853	18%	82%	321
	Cashew	0.7	1 ha	610	2%	98%	564
	Coffee	0.5	<1 ha	2,167	28%	72%	240
				Weighted average:	**16%**	**84%**	

1. SHF households typically engage in more than one value chain
Source: stakeholder interviews, industry reports, team analysis

An estimated 100k agribusinesses are active in Tanzania

DIRECTIONAL		MICRO(<$0.1M)		SMALL ($0.1-0.5M)		MEDIUM ($0.5-5M)		LARGE ($5M+)	
Segment	**Value chain**	**#**	**Examples**	**#**	**Examples**	**#**	**Examples**	**#**	**Examples**
Local staple crops	Rice	3,000	Small-scale millers.	25	AA Nafaka Stores, Mpendak	10	Kapunga Rice Plantation	5	Mtenda Kyela Rice Supply
	Maize	30,000	Local hammer mill operators	2,000	Brima Food, Byton Group	90	Basic Elements, G2L	1	CPB (excludes SSB, MeTL)
	Banana	300	Small-scale banana ripening	20	Mountain Taste Food, Briaco	4	Mo & Hughes Solutions	1	Badara Export Company
	Cassava	100	Small mills/processors	90	Cassava Starch of Tanzania	50	Elite Agro	5	Bora Foods Company, Kipipa
	Beans	0	-	1	Mpendakazi	1	Ikuwo Beans, Paradise Exim	0	-
Local cash crops	Beef	7,000	Small butcheries	250	Ina's Company, Truvisory	10	Arusha Meat Company	3	NARCO, Tan Choice
	Dairy	600	Small-scale dairy product makers	20	Dar Zoo, Kondiki, Kandiru	7	Grand Denam, Galaxy Foods	3	Milkcom, ASAS
	Vegetable	1,000	Small-scale local processing	85	FreshPack Tanzania	20	Kilimo Fresh Foods, EatFresh	20	Avoafrica, Africado
	Poultry	7,000	Small butcheries	30	Flogham, Songwe Hatchery	17	Mitobolo, Mkuza, Kingchick	9	Interchick, Kuku Poa, Frostan
Export cash crops	Tea	0	Traditional tea processors	5	Kazi Yetu, Dindira Tea	8	Mwakaleli Tea, Lupembe Tea	5	Wakulima Tea Company
	Cotton	0	-	10	Chesano Cotton Ginnery	48	Biosustain Tanzania	2	Jambo Group, MeTL
	Cashew	1,000	Small cashew processing	50	AA Nafaka Stores, Glory	5	Khebhanza Marketing	1	PYXUS
	Coffee	0	-	600	Kagera Cooperative Union	20	MCCO, GDM, DAE, BUKOP	10	Sucafina, Burka Coffee
Service providers	Inputs	5,000	Agrovets - Input vendors	500	Balton Tanzania Ltd	50	Maua Mazuri	20	Yara, Seed Co, Agrico PSA
	Traders	20,000	Local, informal traders	2,000	Mercantile Exchange PLC	15	Khebhanza Marketing	5	SSB (Bakhresa), Silverlands
	Agtech	30	Ag early startups	8	Nafaka Stores, Mpendakazi	5	VIABLE Tanzania	2	EAF, EFTA
	Total	~90k		~6k		~500		~100	

Source: stakeholder interviews, industry reports, team analysis

We segmented agribusinesses by size and business type

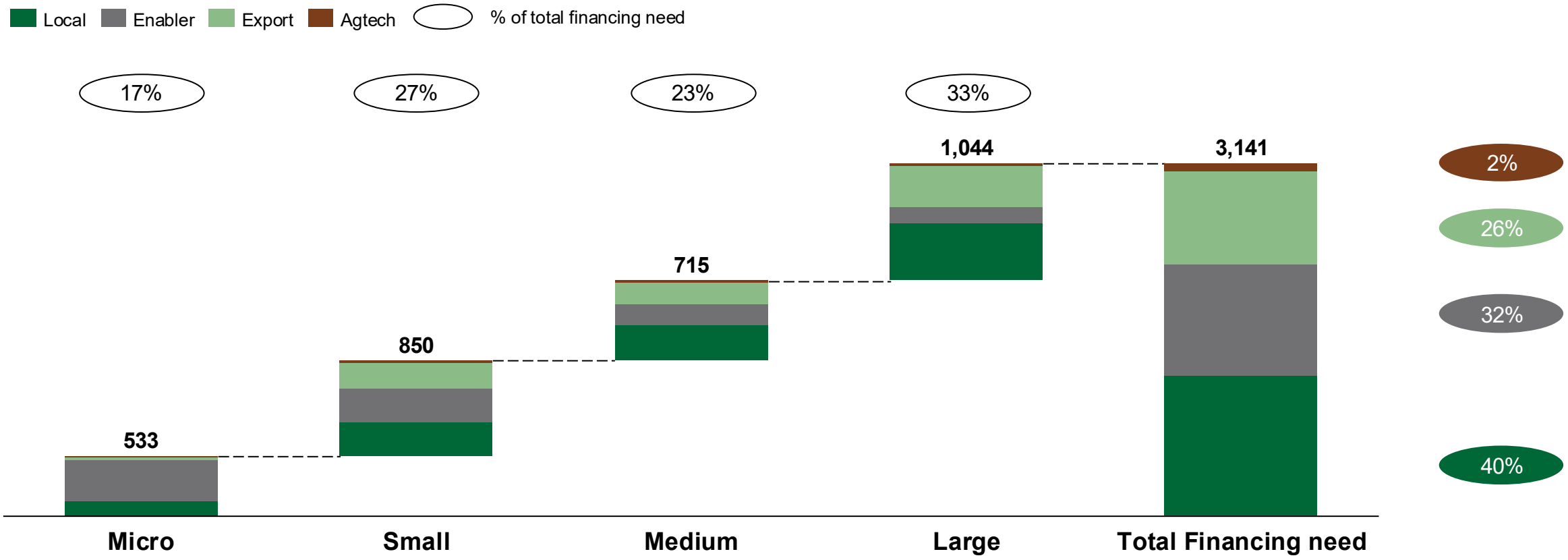
		MICRO (<$0.1M)	SMALL ($0.1-0.5M)	MEDIUM ($0.5-5M)	LARGE ($5M+)
		Village-level players with little to no mechanization	Inter-village players with some mechanization and regional market access	Regional players with increased value addition	Fully industrialized, often multinational players with high level of vertical integration
LOCAL	Aggregators / processors in local staple (e.g., maize, rice) or cash value chains (e.g., livestock, fishery)	local maize millers, milk collectors	Obri Africa, Shambani	EatFresh, Tanga Fresh	Bakresa, Kingchick, Kapunga Rice Project
EXPORTER	Aggregators / processors in export-oriented, high-value value chains	cashew WCPGs[1]	Kazi Yetu, Trianon Spices	Natural Extract Industries, YYTZ	Sucafina, Wakulima Tea Company, Alphonsa Cashew
ENABLER	Pre-production inputs / service providers, cross-crop aggregators / traders, post-production logistics providers	informal village agrovets	Guavay	AKM Glitters, BioBuu	ETG, MeTL, Yara
AGTECH	Tech-enabled disruptors with scalable business models (e.g., marketplace platforms, farm / business management apps)	pre-seed startups	Inspira Farms Cooling	MazaoHub	EFTA, EAF
	Estimated # of businesses:	**90k**	**6k**	**500**	**100**

1. Women Cashew Processor Groups
Note:: Framework is not completely mutually exclusive, as many players (esp. more mature ones) are vertically consolidated or play cross-crops (e.g., ETG)
Source: stakeholder interviews, industry reports, team analysis

40% of agribusiness investment need comes from local value chain businesses

DIRECTIONAL

Estimated annual agribusiness financing need by business type, Tanzania (USD mn)

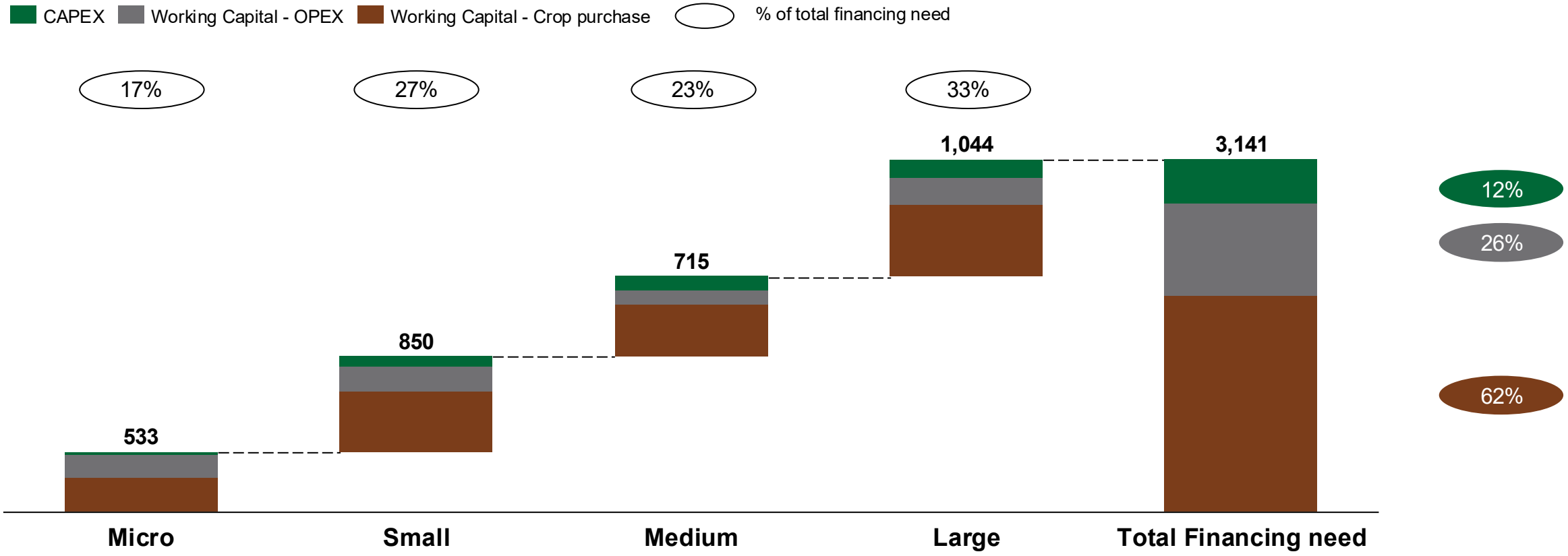


Source: stakeholder interviews, industry reports, team analysis

Among expenditure categories, crop purchase accounts for 60%+ of total agribusiness investment need

DIRECTIONAL

Estimated annual agribusiness financing need by expenditure type, Tanzania (USD mn)



Source: stakeholder interviews, industry reports, team analysis

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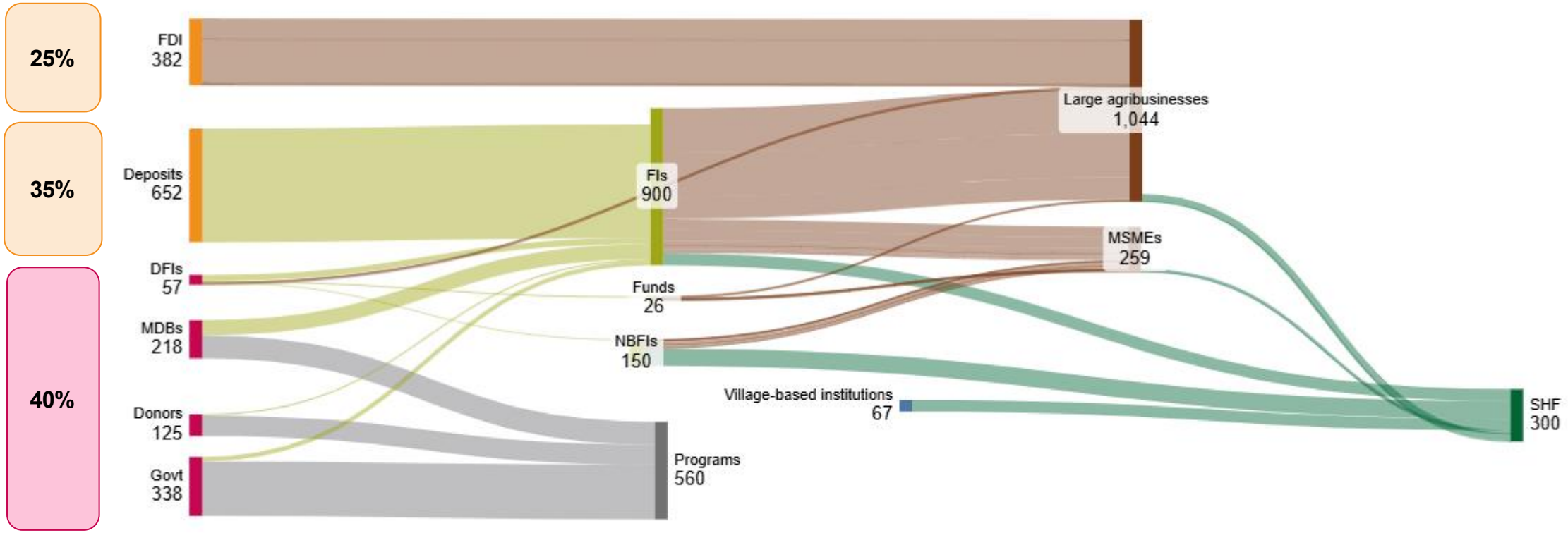
3 **Additional Detail - Methodology and Tanzania Example**
3C: SUPPLY

40% of capital entering the agricultural sector is from public sources

Estimated annual agri-financing flow (Tanzania)

Lv 1: Capital providers → Lv 2: Intermediaries → Lv 3: Agribusinesses → Lv 4. Smallholders



Note: Capital entering the agricultural sector at Level 1 is higher than the agri-financing available to agribusinesses and farmers due to many reasons, including capital spent on industry-wide enabling programs.
Source: CASA analysis based on methodology

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3C: SUPPLY – LEVEL 1 (LARGE CAPITAL PROVIDERS)

Deposits and FDI account for ~60% of capital entering Tanzania's agricultural sector

Breakdown of agricultural financing supply[1] in Tanzania

Share of total

Type	Estimated annualized financing supply (USD mn)	Share of total	Description	Direct recipients	Examples
FDI	382	24%	Long-term foreign investments in ag-related assets or businesses	Agribusinesses[3]	Sugar Illovo Africa, Unilever, Browns Investments
Deposits	652	35%	Customer deposits across banking products	FIs	
DFI[2]	56	3%	Public capital invested in private sector with development mandate	FIs, Agribusinesses, Funds, MFIs	British International Investment, FMO, PROPARCO Groupe AFD
MDB	218	12%	Public projects & reforms backed by institutions (financial/technical)	Programs, FIs	The World Bank, European Investment Bank
ODA	125	7%	Bilateral or multilateral aid to promote economic development	Programs, FIs	USAID, UKaid, AFD
Government	338	18%	Domestic public spending on programs or policies	Programs, FIs	
Total	1,771				

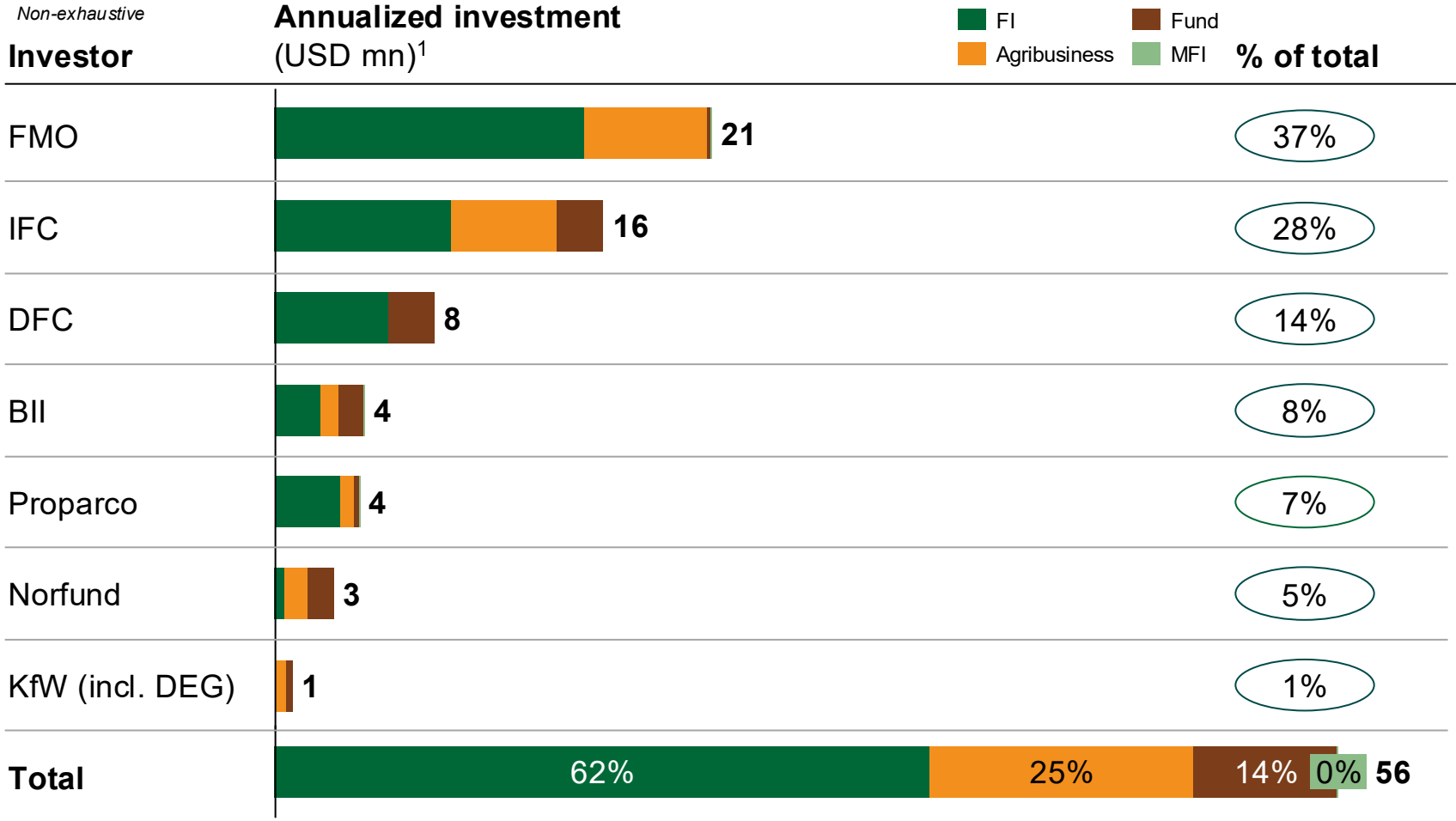
1. A few minor capital flows have been deprioritized for simplification, including private philanthropy and remittances; 2. While IFC can be considered a MDB, it has been classified as a DFI for this analysis, given their direct investments into financial institutions, agribusinesses and funds; 3. While FDI also targets FIs, we have excluded this segment due to low direct relevance to agriculture

Source: Outside-in research, institutional websites, team analysis

PUBLIC – deep dives to follow

DFI | 60%+ of DFI agricultural investments target FIs, with FMO and IFC contributing more than half of the total DFI capital in the sector

Non-exhaustive



Exemplary investments

FIs

NMB Close to you
CRDB BANK The bank that listens
I&M Bank

Agribusinesses

METL GROUP
ZSFL
SUCAFINA

Funds

- ARAF
- AgDevCo
- Phatisa Food Fund

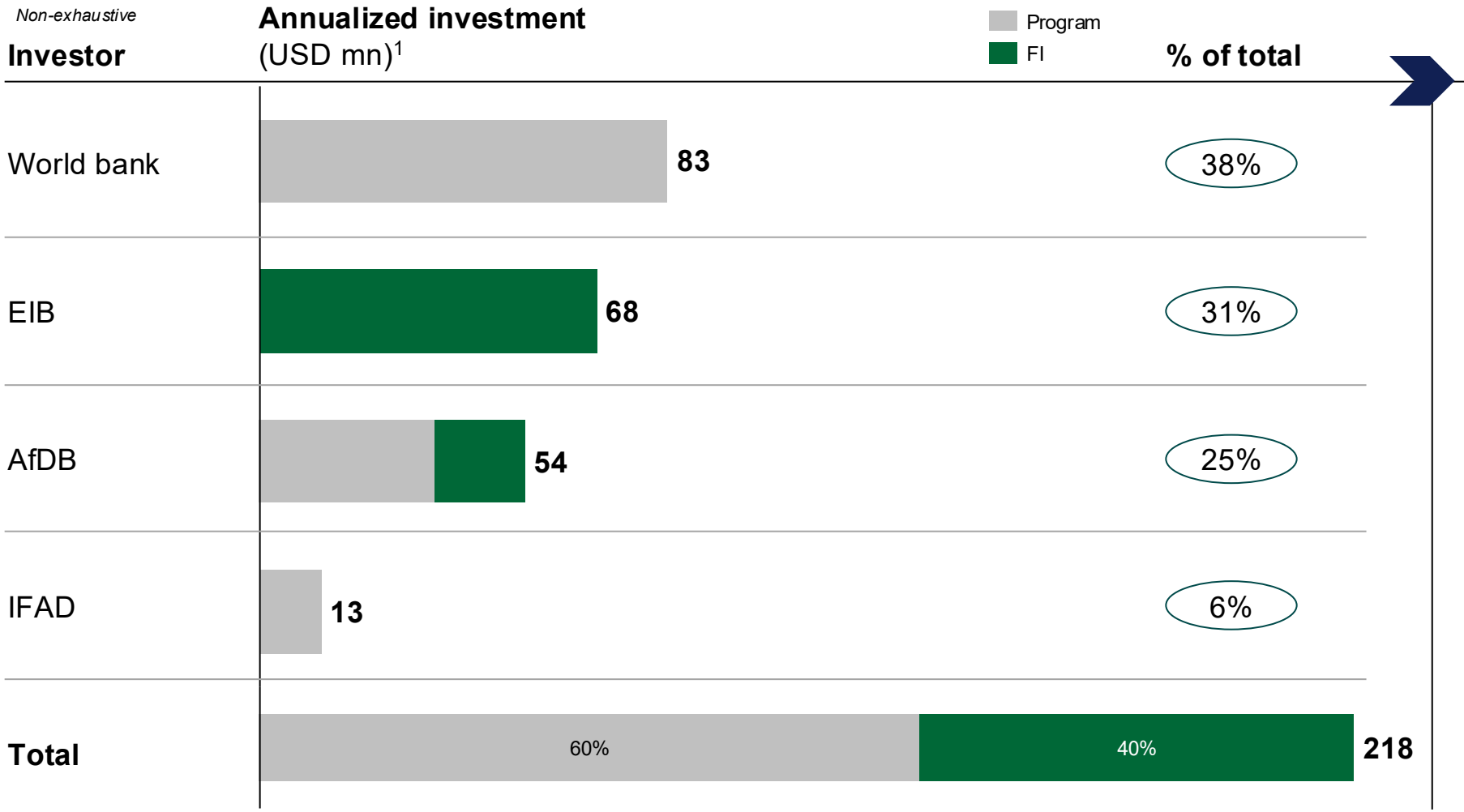
MFIs

brac Tanzania
Access Microfinance Bank Tanzania

1. Total investment amount multiplied with individual regional factor for each investment and cross-sectoral factor (15%) for non-ag specific investments, annualized based on assumption of 10 yr investment horizon
Source: DFI websites, team analysis

MDB | 60% of MDB investments go into enabling programs, and the rest into FIs

Non-exhaustive



Exemplary investments

Programs

- Building a Better Tomorrow
- (BBT-YIA)
- Tanzania Food Systems Resilience Program (TFSRP)
- Southern Agricultural Growth Corridor of Tanzania (SAGCOT)
- Second Inclusive and Resilient Growth Development

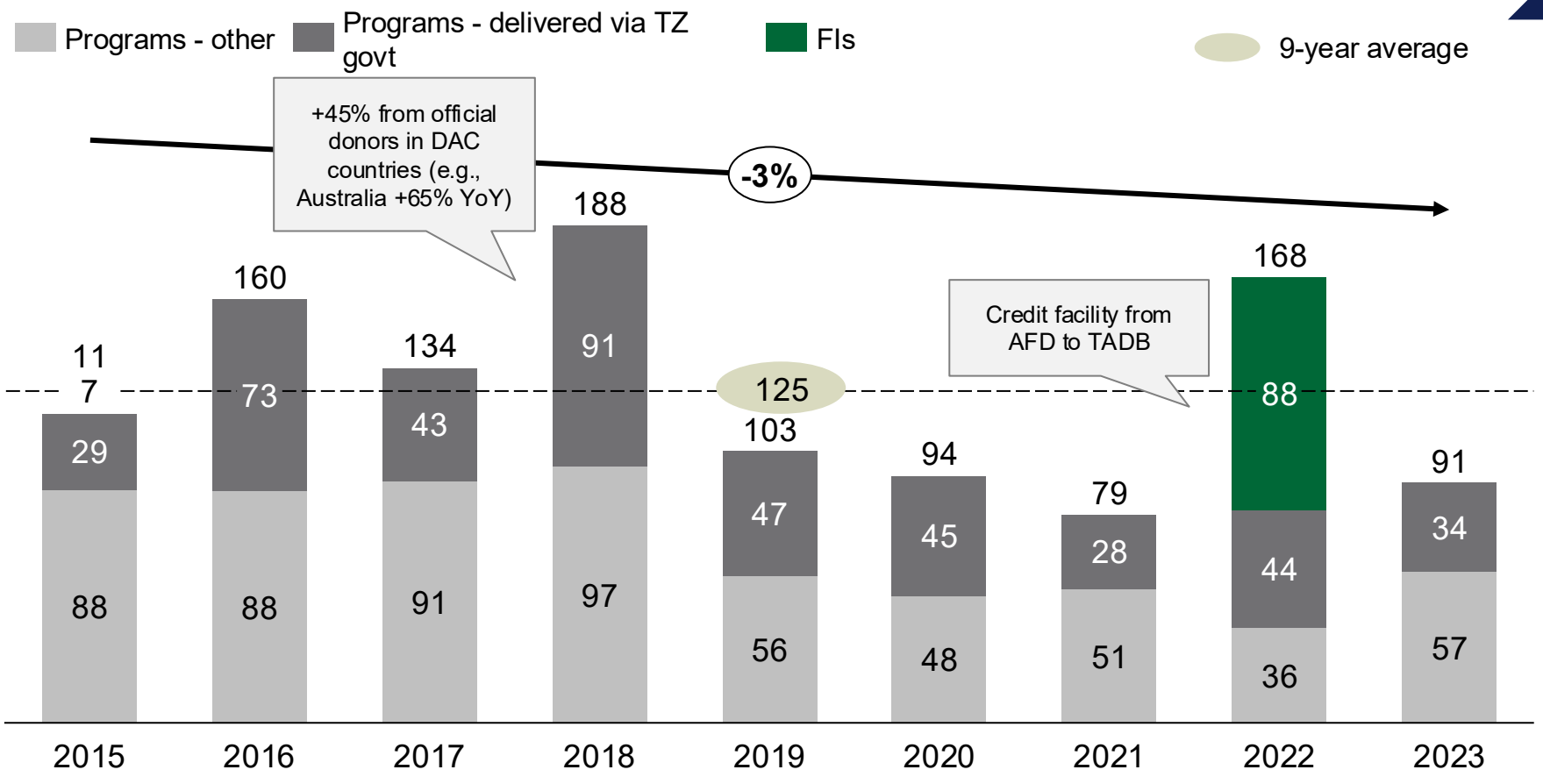
FIs

TADB Tanzania Agricultural Development Bank "The Farmers' Bank"
NMB Close to you
CRDB BANK The bank that listens

1. Total investment amount multiplied with individual regional factor for each investment and cross-sectoral factor (15%) for non-ag specific investments, annualized based on assumption of 10 yr investment horizon
Source: MDB websites, team analysis

ODA | Aid flows to agriculture are expected to decline further amid recent geopolitical challenges, including the USAID scale-back

ODA flow into agriculture (USD mn)



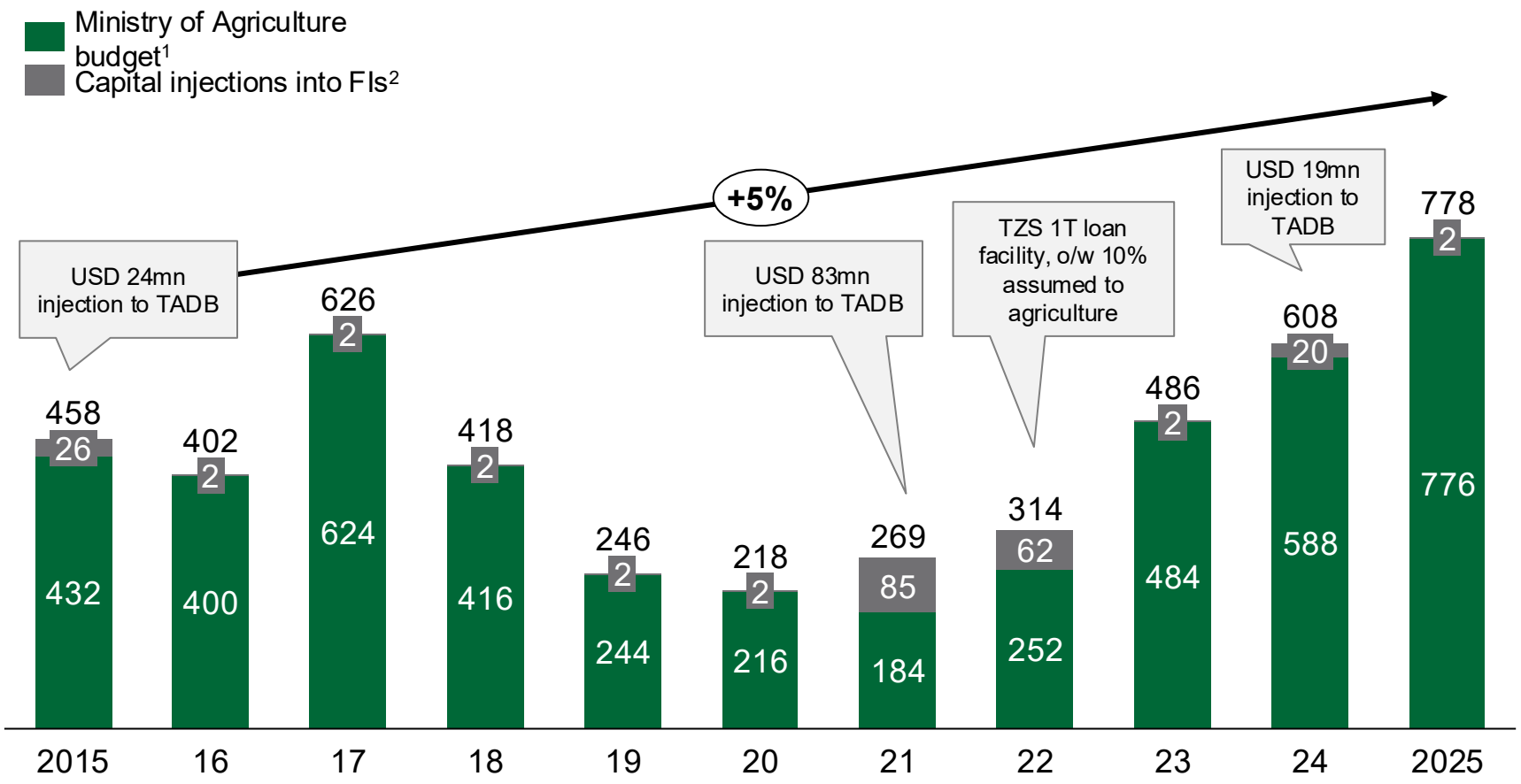
Key takeaways

- **USA historically among top donors**, but has halted many USAID programs in early 2025, including the $24M Tuhifadhi Chakula project
- **~40% of agri-specific ODA** flows through public sector channels, injecting aid into government-backed programs
- **AFD provided ~81 EUR mn credit line to TADB in 2022,** manly to improve SHF inclusion through SCGS

Source: OECD Creditor Reporting System database
Note: This view only captures ODA earmarked for agriculture, and therefore does not include donor financing into cross-sectoral programs that may have partial funding in agriculture

Govt | Public spending in agriculture has increased drastically since COVID, highlighting the central government's commitment to the sector

Governmental expenditure into agriculture (USD mn)



Key takeaways

- **45%+ increase in 2022-25, to support several large-scale agri programs** (e.g., ASDP II, TAIDF)
- **Majority of MoA budget going towards infrastructure,** with further investments in R&D / market access
- **MoA budget disbursement rates <50%** due to bureaucratic delays
- **Regular capital injections >50mn USD** into TADB and the 1T TZS loan facility in 2022

1. Reported numbers from the Ministry of Agriculture, without taking out ODA received. However, in the total supply aggregation we use the conservative estimate with received ODA portion excluded to avoid double counting; 2. Consisting of annualized capital injections to TADB over time, TIB recapitalization (estimated ~10bn TZS annually) and annualized 1 T TZS facility BoT provided to commercial banks

Source: Ministry of Agriculture (Wizara ya Kilimo), TADB

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3 **Additional Detail - Methodology and Tanzania Example**
3C: SUPPLY – LEVEL 2 (INTERMEDIARY FINANCIERS)

~84% of formal financing to agribusinesses and farmers comes from banks

Breakdown of agricultural financing through intermediary financiers in Tanzania

DIRECTIONAL

Type	Estimated annualized financing (USDmn)	Description	Examples
Banks	~900 (84%)	• 45+ licensed banks, o/w many providing agri. loans (typically secured) to MSMEs and some farmers • State-owned FIs often offering lower interest rates	TADB, NMB, CRDB BANK
NBFIs[1]	~150 (14%)	• 1,000+ non-bank FIs including no-deposit lenders & SACCOS • Loans often at high interest rates and extensive collateral requirements	ASA International, EFTA, brac
Funds	26 (3%)	• 40+ VC / PE funds making equity/debt investments in impact-driven agribusinesses • Ticket sizes varying between ~$50k to ~5mn+	Acumen, AgDevCo, CFC
Total	~1,030		

Enabling environment

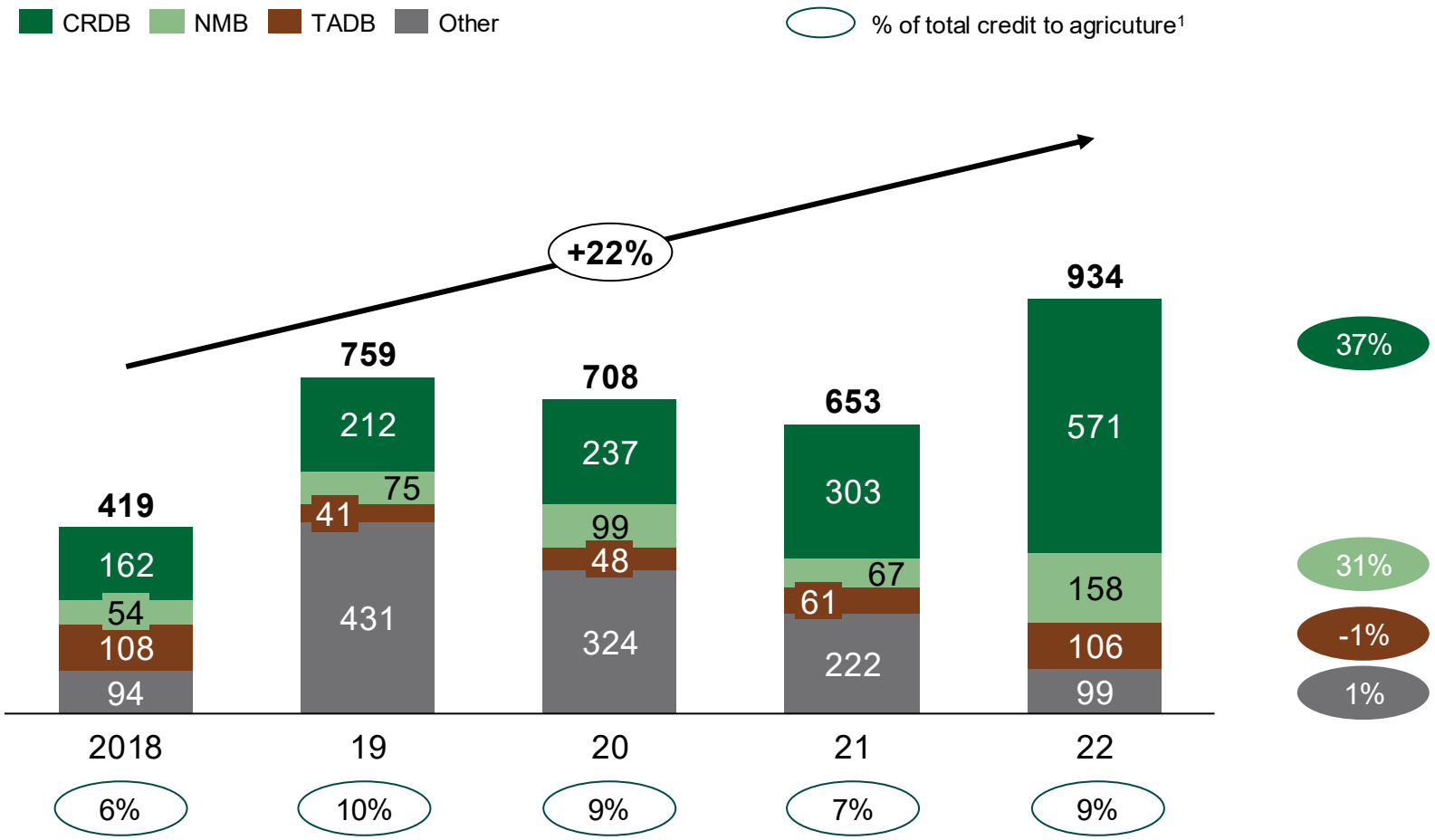
Programs	561	• Dedicated agricultural programs funded by different stakeholders to drive developmental progress	SAGCOT, bbt, Bill & Melinda Gates foundation, PASS

1. The total credit estimate does not include credit from informal community-based groups (e.g., ASCAs, ROSCAs), which is counted in the Level 4 overview

Source: Outside-in research, institutional websites, team analysis

Banks | Agricultural lending is expected to continue growing, with NMB, CRDB and TADB providing ~90% of the available lending

Estimated annual commercial lending from financial institutions (USD mn)



CAGR 2017-22

37%

31%

-1%

1%

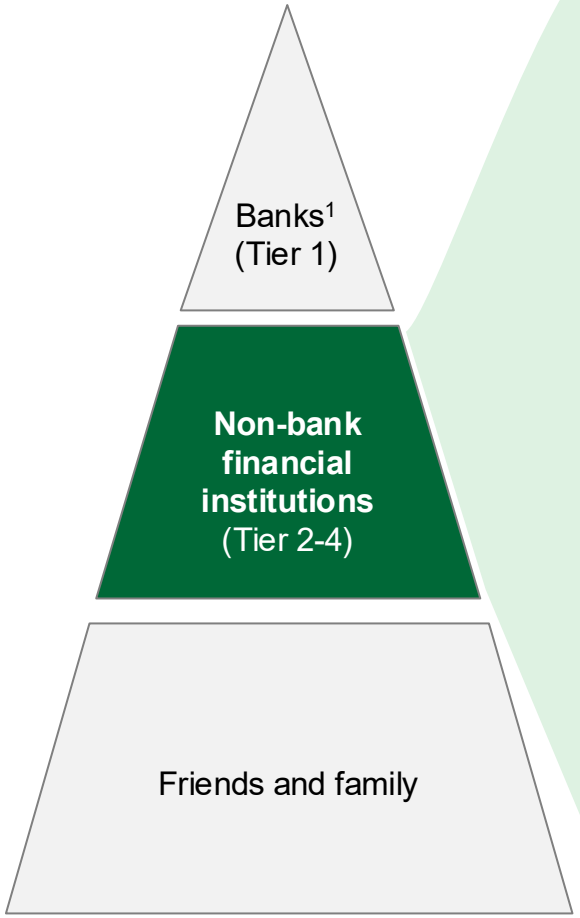
Key takeaways

- **NMB, CRDB and TADB** provide up to 90% of total agricultural lending
- **Strong growth in agri lending** (+22% p.a. 2018-22) despite temporary downturn during COVID, supported by TZS 1TR injection by government (2022)
- However, majority of lending continues to flow towards large agribusinesses
- **Financing of agri-SMEs especially difficult** due to low profitability, high lending cost, and lack of technical expertise and rural footprint
- "Other" category also includes 3 microfinance banks[2] that comprise 0.4% of total bank assets

1. Definition of agriculture includes fisheries and livestock; 2. Selcom, FINCA, VisionFund
Source: CRDB, NMB, TADB, NBS, EY Tanzania Banking Sector Report, Economics of Agri-SME Lending – Agrilinks, Annual Report 2023, Monthly Economic Review – Bank of Tanzania

NBFIs | With increasing formalization, non-bank FIs serve MSMEs and farmers with smaller, more accessible offerings

FI tiers under 2018 Microfinance Act



	Types	# of players	Description	Lending products	Ag relevance?
TIER 2	**Non-Deposit-Taking Microfinance Service Providers (NDTs)**	**1,600+** operators: ASA International, Victoria Finance, brac, EFTA Equipment Loans	• Diverse group including financial NGOs, leasing companies, credit-only operators focused on rural, peri-urban areas • Invested by DFIs, donors, funds, banks	Small credit for working capital, asset finance • TZS 100K – 5M • 30-50%+ interest rate (officially capped at 3.5% p.m., ~40% p.a.)	MSMEs & banked farmers as key segments; digital transformation & partnerships with larger banks boosting growth and lowering cost
TIER 3	**Savings and Credit Cooperative Societies (SACCOS)[2]**	**1k+ SACCOS:** • Salaried groups (e.g., govt employees) • AMCOS in export value chains	• Member-owned financial cooperatives for group savings & lending • Financed via member deposits, commercial banks, apex SACCOS	Small-medium credit for household to AMCOS-level needs • TZS 50K-20M+ • 8-20% interest rates	Expanding to other value chains and regions; strong growth outlook with new CoopBankTanzania (51% owned by SACCOS, AMCOS)
TIER 4	**Community Microfinance Groups (CMGs)[3]**	**50k+ groups:** • VSLAs, • VICOBAS, • ROSCAS	• Semi-formal, community-based savings and lending groups in rural areas • Financed via member contributions	Microcredit for short-term, immediate needs • TZS <500K • Variable, informal interest rates	Most ubiquitous, frequented option among farmers; exponential growth seen recently thanks to govt & NGO support

1. This segment includes microfinance banks that are deposit-taking and regulated much like commercial banks but with a focus on micro and small enterprises. The current three are FINCA, VisionFund, and SELCOM; 2. Regulated by Tanzania Cooperative Development Commission (TCDC); 3. VSLAs (Village Savings and Loan Associations), ROSCAs (Rotating Savings and Credit Associations), VICOBAs (Village Community Banks). Regulated under 2018 Microfinance Act with mandatory registration with BoT and local authorities. Source: BoT, TCDC, FSD-T

Funds | Impact investors concentrate on $250k–$5M deals, favoring hard currency

Key impact investors in Tanzania *(non-exhaustive)*

In order of increasing avg. investment ticket size

	SME Impact Fund	HOOGE RAEDT SOCIAL VENTURE B.V.	AFRICA EATS	dwb equity	CFC	ARAF Acumen Resilient Agriculture Fund	AgDevCo
Ticket size	$50-100K	$100K-250K	$50K-1M	$250-2M (for first check)	$500K-2M	$1.5-3M	$3M-15M
Format	Debt	Equity and convertible debt	Permanent capital, long-term equity	Mainly equity (debt as needed)	Equity and convertible debt	Equity	Mainly equity (convertible debt as needed)
Currency	TZS	EUR, USD	USD	USD	USD and TZS	USD	USD
Regions	TZ	KENY , TZ	14 countries across SSA	KENY, TZ, UG	KENY, TZ, NRA, UG	KENY, TZ, NRA, UG, GHAN	9 countries across SSA
Agri-investment focus	Post-prod. with value addition, VC-agnostic	Primary-prod, prioritize strong SHF link	VC-agnostic, prioritize mgmt. team and strong value prop	Post-prod., prioritize tech-enablement and scalability	VC-agnostic, prioritize strong SHF link, avoid pure ag-tech	Post-prod. with value addition and digital enablement	VC-agnostic, prioritize commercial growth potential
Agri-Portfolio (Tanzania, non-exhaustive)	medfood, Tausi	EFTA, YYZ, natural extracts industries ltd, ECA	Goldenpot, East Africa	TANGA FRESH, natural extracts industries ltd	East Africa, natural extracts industries ltd	East Africa	africado, EFTA

Est. USD 20-30 mn investment from funds to agribusinesses

Note: insights presented are constructed based on publicly available information and initial interviews with select investors
Source: Investors websites; Investor interviews

Programs | Key agri-specific programs in Tanzania are co-financed by MDBs and donors

Key govt-led agri-financing programs in Tanzania *(non-exhaustive)*

INITIATIVE	PROGRAM SIZE	TIME-LINE	DESCRIPTION	SMEs	SHFs	FUNDING SOURCE
Southern Agricultural Growth Corridor of Tanzania (SAGCOT)	USD 3.5 bn+	2010-2030	**Facilitate interaction between agricultural stakeholders** (e.g., government, businesses, development partners, cooperatives, farmers) **and drive agri transformation**	✓	✓	TZ Govt, World Bank, EU, FCDO, Norway
Private Agricultural Sector Support (PASS) Trust	TZS 2 tn (USD 800 mn)	2000 – present	**Provide partial loan guarantees** (typically 20-60%, and up to 80% for women and youth) to partner banks, which tops up inadequate collateral; expanding access through partnerships with digital MFIs like YAS and Victoria Finance	✓	✓	TZ Govt, Denmark, Sweden
Tanzania Food Systems Resilience Program (TFSRP)	USD 300 mn	2023-2028	**Support food systems resilience by** i.e., strengthening agricultural service delivery, adopting climate resilient technologies and driving fiscal performance	✓	✓	IFAD / World Bank
Building a Better Tomorrow (BBT-YIA)	TZS 387 bn (USD 148 mn)	2022 – 2030	**Establish at least one profitable youth-led agribusiness in each of the 12,000 TZ villages** to promote engagement of youth and women in agribusinesses for sustainable food systems and improved livelihoods	✓	✓	Ministry of Agriculture (24%), DPs[1], Private (76%)
Smallholders Credit Guarantee Scheme (SCGS)	TZS 320 bn (USD 130 mn)[3]	2018 – present	**Provide guarantees to partner financial institutions** to support agricultural lending. The SCGS **provides up to 50% cash cover to partner banks**[2] to guarantee agriculture loans	✓	✓	IFAD / TADB

Source: Litsearch; Note: 1. Development Partner such as AfDB, EIB; 2. Partner banks include CRDB, NMB, TPB, Stanbic, NBC, Azania, Absa, TACOBA, MUCOBA, Maendeleo, Uchumi, Kilimanjaro Co-op and Finca Microfinance; while the initial program funding is ~20M USD, SCGS has issued TZS 320 bn in loans to 600K farmers, 505 SMEs, and 529 AMCOS and farmer groups

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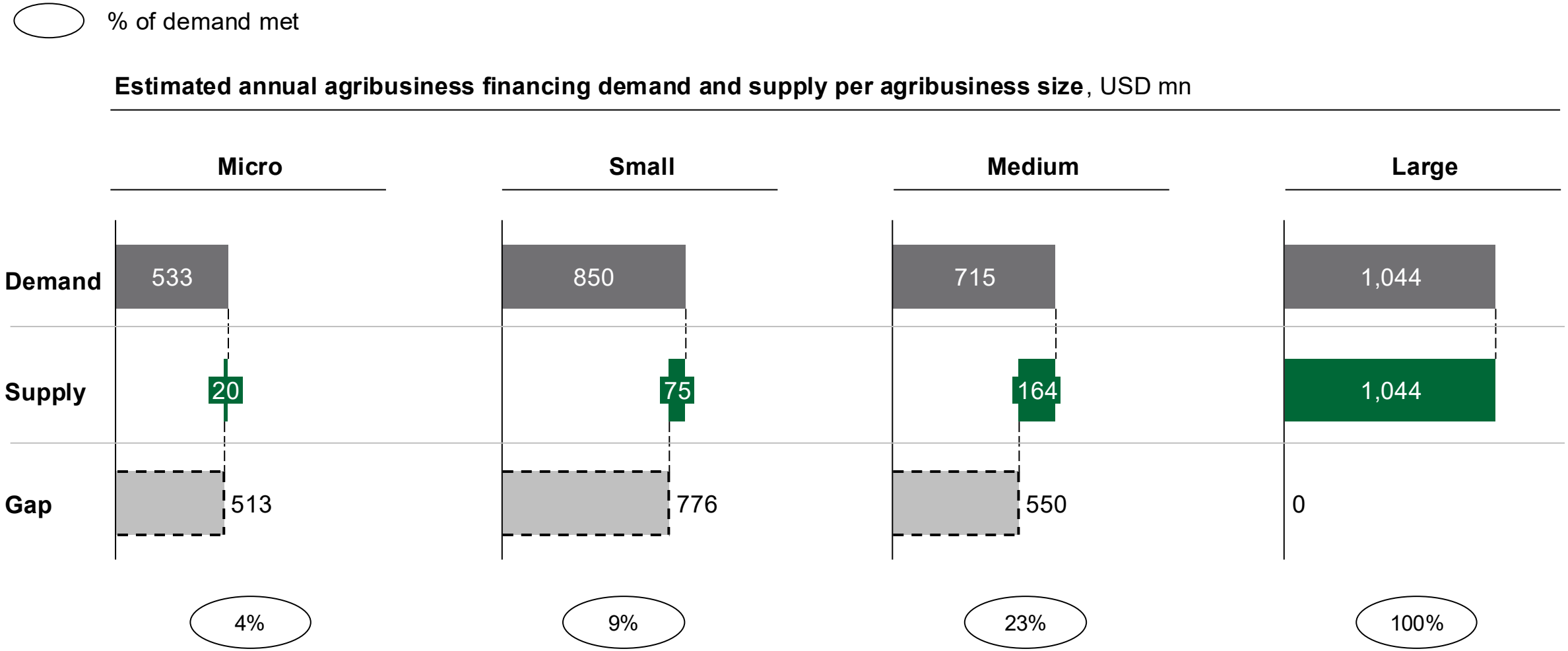
3 **Additional Detail - Methodology and Tanzania Example**
3C: SUPPLY – LEVEL 3 (Agribusinesses)

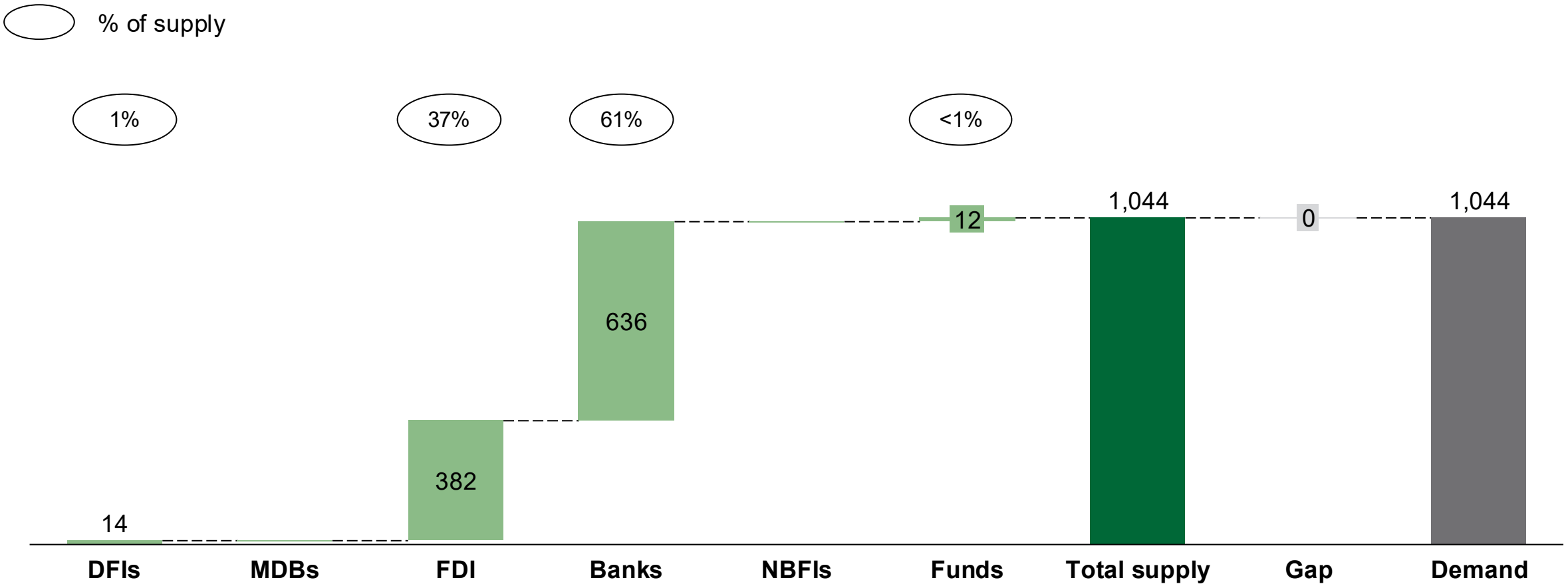
Agri-MSMEs face major financing gaps, while large firms are fully financed



Source: stakeholder interviews, industry reports, team analysis

Large agribusiness investment need is almost entirely met by FIs and FDIs

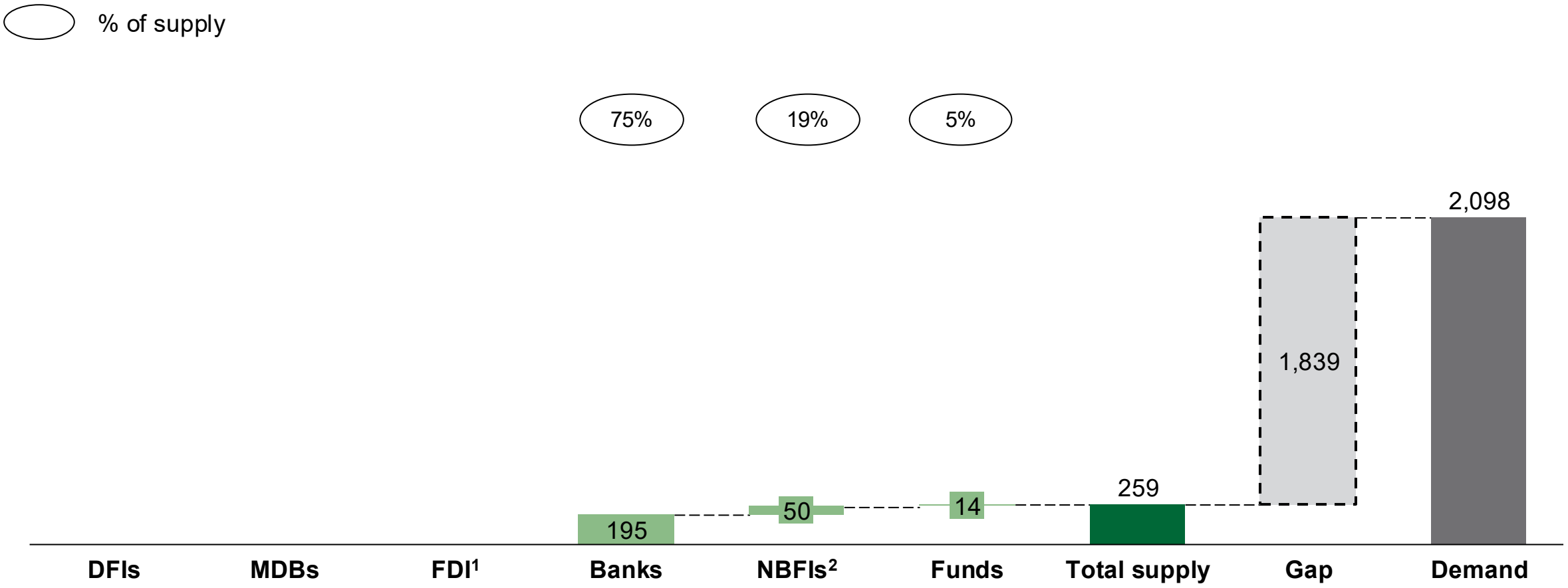
Estimated annual financing demand and supply of large agribusinesses, USD mn



Note: Our FDI flow analysis combines official reported FDI with our own estimates of intra-company financing flows (e.g., loans, trade credits), which are often underreported or inconsistently captured in public datasets
Source: stakeholder interviews, industry reports, team analysis

Only 12% of the agri-MSME investment need is met, largely by local FIs and NBFIs

Estimated annual financing demand and supply of MSMEs, USD mn



1. For simplicity we assume all FDI flows target large agribusinesses ($10M+ in annual turnover); 2. This number is likely an overestimate due to data limitations in the NBFI landscape in Tanzania, and may include some instances of large microfinance banks lending to MSMEs

Source: stakeholder interviews, industry reports, team analysis

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3 **Additional Detail - Methodology and Tanzania Example**
3C: SUPPLY – LEVEL 4 (FARMERS)

20% of financing and extension services to farmers come from large export off-takers and innovative agtech players serving harder-to-reach farmers

Breakdown of farmer agricultural financing in Tanzania

HIGHLY DIRECTIONAL

Type	Estimated annual financing (USD mn)		Overview	Examples
Banks	69	23%	• Mostly from state FIs (i.e., TADB) or commercial banks within concessional programs • Typically accessible to well-to-do, already banked farmers in tight value chains	• TADB's SCGS • Equity Bank's Kilimo Kisasa Loan
Formal NBFIs[1]	100	33%	• Strong network of SACCOs in rural areas, often in conjunction with AMCOS (Agricultural Marketing Cooperative Societies) • Low penetration of formal non-deposit financial institutions	• SACCOs • NGOs (e.g., One Acre Fund) • Leasing firms (EFTA) • Insurance companies
Community-based[2]	67	22%	• Village-level, self-managed groups that pool savings and provide loans to members in rotation • Often do not require collateral or savings history	• VSLAs • VICOBAs • ROSCAs
Value chain	62 (2)	20%	• Mainly from large off-takers offering in-kind credit and TA to farmers typically in tight, export value chains • Input suppliers play a role, but mostly through partnerships with programs or off-takers; innovative tech-enabled players increasingly reaching a broader range of farmers	• Off-takers (e.g., Sucafina) • Input suppliers (e.g., Yara, Syngenta or micro agrovets) • Tech-enabled players (e.g., EAF, Kilimo Maendelo)
	300		*= 2% of SHF financing demand met*	

Credit
Extension

1. Non-bank financial institutions. mobile network operators (MNOs) such as Airtel are excluded from the analysis given their primary use is for retail financing, not for agriculture. Estimation based on assumption that most of AMCO loans go towards farmers; 2. VSLAs (Village Savings and Loan Associations), ROSCAs (Rotating Savings and Credit Associations), VICOBAs (Village Community Banks). Informal methods such as lending from friends and family are excluded from analysis