



# Farmerline's Inclusive Aggregator Model for Smallholder Growth

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<b>Company:</b>	Farmerline
<b>Sector:</b>	Maize, Soybean, & Other Crops
<b>Location:</b>	Ghana
<b>Pilot Duration:</b>	2023–2025
<b>Investor Partners:</b>	FMO, Acumen Resilient Agriculture Fund (ARAF)
<b>Investments:</b>	\$14.4M (including other investors)

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Commercial Agriculture for Smallholders and Agribusiness

## Our approach

The Commercial Agriculture for Smallholders and Agribusiness (CASA) Technical Assistance Facility (TAF) supports agribusinesses that source from smallholder farmers across Africa and Asia. Our approach involves working closely with agribusiness management teams to develop an Inclusive Business Plan (IBP) – a roadmap for the agribusiness to deepen, broaden or strengthen supply chains in a way that delivers value to both smallholders and shareholders.

### **An Inclusive Business Plan ( IBP) is a piece of thorough analysis produced over 3-6 months that:**

- Diagnoses smallholder supply chain challenges;
- Identifies or validates the inclusive business growth opportunity, aligned to commercial objectives, identifying opportunities for greater commercial and smallholder impact;
- Quantifies the opportunity in terms of commercial value for the business and impact for smallholder farmers;
- Lays out a strategy to access the opportunity including investment and any partners required;
- Maps out an implementation plan; a linked package of technical assistance and blended finance structure, including required partnerships to support the inclusive business model.

## Company Description

Founded in 2013, Farmerline is a Ghanaian business with agtech solutions, input distribution and crop marketing business lines. Originally a pureplay agtech solutions provider, Farmerline has expanded starting 2019 and launched its input distribution and crop marketing operations that have grown rapidly. Farmerline completed a \$14.4m pre-Series A in September 2022, with the majority investment from Acumen Resilient Agriculture Fund (ARAF) and FMO. The business is targeting rapid growth across all business lines where it has identified increasing customer demand.

# Sector Overview

Ghana's smallholders produce most of the country's staple crops (maize, soybeans) on plots typically under two hectares, relying on rainfed agriculture and informal market channels. Key challenges include:



**High input costs:** Quality fertilisers and seeds are often too expensive for most farmers.



**Limited credit:** Formal financing is scarce due to lack of collateral and perceived risks.



**Information gaps:** Under-resourced public extension services lead to limited agronomic advice.



**Climate variability:** Erratic rainfall and declining soil fertility add further uncertainty for both farmers and buyers.



**Gender disparities:** Women farmers face compounded challenges due to systemic barriers restricting their access to land ownership, quality inputs, finance, extension services, and decision-making spaces.



**Weak market links:** Many smallholders rely on spot traders offering low prices with little transparency or stability.

Despite these constraints, maize and soybeans remain crucial for incomes and food security.



# Inclusive Growth Opportunity

Following the development of an inclusive business plan, Farmerline and CASA TAF identified an opportunity to develop a network of small and medium aggregators in the soybean and maize value chains that can provide end-to-end services, from input provision to crop off-taking. Farmerline's aim is to strengthen its relationship with existing aggregators in their network, develop new ones that adopt higher standards and improved business practices, and create synergies that will incorporate their business offerings, including technology, data analytics, and financing.

## Overview of the inclusive aggregator model

The aggregator model builds an enhanced network of committed agents and entrepreneurs who deliver inputs, advisory support, mechanisation services, and dependable market access in local communities. By partnering with small and medium-scale aggregators, Farmerline aims to achieve a deeper impact for farmers while increasing input sales and securing consistent crop volumes to meet market demand. This model aims to reduce Farmerline's operational overheads, create efficiencies across business lines, develop long-term and reliable suppliers through multiple touchpoints throughout the cropping cycles.

From 2023 to 2025, the model focused on the maize and soybean value chains, aiming to increase Farmerline's commodity volumes and improve farmers' incomes.

## How the model works

Farmerline identifies local entrepreneurs, referred to as aggregators, as the main interface with farmers in Northern Ghana. Each aggregator is envisioned to offer a suite of products and services including:

### Input Delivery



Stock and sell fertilisers, seeds and agro-chemicals to roughly 50–150 farmers

### Crop Offtake



Purchase harvests from their network and aggregate for Farmerline

### Advisory Support



Reinforce Farmerline's extension outreach with high-level extension to farmer suppliers

Collaborate closely with Farmerline field agents for enhanced impact

### Mechanisation Services



Including threshing services

The value proposition to aggregators is focused on business growth - increasing and diversifying their revenues to include input sales and mechanisation services apart from crop aggregation. In addition, aggregators have access to tailored training programmes enhancing their business operations based on their level of maturity and growth ambitions.



## Expected Impact

The implementation of the inclusive aggregator model is expected to result in the following outcomes:



Approximately **5k smallholders** benefiting by 2025.



Participating farmers could gain an **additional annual income of \$200 per household** through improved access to high-quality maize and soybean input packages, supported by extension services.



At the business level, the pilot is projected to generate a **strong positive incremental EBITDA contribution**.

## Pilot Roll-Out and Implementation

Farmerline launched the aggregator pilot in 2023, focusing on soybean and maize in Northern Ghana.

**Aggregator selection:** The pilot began with 9 aggregators, scaling to 25 by 2024. Of these, 16 (64%) are women. Aggregators were chosen for their track record in local trade, willingness to provide farm services, and ability to repay financing.

**Capacity building:** Aggregators receive business-skills coaching (business model development, business operations enhancement) and marketing and product quality training to ensure they are meeting market standards set by Farmerline.

**Advisory services:** Farmers supplying to aggregators also received extension and training focused on good agricultural practices and climate adaptation.

**Gender focus:** Farmerline identified women aggregators and a pipeline of women entrepreneurs who were also trained on business negotiation and strengthening their communication skills.

## Early Insights and Results

The initial years of the pilot have yielded positive indicators for both farmer outcomes and Farmerline's commercial objectives, alongside useful lessons for improving the aggregator model. The following highlights capture emerging trends and provide a snapshot of progress so far.



**Aggregator network developed:** 25 aggregators were trained throughout the pilot, with majority being women aggregators. These aggregators have been consistently engaged with a majority trained on developing business and growth projections with their respective business plans.



**Input service delivery established:** A subset of aggregators started offering input products for their farmer suppliers, diversifying their traditional revenue streams from crop off-taking. These aggregators have reported a 99% repayment rate to Farmerline, with some even engaging in cash sales.



**Farmerline additional revenues from input distribution:** Through the pilot, Farmerline was able to establish reliable input distributors in key areas in Northern Ghana contributing to the company's revenue from this business line.



## Challenges and adaptations

Despite these promising findings, the pilot has exposed several constraints that must be addressed to ensure lasting success. Farmerline is responding to each challenge through targeted adaptations and strategic partnerships, as outlined below.



**Working capital constraints:** Aggregators need more credit to purchase crops and scale their input distribution businesses.



**Logistics and asset gaps:** Larger aggregators could see profits from mechanised threshing, but equipment costs are substantial. Farmerline was able to set up asset financing solutions to start addressing this challenge.



**Export ban on soybeans:** The Government of Ghana imposed an export ban on soybeans to prevent food shortage, but this has significantly reduced Farmerline's customer base, and the company is limited to local processors and buyers.

## Next steps

Building on early successes and lessons learned, Farmerline plans to refine and deepen relationships with its aggregator network. The priorities below focus on reinforcing commercial viability, improving operational resilience, and creating more inclusive opportunities for smallholders—particularly women.

1

**Focused expansion:** Farmerline aims to focus on the 25 active aggregators in its network, and continue to implement coaching sessions focused on business operations, improving their reliability as Farmerline suppliers.

2

**Gender acceleration:** Farmerline intends to intensify technical training for women aggregators. At present, 16 out of 25 aggregator shops are led by women.

3

**Strategic partnerships:** Farmerline and CASA TAF are exploring partnerships with financial service providers to address working capital requirements for input services and crop off-taking.



Farmerline's aggregator model demonstrates strong potential to reshape input delivery and crop sourcing in rural Ghana. Local agents combine the distribution of inputs, advisory services, and reliable market outlets, reducing risk for farmers and improving loyalty. Early data shows higher loan recovery, increased input uptake, and consistent—if somewhat limited—crop supply. Ongoing adjustments to financing, aggregator selection, and demand alignment will be critical. With the right blend of commercial rigor and targeted support, Farmerline can scale this approach to benefit thousands of smallholders.



The FCDO-funded Commercial Agriculture for Smallholders and Agribusinesses (CASA) Technical Assistance Facility (TAF) partners with investors with development interests to increase the smallholder impact of existing investments. We design, co-fund, and manage delivery of inclusive technical assistance (TA) projects at selected agribusinesses that can drive commercial and social impact by strengthening, deepening, or broadening inclusive supply chains.

Over its seven-year life cycle, the CASA TAF will collect data on the impact of inclusive technical assistance, not only at the farmer-level, but also at the portfolio company and investment fund level. The objective is to learn and to influence DFIs, impact investors, commercial investors, and TA providers on the significance of generating compelling evidence to track commercial and development impact metrics, thus demonstrating the value of inclusive TA.



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