Resilient Farmers.

Investing to Overcome the Climate Crisis
Climate change is already affecting farmers’ livelihoods

“The heat has been increasing... and that is spoiling the crops. The crops just stopped growing well and we face bankruptcy”
Climate resilience is a state of being. It is a condition in which a person can anticipate climate-related threats, adapt to them where possible, absorb them as needed, and recover in a timely manner.
A new crop of businesses are working to enable adaptation and build resilience.

These **agricultural platforms** bundle key products and services together, offer farmers a one-stop shop, and connect buyers and sellers of multiple goods and services.
With FCDO support, we partnered with Busara to conduct qualitative research into two questions.

How do farmers perceive climate change, and how does climate change influence their beliefs and behaviors?

What are the enablers and barriers to take up and use of agriculture platforms that offer farmers products and services that reinforce climate resilience?
Our sample of smallholder farmers included users and potential users of 8 platforms across 4 countries.

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Ethiopia</th>
<th>Kenya</th>
<th>Nigeria</th>
<th>Tanzania</th>
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<tbody>
<tr>
<td>Ag finance</td>
<td>2</td>
<td>1</td>
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<tr>
<td>provide financial tools to help farmers address liquidity gaps and mitigate risk, allowing them to purchase high-quality inputs or make secure investments</td>
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<td>Ag tech</td>
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<td>offer farmers a suite of products and services centered around locally adapted technology solutions, often bundled with training to encourage proper usage</td>
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<td>Vertically integrated</td>
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<td>source crops directly from farmers while providing inputs, training, and credit within specific value chains, then sell the crops in regional or export markets</td>
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<tr>
<td>Land aggregation</td>
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<td>lease land from smallholder farmers within a specific region, then aggregate farmland so it can be farmed more efficiently under single management entity</td>
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We conducted a total of 152 focus group discussions, in-depth interviews, and cognitive maps.

By demographic group:

- 36 in Mid-tier
- 36 in Leader
- 36 in Female
- 36 in Youths
- 8 in Implementers

By location:

- 38 in Nigeria
- 25 in Ethiopia
- 64 in Kenya
- 25 in Tanzania

By interview type:

- 24 in In-depth interviews
- 80 in Focus group discussions
- 48 in Cognitive maps
Farmers recognize the threat posed by climate change, and adapt in a variety of ways.
Climate change impacts key steps in the farming life cycle.

**Steps in the livestock farming life cycle**
- Prepare pen/location for rearing
- Prepare or buy feed
- Purchase livestock
- Prepare/acquire seedlings
- Administer vaccines
- Breed when they mature
- Sell or consume

**Steps in the crop cultivation life cycle**
- Planning and budgeting
- Purchase/acquire land
- Prepare land, including applying fertilizer
- Prepare/acquire seedlings
- Plant seedlings
- Apply fertilizer
- Weed 2-3 times, manually or with herbicides
- Harvest
- Prepare for storage
- Store, consume, or sell right away
ENABLERS: Farmers are attracted to platforms with offerings that support their climate change adaptation strategies.

Access to consumable inputs
"The inputs the beneficiaries received were of high quality. The seedlings produce high and quality yield, and so do the fertilizers."
- Mid-tier, Non-User, Nigeria

Prospect of improved livelihoods
"There will be many benefits [from the platform]. It will lift me out of poverty. I believe I can send my children to school and build a house."
- Mid-tier, Non-User, Tanzania

Access to financial services
“I think their loan was most appealing...I do not have enough capital to run my farm, so I just get a loan from [platform]...After harvest, I will get money and pay the loan”
- Youth, User, Kenya

Access to training and education
“When you call the expert...the agronomist responds very fast and does not disappoint the farmer. When you report a problem on your farm, they come to your farm.”
- Youth, User, Kenya
BARRIERS: Supply constraints, opaque off-take agreements, and unfamiliar technologies introduce risk and uncertainty.

Supply constraints

“Their challenge is timing; they usually come when we have already planted.”
- Leader, User, Kenya

“Sometimes you may find a product that you have been using is missing from the stockist.”
- Mid-tier, User, Kenya

Mistrust from opaque off-take agreements

“We don’t understand how they reject part of our products, and these rejections are impacting our income. It seems that they are rejecting about 99% of our product and approving only about 1%.”
- Female, User, Ethiopia

Ambiguity aversion: Avoiding unknown risks

“The challenges I saw in the product and services of [platform] are always awareness. When people do not know about it, they were afraid to make use of these services.”
- Leader, User, Nigeria
Parallels in Acumen’s Existing Agri portfolio

➢ Training and extension do not generate revenue, but are essential for behavior change

➢ Partnerships are crucial to build, but take time and can be hard to scale

➢ Agribusinesses take longer to grow and require deeply patient capital
Our agriculture investments generally have higher costs and raise less capital.

Energy investments have raised 11x our initial investment. Ag is just 3x.
Recommendations for agricultural platforms

1) Meet farmers where they are
2) Find the right partners
3) Consistency over time builds trust
4) No small print
Recommendations for Donors

1) Find models that create resilience
2) Figure out how to measure it
3) Build up the evidence of what works
4) Enable public goods and partnerships for scale
Thank You