HEIFER® INTERNATIONAL

TRANSFORMING AFRICA'S AGRICULTURE:

FINANCING INNOVATION FOR SMALLHOLDER FARMERS



Rethinking Agricultural Financing:
Data, Technology, and Partnerships –
An Overview of Heifer International's
Impact and Innovative Financing Models



AFRICA'S AGRICULTURAL BACKBONE:
CONFRONTING THE $65 BILLION FUNDING CHALLENGE

Agriculture is the backbone of Africa's economy, with smallholder farmers producing up to 80% of the continent's food supply. Despite their importance, the sector faces a critical $65 billion annual funding gap that limits growth and innovation. Only 4-6% of bank lending and private equity is directed toward agriculture, and although public spending in Africa's agricultural sector has nearly doubled over the past decade—from $10.7 billion to $17 billion—it remains a small fraction of the total investment needed. Women and youth, vital to the sector's future, face even more significant challenges in accessing finance. Women comprise nearly half of the agricultural labor force and receive just 7% of total agricultural investment.

This financing shortfall is a significant barrier to transforming Africa's agricultural sector and meeting the demands of its growing population. Traditional financing models have proven inadequate, often placing the burden of adaptation on smallholder farmers while financial institutions remain unchanged. Additionally, the lack of robust data to inform lending decisions and limited support for the agricultural ecosystem further exacerbates these challenges. Without access to affordable credit, farmers are unable to invest in modern inputs, technology, or infrastructure, keeping them trapped in subsistence farming.

However, technology and innovation hold the potential to overcome these barriers and unlock the sector's full potential. Agritech innovators and fintech companies use data to create tools and platforms that offer real-time insights, improve farm management, and expand market access. Yet, a lack of financing often hinders these solutions, preventing smallholders from adopting transformative technologies. To address this, partnerships between financial institutions, fintechs, agritech companies, and ecosystem players are essential. Such collaborations can help bridge the financing gap, ensuring that smallholder farmers gain access to the tools and technologies they need to thrive.

One of the most promising opportunities lies in using data to develop transaction histories and alternative credit profiles for smallholder farmers. Many farmers need formal credit histories, which limits their access to traditional financing. By leveraging data from farming activities, sales transactions, and mobile payments, we can create alternative credit ratings that reflect their financial behaviors and risk levels better. This data-driven approach allows financial institutions to extend credit to farmers who would otherwise be considered too risky. Unlocking financing through these alternative credit assessments will enable smallholder farmers to invest in their businesses, enhance productivity, and build resilience in economic and environmental challenges.

Through these innovations and a more collaborative approach, we can transform Africa's agricultural sector, closing the financing gap and ensuring that smallholder farmers have the necessary resources to contribute to a more sustainable and prosperous future.

HEIFER INTERNATIONAL: 50 YEARS OF SUPPORTING AFRICA'S AGRICULTURAL TRANSFORMATION

Heifer International is a global non-profit organization dedicated to helping farming households around the world achieve self-reliance, and security. In more than 80 years of working across the globe, we have helped nearly 46 million families to escape the cycle of poverty. We work with smallholder farmers worldwide to build decent incomes that pay for adequate food, housing, and the other essentials of a dignified life. Heifer currently operates in 19 countries across Africa, Asia, and the Americas.

For more than 80 years, Heifer International has provided families with the tools and resources they need to thrive by empowering farmers with long-term solutions to hunger and poverty. For 80 years, 50 of those in Africa, Heifer International has collaborated with governments, corporates, investors, innovators, development partners and farming communities to strengthen the continent's food systems.

SHAPING AFRICA'S AGRICULTURAL FUTURE THROUGH INNOVATION

Africa's agricultural sector is experiencing a surge in demand, driven by population growth, urbanization, and rising incomes. Heifer International is working with strategic partners to transform this sector in Africa through the integration of technology and innovative finance models. We have made significant strides in promoting climate-smart agriculture, providing access to modern farming equipment, and high-quality seeds among others. We have been strategically collaborating with smallholder farmers to identify transformative technologies and innovations that require innovative financing models for scalable impact. Our innovative finance models, tailored to rural communities' unique needs, have contributed to economic empowerment, creating a foundation for long-term growth and resilience in agricultural communities.



ACCESS TO FINANCE: UNLOCKING FINANCING FOR SMALLHOLDER FARMERS AND AGRIBUSINESS

In Africa, Heifer International has made significant strides in increasing access to finance for smallholder farmers and agribusinesses across multiple countries. Our innovative financing models, tailored to rural communities' unique needs, have contributed to economic empowerment and fostered sustainable development. We have created a foundation for long-term growth and resilience in agricultural communities by addressing smallholder farmer's financial challenges.

INVESTING IN AGRICULTURAL TECHNOLOGY, INNOVATION AND YOUTH

When technology and innovative finance are integrated into smallholder agriculture, it attracts youth to develop innovative solutions for agricultural challenges, boosting smallholder productivity, market access, and profitability. This, in turn, enables farmers to earn a living income at scale, creates jobs, and positions agriculture as a desirable career for young people. This is particularly important as Africa's agricultural sector, which employs around 60% of the workforce, plays a critical role in economic growth and job creation, especially for the continent's large youth population. Recognizing this, Heifer International launched the AYuTe Africa NextGen initiative in 2021 to drive agribusiness innovation. This program supports young African entrepreneurs in developing agritech solutions to address smallholder farmers' challenges, providing necessary incubation and financing. The AYuTe Africa Challenge, an annual competition under this initiative, awards grants and offers ongoing support and mentorship to strong growth stage agritech innovators. Heifer International further supports these innovators by leveraging innovative capital and strategic partnerships, showcasing how integrating technology and innovative finance can profoundly transform the lives of smallholder farmers across Africa. Heifer Africa's commitment extends to providing high-quality seeds, modern equipment, climate-smart agriculture practices, and microloans, with over **$10 million catalytic investment** in transformative solutions to date. Additionally, Heifer offers training programs and helps farmers connect with markets to sell their produce at fair prices, thereby increasing their incomes.

MECHANIZATION IN AFRICA

Africa's agriculture sector is heavily reliant on manual labour, hindering productivity and food security. Heifer Africa partnered with Hello Tractor to address this challenge by introducing a Pay-As-You-Go tractor financing service. This innovative solution provides affordable tractor rentals through a technology platform, making it easier for smallholder farmers to access and utilize mechanized equipment.

Kenya
Uganda
Nigeria
Rwanda
Ethiopia

139,640
SMALLHOLDER FARMERS (SHF'S) REACHED

2,805
JOBS CREATED

$7m
INVESTMENT AMOUNT

$18m
CATALYZED FUNDS (COMMERCIAL CAPITAL)

140%
NET SROI PERCENTAGE

AGRI-INSURANCE

Heifer International is empowering African smallholder farmers through agricultural insurance. Our Area Yield Index Insurance (AYII) scheme, developed by Pula, provides coverage against climate-related losses. Farmers pay the premium after harvesting their crops, reducing financial risk and enhancing resilience.

Nigeria

24,258
SMALLHOLDER FARMERS (SHF'S) REACHED

$370,786
INSURANCE VALUE

$132,521
AMOUNT PAID OUT

CLIMATE ADVISORY

Heifer International empowers smallholder farmers to adapt to climate change through climate-smart agriculture practices. We provide training, information services Ignitia climate information solution, and support for innovative farming techniques, enabling farmers to enhance resilience, increase productivity, and contribute to sustainable food systems.


Senegal


Nigeria

46,374
SMALLHOLDER FARMERS (SHF'S) REACHED

$250k
INVESTMENT AMOUNT

55%
SERVICE COSTS 2-3% OF TOTAL FARM INVESTMENT

FARMER VISIBILITY

Heifer International is expanding access to finance for smallholder farmers in Tanzania, Kenya and Nigeria through a digital platform. Developed with Mastercard, this platform enhances financial inclusion by improving data visibility and traceability in agriculture, enabling farmers to save, access credit, and build resilient businesses.


Tanzania


Nigeria

94,746
SMALLHOLDER FARMERS (SHF'S) REACHED

670
JOBS CREATED

$1.2m
INVESTMENT AMOUNT

DIGITAL EXTENSION SERVICES, DAIRY VET AND ADVISORY

Heifer Africa empowers smallholder farmers in Kenya through digital extension services. Partnering with mobile tech companies, we provide remote access to dairy farming information and training. This initiative enhances productivity, improves livelihoods, and aligns with Heifer's mission of empowering farmers through sustainable agricultural practices.


Kenya

368,822
SMALLHOLDER FARMERS (SHF'S) REACHED

1529
JOBS CREATED

$200k
INVESTMENT AMOUNT

DIGITAL INCLUSION & ACCESS TO FINANCE

Heifer Africa and ThriveAgric are promoting financial inclusion for smallholder farmers in Nigeria through the AYuTe project. By facilitating bank account opening, distributing bank cards, and establishing POS operators, we are increasing access to formal financial services in rural communities. This initiative leverages digital tools to empower farmers and enhance their economic resilience.


Nigeria

79,443
SMALLHOLDER FARMERS (SHF'S) REACHED

1,162
JOBS CREATED

$1m
INVESTMENT AMOUNT

ACCESS TO INFORMATION

Heifer Africa supports Zambian smallholder farmers by providing access to information. Working with Brastorne, we offer training workshops, and online resources on sustainable agriculture, market trends, and climate resilience. This enables farmers to make informed decisions, improve livelihoods, and strengthen Zambia's agricultural sector.


Zambia

$300k
INVESTMENT AMOUNT

ACCESS TO MARKETS

Heifer Africa, in partnership with Afri-Farmer and Foodbundle, is improving access to markets for smallholder farmers in Rwanda. By leveraging digital platforms and strategic collaborations, we are connecting farmers directly to buyers, ensuring fair prices, and reducing barriers to trade. This initiative strengthens farmers' financial inclusion, enhances their competitiveness, and helps them build more resilient livelihoods.


Rwanda

1,654
SMALLHOLDER FARMERS (SHF'S) REACHED

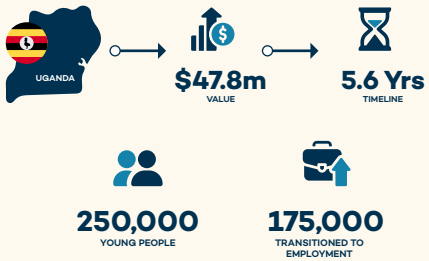
25
JOBS CREATED

$70k
INVESTMENT AMOUNT

STIMULATING AGRIBUSINESS FOR YOUTH EMPLOYMENT PROJECT (SAYE)

PROJECT OVERVIEW

The project, a collaboration between Heifer International, Mastercard Foundation, and local partners, aims to empower young people aged 16 to 35 by improving skills, expanding market access and offering inclusive financing in key sectors including poultry, horticulture, oilseed, dairy and beef value chains. The project aims to improve the socio-economic wellbeing and resilience of **250,000** young people in Busoga sub-region by 2029 (70% females, 3% youth with disability, with **175,000** transitioned to employment)



PROJECT INTERVENTION AREAS

Target: 175,000 of the targeted young people will be transitioned into the world of work within the agribusiness and non-agribusiness enterprises.

Skills Development: Technical, agribusiness, social and business skills incl. incubation

Innovative and Inclusive Finance: Leveraging technology to deploy multiple financing mechanisms through ISAs, SACCOs, Agri-hubs and impact investment

Equitable Access to Competitive Markets: Focus on market driven private sector partnerships to drive access to input and outputs markets

Enabling Environment: Support policy engagement and youth focused platforms to stimulate youth access to information, products, and services in agribusiness

FINANCING FOR SUSTAINABLE GROWTH

Heifer Impact Capital is the impact investment arm of Heifer International that works at the intersection of investment capital and philanthropic capital to strengthen agriculture value chains. It works alongside Heifer Programs using a variety of investment vehicles to improve access to finance to the participant farmers, cooperatives, and MSMEs engaging with them. These investments not only provide capital but also create pathways for supporters to participate in impact investing, directly linking them to transformative agriculture work. With improved access to capital,, focusing on pro-poor, wealth-creating value chains, farmers have more choices and margin to improve scale and efficiency, increase their productivity, commercialize differentiated quality products and services and increase their profits. This creates jobs and generates economic opportunities, leading to more inclusive and resilient rural economies. With increased choices, farmers can directly improve their incomes and more easily meet their household needs and live dignified lives.

IMPACT FROM DIRECT INVESTMENT

OUR IMPACT

$17.7m	34	$9.9m	13	670k+
COMMITED	INVESTMENTS	DEPLOYED	COUNTRIES INVESTED IN	FARMERS' LIVES CHANGED THROUGH DIRECT AND LEVERAGED THIRD-PARTY INVESTMENTS

VALUE CHAINS WE INVEST IN

Livestock | Dairy | Poultry | Spices | Coffee & Cacao | (Small) Ruminants

COOPERATIVES AND AGRIBUSINESSES

$17.2m INVESTMENTS	**50K+** FARMERS IMPACTED, 40% FEMALE
$15m COMMITTED	**$5.9m** DEPLOYED
32% OF EMPLOYEES ARE FEMALE	**3%** JOB GROWTH DURING THE PAST YEAR*
30% OF LEADERSHIP ROLES ARE HELD BY FEMALES	**38%** OF BOARD POSITIONS ARE HELD BY FFEMALES

*Heifer impact capital surveyed the cooperative and agribusiness direct investees and received responses from 75% of the portfolio. These figures are based on the survey results

LOAN FUNDS

12
INVESTMENTS IN LOAN FUNDS MANAGED BY FINANCIAL INTERMEDIARIES

16K+
FARMERS IMPACTED,

$1.2m
DEPLOYED

$2.2m
COMMITTED

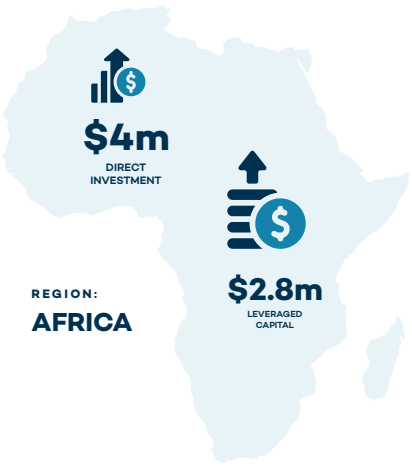
6,600
LOANS MADE TO COOPERATIVES AND INDIVIDUAL FARMERS FROM THE LOAN FUNDS

98%
OF LOAN RECIPIANTS WERE FEMALES*

*Heifer impact capital surveyed the financial intermediaries that received direct investments and obtained responses from 58% of the portfolio. These figures are based on the survey results

LEVERAGING THIRD PARTY AND RESOURCES

We recognize the value of leveraging resources to amplify impact, therefore we partner with financial institutions, government organizations, corporations and others to make our investments go further. Through these partnerships, we have also secured third-party loan commitments to benefit Heifer program participants in Africa where direct investments were not necessary or did not exist. These leveraged resources have had a significant impact in bringing access to finance to participant farmers and their cooperatives.



HEIFER IN AFRICA: TOTAL BLENDED FINANCE INVESTED IN AGRIBUSINESS IN THE PAST 5 YEARS



$64,752,521

OUR CALL TO ACTION: PARTNERING FOR AFRICA'S AGRICULTURAL TRANSFORMATION

Our journey in increasing access to finance across Africa has significantly impacted the lives of smallholder farmers and rural communities.

By continuously innovating and adapting our models, we have empowered thousands of individuals to overcome financial barriers, build resilience, and achieve sustainable growth. As we move forward, our strategy is to deepen these efforts by expanding our partnerships, leveraging new technologies, and scaling successful models.

We remain committed to contributing to the creation of a more inclusive financial landscape that addresses the evolving needs of smallholder farmers, ensuring they can thrive in the face of future challenges and contribute to the broader economic development of their communities.

PARTNER WITH US

- Expand digital financial services for smallholder farmers
- Leverage impact investment and blended finance for economic empowerment
- Develop innovative financing products for farmers
- Scale up credit guarantees and technical assistance
- Provide capacity building and market linkages
- Pilot new financing models for mechanization and solar power irrigation
- Partner with governments for climate-resilient solutions

By partnering with Heifer International, you can invest in a sustainable, prosperous, and resilient food system in Africa while making a positive impact by enabling smallholder farming families to earn a sustainable living income



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FOR MORE DETAILS CONTACT

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