



AGRIACCESS

GHANA LIMITED

transforming lives through Agriculture

BACKGROUND

History

- Limited liability company incorporated under the company's code of Ghana since 2011
- Operates in the sorghum value chain for the past 5 years
- Currently the biggest actor in the chain
- Supplying over 4000mt annually against an initial contract volume of 300mt.

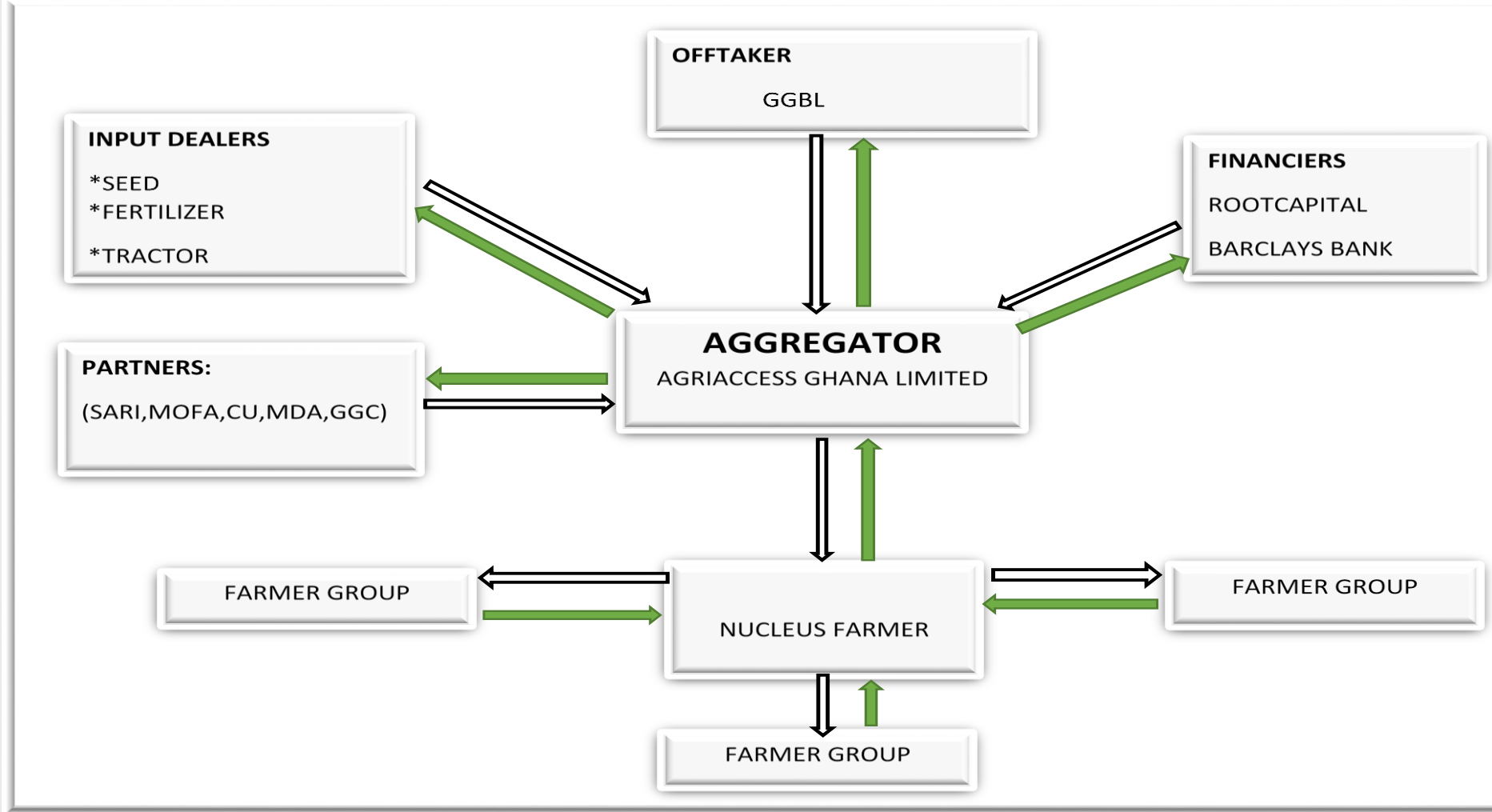
Model

- Agriaccess operates a nucleus farmer-out-grower scheme
- The company's direct contact is the nucleus farmer.
- Farmers are organized into groups of 5-8 people with an elected leader.
- The elected leader is the bridge between the group and the nucleus farmer and acts as the mouth-piece of the group.

Pricing Model

- Prices are reviewed annually
- Cost of production is the basis for pricing
- Prices are mutually agreed upon and once agreed remains fixed for the period.
- Inputs and all services provided by Agriaccess are on credit and repaid with sorghum after harvest.
- The sorghum received is then processed, packaged and delivered to the off-taker - GGBL.

OPERATIONAL MODEL





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SERVICES PROVIDED

Technical Services

- Training on best agronomical practices through SARI, MoFA etc
- Extension services and on-farm demonstrations through our Field officers and MoFA extension officers

Input Supplies

- Provision of inputs such as fertilizer, seed, ploughing services etc.
- Provision of post-harvest materials such as tarpaulins

Business Development

- Training in business development and commercialization of their activities
- Training on record keeping and cost analysis

Financing Needs and its Challenges

Financing need of farmers

- Inputs supplies : about 85% of farmers require the services of input credit in order to produce sorghum in Ghana.
- Post-Harvest Equipment: Farmers need post-harvest equipment such as harvesters, threshers, dryers in order to effectively commercialize their activities.

Financing need of Aggregators

- Working capital financing – this will enable agriaccess to purchase enough sorghum as mode of payment is cash down
- Financing on Irrigation facilities: Improve on yield and all year round production
- Financing on warehousing facilities: enable storage of grains both at community levels and at district capitals
- Financing on Modern cleaning plant: this will improve grain quality and improve delivery time.
- Input Supplies: enable agriaccess to deliver inputs on timely bases

Challenges/Experience in Accessing Credit



Before Root Capital, Barclays

- Inability to meet loan requirements such as collaterals
- High interest rates
- Bureaucracies and long procedures in documentations
- Wrong timing of release of funds
- Inadequate financing from financial institutions



Root Capital, Barclays Experience

- Timely release of funds
- Less documentation in accessing funds
- Flexible collateral requirements
- Loan terms tailored to our specific needs
- Improved liquidity from discounting of invoices
- Access to improved banking services





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Opportunities for Improvement

Increase in demand of sorghum from GGBL - moving from less than 1,000mt to 6,000mt within three years

Increase in direct farmer numbers over the past three years from 600 to over 4,000

Diversification into other cereal crops like soya, cowpea and maize which has an unsatisfied demand both locally and internationally.

Untapped export market for agricultural commodities