Digital platforms as facilitators of financing along agricultural value chains

Preliminary findings from a stocktaking exercise
Forthcoming publication by Rachel Sbero-Kessler:
How can platforms facilitate financing along agri value chains?
This study covers examples of platforms around the world in Africa, Latin America and Asia.

Selection criteria: platforms which facilitate financing and which adopt a value chain approach.
Many platforms aim at providing a package of services, as a way to both maximize impact and economic viability.

In order to provide a package of services, most platforms develop partnerships, but such an approach is also a source of delays and risks.
All platforms rely on a strong physical network in order to generate trust and fulfill tasks that require face to face interactions.

Platforms usually use a phased approach for financing farmers.
Average loan size is small

**Nano**
- Average loan size is $12 – going up to $150 for 4 months

**Nano-micro**
- Average loan size is $110 – for 6-9 months
- Average loan size is $140 – for 4-6 months
- Average loan size from $350 to $1500 – for 4-5 months

**Micro**
- Average loan size is $770
- Average loan size is $3,200

Depending on the type of data used, ability to manage risks and financial capacity
Most platforms are private sector initiatives that benefit from an enabling environment.

- Financial regulation
- Data infrastructure
- Support to innovation
- Agricultural & trade policy
ANNEX
Selected platforms are at various stages of development:

- **bloom**
  - More than 6,000 registered
  - More than 15,000 registered
  - About 12,000 SMEs receiving payments
  - About 12,000 SMEs receiving payments from 600 large private sector buyers through 40 private financial institutions

- **Tulaa**
  - About 50,000 registered
  - 3,000 loans facilitated in Cambodia

- **Agribuddy**
  - About 50,000 registered

- **AgroStar**
  - About 170,000 purchasing inputs
  - 600 farmers accessing credit

- **Agri-Wallet**
  - 16,000+ registered
  - 5,800 receiving payments
  - 1,200 accessing credit

- **DigiFarm**
  - 1.1 million registered
  - 200,000 accessing educational contents
  - 39,000 purchasing inputs
  - 24,000 accessing credit

- **Agrilife Limited**
  - 90,000 farmers receiving payments

- **Farmforce**
  - 250,000 farmers managed on the platform
  - USD 4 million in loans on the platform through 20,000 individual loans

- **Concept stage**
  - About 50,000 registered
  - More than 3,000 loans facilitated in Cambodia

- **Cambodia**
  - More than 15,000 registered
  - About 170,000 accessing educational contents

- **Cambodia**
  - About 50,000 registered
  - More than 3,000 loans facilitated in Cambodia
Some platforms leverage existing relationships with buyers while others promote these linkages.