

# Agrics

## Scaling smallholders' access to quality farm inputs

**Agrics is a for profit social enterprise that sells quality agricultural products and services on credit to smallholder farmers in East Africa. Agrics generates revenue by procuring inputs in large quantities and selling them with a target gross margin above 35%. Focus on effective credit management processes and strong client relations are key success factors.**

In 2012, Agrics started with a mere 1,000 smallholder clients in Western Kenya and has grown to over 35,000 in 2017, with a total turnover of EUR 3 million in Kenya and Tanzania. Agrics is seeking to attract financing to accommodate further growth towards 100,000 farmers by 2021.

### The potential of smallholder farmers

Limited availability of quality agricultural inputs and a lack of modern agronomic knowledge are two of the main reasons for continuing poverty among smallholder farmers in East Africa. Against this background, Agrics strives to enable as many smallholders in the East African region as possible to use quality farm inputs and move away from subsistence farming, in order to increase their income, food security and daily nutrition.

External evaluation shows that between 2013 and 2015, the average maize yields of Agrics clients in Western Kenya increased from 570 kg/acre to 1,022 kg/acre representing a 79% growth, driven by increasing use of certified seeds and fertilizer and knowledge and skills in crop production. The realised production increase among Agrics clients provides an indication of the huge potential of smallholder farmers in East Africa. Combining this with the large numbers of smallholders in the region as well as with the steep increase in client numbers and total credit amount in the first years of Agrics existence, we see a ready yet highly undersupplied market for Agrics.

### Our model

The Agrics business model is based on the integration of products and services for smallholder farmers. The exact combination of products and services offered follows customer demand as well as local conditions and may vary between countries. Agrics generates revenue by procuring inputs in large quantities and selling them, on credit, with a target gross margin above 35%. Focus on effective credit management processes and strong customer relations have translated in credit repayment rates of up to 95%. With a strong orientation towards innovation and operational excellence, Agrics continues to increase its customer-focus, effectiveness and efficiency.

### Scaling up for sustainability

Agrics' key focus in the first years of its existence was on expansion, in terms of number of farmers supported, in geographical reach, in product portfolio. This has resulted in an impressive growth in terms of number of farmers served, and sales.

In 2017, the focus is on profitability. We aim for a modest growth in number of farmers, but with a significant growth of sales per farmer. Over the next few years, we will extend the product/service portfolio with new and more high-value products and services and further increase the number of clients to over 100,000 by 2021.

### Contact

Should you want to learn more about Agrics please contact:

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farm inputs & credits



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