

U3 AGRINET_4TH Quarter Monitoring Report (Oct-Dec, 2023)

Grains for Growth (G4G) Project

Creating jobs and incomes for over 60 Women and Youth in Harvest & Post-Harvest activities



Ms. Clementina Bium (17yrs) is ready for the World of Work and to Feed the Future



#LeaveNoVulnerableBehind#

Table of Contents

1.0 Executive Summary.....	3
Key Activities.....	4
2.0 Harvest and Post-Harvest	4
2.1 Warehouse Preparation.....	5
2.2 Recoveries of Repayment From SHF.....	6
2.3 Aggregation of Excess Grains	7
3.0 Access to Finance.....	9
3.1 Update on Banks.....	9
3.2 PULL-AGGREGATE-SUPPLY-SHARE (PASS) Initiative	9
3.3 IDH Support-Access to Finance	10
4.0 Commencement of Dry Season Farming	11
4.1 Land Preparation.....	11
4.2 Nursery Preparation and Transplanting.....	11
4.3 Solar-Powered Mechanized Borehole Installation	12
5.0 Capacity Building Activities	13
5.1 Velocity App Training by Agrocenta: Riding the Wave of Innovation.....	13
5.2 Gender Mainstreaming Workshop With IDH.....	14
6.0 Sustaining Strategic Partnership.....	15
6.1 Accelerating Women’s Empowerment (AWE) Project-CATALYST PLus.....	15
6.2 Sustainable Sourcing of Sorghum Project-SNV	15
7.0 Challenges, Way Forward and Conclusion.....	16
7.1 Challenges	16
7.2 Way forward	16
7.3 Conclusion.....	16
8.0 Monitoring and Evaluation	18
8.1 Summary statistics of project indicators.....	18

1.0 Executive Summary

Working with Smallholder farmers, especially women, youth and persons living with disabilities has been one of the exciting models in the U3 Agrinet operations. Prioritizing the development of smallholder farmers is one of the critical sustainability measures of our model. It is therefore fulfilling to witness these vulnerable farmers record impressive average yield of 0.7mt of Sorghum and 1.4mt of Maize in the 2023/2024 crop season.

In the 4th Quarter, U3 Agrinet made frantic efforts to secure a 4000 mt capacity warehouse in readiness for the recovery and aggregation of grains this season. Input Credit repayment in-kind (produce) has just begun with smallholder farmer groups. Following some production challenges encountered early in the season, yields in some sorghum fields around Bongo, Sumbrungu and Sherigu were significantly affected, hence affecting expected recoveries. That notwithstanding, aggregation of sorghum is ongoing even in communities where input support under G4G project never reached.

In the quarter under review, U3 Agrinet and Guinness Ghana Breweries PLC concluded on price and went ahead to receive Purchase Order. U3 Agrinet is expected to supply a minimum total of 1,000,000 kilos by the end of November, 2024. The challenge however, is the lack of funds to facilitate aggregation of the quantities from smallholder farmers. The Bank of Africa is the only financial institution demonstrating progress in the conversation of accessing a GHS 2,000.000 credit for aggregation of Sorghum. It is important to recognize that the Senior Investment Advisor of IDH Mr. Marcel Neutel is discussing the potential investor funding opportunities.

As the main season come to an end, U3 Agrinet began preparation into the dry season production activities in the quarter under review. Land preparation for a combine acreage of 52 was prepared for outgrowers and ingrowers for onion production. Onion nurseries were raised successfully, transplanting completed and management ongoing. The women and youth are heavily involved in the production of onions.

In the present business climate, stronger partnerships and networks are critical catalysts for social enterprises such as U3 Agrinet. A team of staff from CATALYST Plus under the AWE project visited the operations of U3 Agrinet. The visit also led to the approval of CAD 2,500 grant for the procurement of a tricycle to support women activities. The Sustainable Sorghum Sourcing Project led by SNV which U3 Agrinet is a stakeholder also held couple of meetings to discuss their model and rollout plans.

In summary, the 2023/2024 production season has been exciting with incredible lessons and opportunities. The relationship with smallholder farmers, traditional authorities, partners and funders served many learning opportunities for improvement in the next season. As the dry season begins, it is expected that U3 Agrinet and other SMEs will seize the opportunity to build competitive onion production systems following the political instability in Niger (highest exporter of onion in the sub-region).

Key Activities

2.0 Harvest and Post-Harvest

The fourth quarter which is the harvesting period for grains in Northern Ghana is usually a busy period for farmers and service providers especially shelling, threshing and transport. Majority of the Sorghum fields have been harvested in the quarter under review, and threshing of some few maize fields may extend into next quarter due the inadequate threshing service providers.

Regardless of the production challenges reported (erratic rains fall, poor germination, bird/insect invasions and post-harvest loses etc) in some sorghum supported fields across our zone, the average yields of sorghum range between 0.5tm to 0.9kg per acre across few communities that have completed. It is also important to acknowledge the extremes which reported as low as 0.025kg which was duly attributed to poor seed quality.

In the area of maize, the story is quite encouraging in the our ingrower block farms where yields of smallholders' farmers including some persons with disabilities recorded impressive average yield of 1.4mt per acre across varieties. Smallholders farmers including in Mr. Kojo Akoyine, 45 years old who is living with disability harvested over 1400kg from his 1-acre maize supported farm in Balungu. Post-harvest activities are currently ongoing on the 248 acres ingrower block farm at the Balungu farm estate. U3 Agrinet has engaged over 50 casual works with majority being women in the harvesting and post-harvest activities currently ongoing in Balungu.



Over 60 women and youth hired as casual labor for the harvesting of the 248-acre maize block farm in the 23/24 production season

Following the onset of the harmattan weather, many farms are experiencing the threats of bush fires because of the dry weather and indiscreet burning practices. The team has been very proactive with the development of effective fire-belts and timely interventions of farm workers in multiple bush fire incidents.



Photos of some unpleasant scenes of bush-fire threats in the Balungu Farm Estate in the 23/24 production season

2.1 Warehouse Preparation

In the 3rd Quarter, it was reported that U3 Agrinet had been handed the 4000-ton capacity warehouse in Pusu-Namoo by the MoFA following evidence of our investment and capabilities in the Talensi District. However, the new warehouse facility required some minor repairs before usage.



U3 Agrinet has so far spent about GHS 25,000 to fix and get it ready for use. Key among the issues were, water, roofing, 2 gates, clearing, washing and lightening.

MoFA 4000MT Capacity Warehouse released to U3 Agrinet

To date, the 4000 tons warehouse has started receiving sorghum and maize grains for storage. To ensure that grains kept in the warehouse do not develop mold, U3 Agrinet procured 50 wooden and plastic pallets to guarantee safe keeping of grains in the warehouse.

The warehouse also serves as an appropriate place to further clean sorghum grains before they are bagged and stored.

Branding and Marking: As part of our branding and marking, branded bags were procured to



The transport team of discharging of Sorghum grains recovered and aggregated from G4G Participating farmers in Warehouse

package the grains systematically. This step not only contributes to the organization's branding but also ensures a standardized and quality storage system.



New branding and packaging of U3 Agrinet



2.2 Recoveries of Repayment From SHF

During the production season, 600 farmers were supported with input credit in a bundle service package constituting of ploughing, harrowing, seed, fertilizer and agrochemicals for an acre. In the contract agreements with farmer groups, participating farmers are to pay 250kg of Sorghum grains as repayment for the credit facility. However, following the production challenges encountered by some farmers as reported earlier, U3 Agrinet agreed to postpone repayments in worse affected communities, while some were renegotiated downwards to ensure that farmers were not left worse off.

At the time of reporting, about 32% of recoveries were complete. Recoveries have been slow due to manual processing of grains coupled with harvesting of other grains cultivated by same farmers. This is expected to increase significantly in the coming period as most farmers are done processing their other grains and now focusing on the sorghum grain.



Some participating farmers getting ready to repay for input-credit they received from U3 Agrinet for 23/24 Production Season.

2.3 Aggregation of Excess Grains

U3 Agrinet has signed a Purchase Order with Guinness Ghana PLC to supply not less than 1000 mt of sorghum between December 2023 and November 2024. It is obvious that U3 Agrinet cannot rely on only grains from participating farmers, hence the effort to extend aggregation to non-participating communities to enable us meet the supply agreement with Guinness Ghana PLC.

At the beginning of the season, it was agreed that the excess of the sorghum grains will be sold to U3 Agrinet at market price. On this premise, U3 Agrinet is buying every excess that participating farmers wished to sell. Produce are weighed to a 50kg standard and cash payment executed at the point of sale if all quality requirements are fulfilled. To date, A total volume of 50 metric tons valued at GHC 250,000 has been aggregated. There are still huge volumes waiting to be aggregated in these communities.



Field staff Freeman (left) and Jeffery (right) busily inspecting, weighing and labeling excess grains bought from participating farmers

Even though some farmers did not receive input support due to the limited resource available, U3 Agrinet serves as a guaranteed market for these Sorghum farmers who may have benefited indirectly through our sensitization, training and market systems. It is worth noting that some commercial farmers also sold their sorghum grains to U3 Agrinet.

3.0 Access to Finance

3.1 Update on Banks

To enable U3 Agrinet aggregate excess Sorghum from G4G participating and non-participating farmers, timely and adequate financing is critical. Under the G4G Project, participating SMEs including U3 Agrinet were linked to some financial institutions such as Absa by IDH. Guinness Ghana PLC also linked us to Bank of Africa, Fidelity Bank and Zenith Bank.

Unfortunately, all these banks have not been able to progress the conversation except for Bank of Africa. Bank of Africa has engaged the Ghana Incentive-Based Risk-Sharing System or Agricultural (GIRSAL). A team of GIRSAL and Bank of Africa officers visited U3 Agrinet at the beginning of the fourth quarter to assess infrastructure, operations and other requirements. A comprehensive report has been submitted to Bank of Africa to progress with loan requirement. U3 Agrinet is requesting an amount of **GHS 2,000,000.00** to finance the aggregation of Sorghum to meet the purchase order of Guinness Ghana Breweries PLC.

3.2 PULL-AGGREGATE-SUPPLY-SHARE (PASS) Initiative

While waiting to for favorable news from any of the above-mentioned banks, U3 Agrinet continued to think outside the box to raise funds for aggregation. The PASS Initiative was introduced to mobilize funds from friends and family members who trusted our operations and wished to invest in a safe agribusiness value chain. Through this initiative, U3 Agrinet was able to raise **GHS 200,000.00** to fund the purchase of a few bags of Sorghum from farmers.

A total of six (6) persons contributed the said amount and agreed on the sharing terms discussed. It is expected U3 Agrinet will grow and sustain this initiative to attract more youth to invest in Agribusiness going forward. Management is expected to hold quarterly updates and feedback

through virtual forums for investors.

Interested participant can express interest through the application link below.

<https://forms.gle/pPmtvDodRTzbBbkm7>

Investment Announcement

U3 Agrinet

Are you an individual, an organized group or a company looking to investment in agribusiness?

Do you want to invest in a safe, rewarding yet stress-free agricultural value chain? This is the right opportunity for you. Come and join the U3 Agrinet PASS investment initiative.

What is PASS?

- P** - Pull together our resources
- A** - Aggregate grains from our scheme of farmers
- S** - Supply aggregated grains under contract to reputable multinational processing companies
- S** - Share out profit

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3.3 IDH Support-Access to Finance

In the 4th quarter, the Senior Investment Advisor, Mr. Marcel Neutel of IDH HQ, held a virtual call with the CEO of U3 Agrinet to discuss financial needs of the entity. As part of IDH's commitment to assisting SMEs access finance for CAPEX, U3 Agrinet shared all the relevant information and update on the status of financial credit expected from the commercial banks.

Following the issues discussed Mr. Marcel Neutel later shared the profile of eight (8) foreign and Ghanaian potential investors/financiers. It is expected that U3 Agrinet will read about the potential funders and hold a discussion with the Senior Investment Advisor of IDH for guidance and direction on the next steps in the new year.

4.0 Commencement of Dry Season Farming

The U3 Agrinet model includes the production of irrigated onion and maize along identified water bodies within targeted communities. Women and youth are still the target population and this reinforces our commitment to All-Year production to improve the livelihoods of vulnerable groups. A total of about 52 acres for 50 smallholder farmers are being supported with land preparation, irrigation, seedlings and agrochemicals. Most of these beneficiaries are located along the river banks of the White Volta in Pwalugu, and few communities such as Winkogo, Balungu and Sumbrungu.

4.1 Land Preparation

Timely and quality land preparation are critical to a successful irrigation production. The lack of access to these specialized services mostly hinders the effective propagation of vegetables, hence the availability of these services motivated many youths to invest in dry season vegetables production, specifically onions.

U3 Agrinet engaged the leadership of the onion farmers, youth and women to reach an agreement for the in-kind payment of bundle service to be provided. U3 Agrinet also assured these farmers of the ready market for Onions as issues with importation of Onion from Niger and Burkina Faso continue to face low supply to the Ghanaian market. This is an opportunity for the local producers and SMEs to improve quality and volumes to meet increasing demand.



Land preparation for onion production at Pwalugu near the Black Volta

4.2 Nursery Preparation and Transplanting

Preparations of Onion nurseries began in October, 2023 across 4 sites. The use of quality seed combined with expert maintenance and management practices guaranteed an average of 95% survival rate of onion nurseries across sites. This is a crucial stage and robust start to the dry season cultivation.

Transplanting of onion nursery is a significant, labor-intensive and timely activity to be timely to avoid any production challenges. For these reasons, over 30 persons were involved in transplanting, where an average of 12-15 persons were required for an acre of transplanting. It cost U3 Agrinet GHS 30.00 per individual per day for transplanting per acre within and around the Pwalugu vicinity.



Onion transplanting involving women and youth around the Black Volta in Pwalugu

4.3 Solar-Powered Mechanized Borehole Installation

In a strategic move to enhance productivity during the dry season, U3Agrinet has invested in the installation of a solar-powered mechanized borehole at the farm garden which serves as model site. This initiative ensures a sustainable and efficient water supply for irrigation, contributing to increased yields and improved resilience against climatic challenges. The initial set up and



Installation of a Solar Powered Borehole at 20-acre Model Garden Farm in Balungu

installation cost is GHC190,000.00. The site has since been propagated with onions using the flood irrigation method. However, the installation of micro spray irrigation systems to further improve the efficiency of the underground water utilization is ongoing with the technical service from Pumptech Company Ltd.

5.0 Capacity Building Activities

5.1 Velocity App Training by Agrocenta: Riding the Wave of Innovation

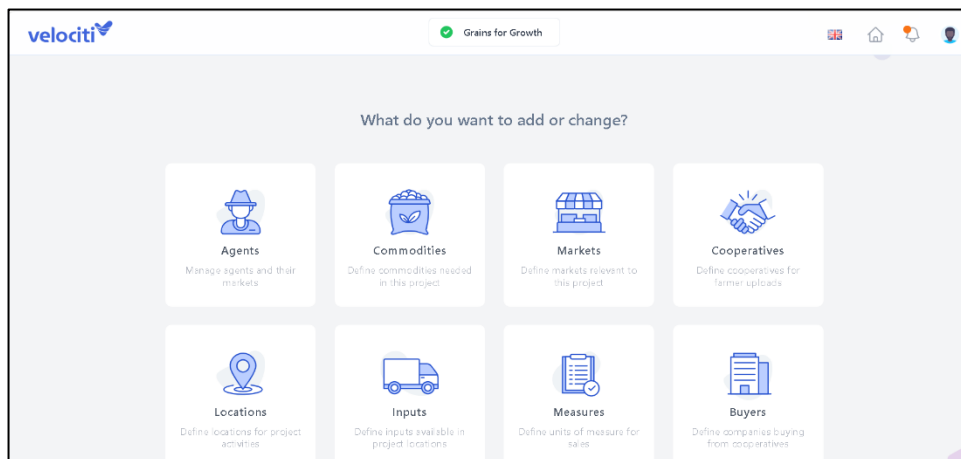
Under the G4G Project, Agrocenta is empowering SMEs with cutting-edge information and data management technology. The technology which is called the Velocity App, involves collects, process and visualize SHF data and internal operations. The technology ensures efficiency, transparency, and precision in farmer data management.



In the quarter under review, Agrocenta organized a training meeting for staff. The one-day training meeting provided SME staff with knowledge and skills to use and navigate the Velocity App and its associated functionalities. The session provided staff an opportunity to seek

answers for the technical issues they may be confronted with.

Prior to this training, the CEO of U3 Agrinet held a couple of virtual meetings to understand how U3 Agrinet can maximize efficiency through the Velocity App. The CEO encouraged Agrocenta to consider providing additional functionalities to address warehousing, operations and more interactive infographics.



The Velocity Application by Agrocenta

5.2 Gender Mainstreaming Workshop With IDH

In the quarter under review, IDH provided training to SME staff as a pivotal step towards social inclusion. The 2-day training focused on Gender Mainstreaming in the activities of SMEs. Staff of U3 Agrinet, AgriAccess, FARANAYA and others participated in the workshop that was aimed to equip the SMEs staff with the knowledge and understanding to enhance the participation of women in the G4G Project. This initiative aligns with our commitment and mantra to **Leave No Vulnerable Behind** in the creation of equal opportunities for women, youth, persons living with disabilities and the displaced groups in our society (*#LeaveNoVulnerableBehind#*)

U3 Agrinet stands for Women, Youth, People Living with Disabilities and displaced groups. Our



Richard (1st right) and Freeman (2nd Right) of U3 Agrinet joined by Afua (Gender Advisor-IDH) and staff of other SMEs.

activities take into consideration the participation of this category and prioritizing and mainstreaming their needs in the production credit scheme, training, access to mechanization support, market and information access. These kinds of capacity building are critical to objective of improving the participation and empowerment of the vulnerable groups in our society.

6.0 Sustaining Strategic Partnership

6.1 Accelerating Women's Empowerment (AWE) Project-CATALYST Plus

During the quarter, U3 Agrinet welcomed a visiting team from CATALYST Plus, represented by Program Manager for Anglophone Africa Ms. Sara Awad and Country Representative Mrs. Doris Owusu. CATALYST Plus is one of our strategic partners supporting the development of women under the AWE project. The partnership has led to the training of smallholder farmers in group dynamic, development of a 5-year Strategic Plan document all through two separate Technical Assistance Consultants (Mrs Kimberly McAuley and Mr. Hardy)

The visit of Sara and Doris also led to the approval of an in-kind grant package worth CAD 2,500. This was meant to procure a tricycle to mitigate the farm transportation challenges of participating women in Balungu. The visiting team toured the 248 acre In-grower Block Farm in Balungu. They held conversation with the field team to appreciate the the U3 Agrinet model and its impact on women especially. The visit of the Mrs. Doris Owusu and Ms. Sara Awad, the signified a stronger collaboration in the coming years.



A Photo with visiting partners from CATALYST Plus (Sara and Doris) at the ingrower field in Balungu community.

6.2 Sustainable Sourcing of Sorghum Project-SNV

U3 Agrinet is one of the SMEs that may be participating in the new sorghum project led by SNV. The Project titled Sustainable Sourcing of Sorghum is a new initiative to increase sorghum production and supply for industrialization. U3 Agrinet has participated in stakeholder meetings and shared a number of production and business information to help in the project preparatory process.

U3 Agrinet is hopeful of participating in the new Sorghum project to increase productivity, employment and incomes of vulnerable persons including women, youth and person living with disabilities through the partnership with SNV.

7.0 Challenges, Way Forward and Conclusion

7.1 Challenges

U3 Agrinet continue to explore solution to the ever-evolving challenges confronting SMEs in the agribusiness space. After the erratic rainfalls and its accompanying challenges, the harvest and post-harvest set of challenges are also emerging.

- Poor yield in some sorghum producing areas leaving farmers little or no produce due to insect infestation and excessive rains.
- Quality of Sorghum grains is a challenge, costing U3 Agrinet additionally to clean to an acceptable standard
- Lack of cleaning equipment also a significant contributor to the current low-quality standard of Sorghum grains received from smallholder farmers. Most of these farmers are relying on manual threshing processes hence the poor-quality issues.
- Lack of finance to aggregate excess sorghum grains to meet supply schedule to Guinness Ghana Breweries PLC Purchase Order

7.2 Way forward

U3 Agrinet has studied and documented the characteristics of the high yielding and early maturing variety Pack 501 to inform production timing and practices next season. This will also help in the training of farmers on the appropriate site selection for the Pack 501 variety.

U3 Agrinet will continue to pursue financing opportunities to fund aggregation and cleaning equipment to enhance the quality of grains supplied to Guinness Ghana PLC. While looking for formal funding, management will continue to engage friends and families on the PASS initiative to increase investment.

Following the handing over of the 4000 mt capacity warehouse to U3 Agrinet by MoFA, management of U3 Agrinet will initiate conversations with Guinness Ghana PLC to setup and equip the laboratory of the warehouse to facility examination and standardization of grains.

7.3 Conclusion

The 2023/2024 production has just entered into the post-harvest phase; however, it is not out of place to conclude that it was a good season. Current average yield of 0.7mt is a good start for communities that are rekindling the production of a traditional group.

Many farmers especially women and youth are repaying and selling excess sorghum and making good amount of income. This evidence of women and youth happily increasing their

income through the G4G Project is collective joy shared by SMEs and participants of G4G Project.

That notwithstanding, the challenge of access to finance to facilitate aggregation of excess sorghum grains continues to linger in our minds and the fear of farmers side-selling to competitors is worrying and discouraging. Regardless, U3 Agrinet is leaving no stone unturned until the last Woman, Youth or Person with Disability is able to sell his/her sorghum to Guinness Ghana Brewery PLC through U3 Agrinet model. Indeed, we are leaving no vulnerable behind.

8.0 Monitoring and Evaluation

8.1 Summary statistics of project indicators

Indicator Tracking Table (As at end of December, 2023)

Theme	Indicator Name	Annual Target	Q2 Actual	Q3	Q4	Comments
Smallholder Farmer Engagements	Number of smallholder farmers registered with company sourcing database	2000	1,216	1270	1,270	Registered to participate
	Number of SHFs who participate in trainings in good agricultural practices to produce high-quality grains	2880	760	650		
	Number of SHFs who participate in trainings on climate smart or regenerative agriculture	450	380	260	N/A	
	Number of SHFs that participate on trainings on financial and business literacy.	225	670	740	N/A	
	Number of SHFs with improved access to high quality seeds, agrochemical and mechanization as a result of project support)	1000	630 SMFs 1000acres	N/A	N/A	
Theme	Indicator Name	Annual Target	Q2 Actual	Q3	Q4	Comments

	No. of demonstration farms setup to demonstrate good agricultural practices, climate smart agriculture, regenerative agriculture	5	5	N/A	N/A	
	Number of Extension Officers engaged in facilitating agricultural production and technology	10	11	11	11	U3 Field Staff=8 MoFA extension officers=3
	New land acquired and developed for ingrower farmers	200 acres	110 acres		10acres	Additional 10 acres was acquired prepared for dry season farming of onions and maize
Production	Number of Persons with Jobs created		47	640	600	In addition to U3 field staff, U3 Employed labor for weed control, bird scaring, spraying, harvesting at all model farms, drying. Services during Field Day Durbar. Number of jobs created at farm level are yet to be collated.
	Number of farmers who have been allocated farm lands	TBD	116	N/A	N/A	Women=80 Youth=20 PwDs=28