Pathways to Employment

Paper 3

Agribusinesses

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CHALLENGE FUND FOR YOUTH EMPLOYMENT

CFYE is a €134 million initiative funded by the Netherlands Ministry of Foreign Affairs. Our goal: **create, match, and improve jobs for 230,000 youth—at least half of them women—across 11 countries in MENA, Sahel & West Africa, and the Horn of Africa.** Since 2019, CFYE has issued competitive "Calls for Solutions," inviting private-sector companies (typically part of a consortium of partners) to submit ideas for addressing the youth-employment challenge in partnership with the Fund.

CFYE has co-invested - via matching grants and complementary technical assistance (TA) - in **132 IPs**. Partner IPs commit to creating, matching or improving a certain number of decent jobs for youth over a 2-3 year project duration. The programme supports the Netherlands' *Youth@Heart* strategy and the UN SDGs on education and employment.

What is CFYE aiming to achieve?

CFYE adopts a market-driven approach to address both supply and demand side youth employment barriers:

Supply side: Targeted upskilling and career-readiness initiatives that meet fast-changing labour-market needs and overcome gender barriers - for example, partnering with Nigerian digital-service providers to train young women in coding and entrepreneurship.

Demand side: Job creation and job quality improvements through business support - such as Uganda's Balloon Ventures, which offers micro-loans and advisory to women-led firms so they can grow and hire other youth.

CFYE's Outcome Pathways

CFYE supports a range of pathways that enable young people to access decent work[1]. These pathways fall under three job outcomes:

Create: Young people gain employment through new work opportunities created as a direct result of CFYE support.

Match: Young people are connected to existing jobs through job placements and matchmaking services.

Improve: Young people already employed experience enhancements in job quality, such as better pay, improved working conditions, access to social protection, and career growth.

Results-based Payment Approach

CFYE operates a Payment by Results (PbR) model. 10% of funds are released on finalising the project Theory of Change; 12.5% through quarterly and annual reporting; 37.5% for activities leading to jobs (outputs); 40% via annual job reports.

1 This follows the International Labour Organization (ILO)'s definition of decent work. This is defined as work that is productive and delivers a fair income, security in the workplace and social protection for all, better prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. For CFYE, all jobs supported through the programme must respect fundamental labour rights, as set out in the ILO core standards.

The Pathways to Employment (PTE) Learning Series

Youth unemployment across Africa and the Middle East is a complex and urgent challenge. With over 60% of the population under the age of 25, the region faces a demographic surge that, if not matched with economic opportunity, risks deepening cycles of unemployment, underemployment, and exclusion, particularly for women and marginalised youth.

Each year, more young people enter the labour market than there are jobs to absorb them, especially in less developed economies. Formal employment remains out of reach for most: In 2023, only about one in five youth in low-income countries could expect to secure regular paid employment and nearly three-quarters of young adults in Sub-Saharan Africa remained trapped in insecure work[2], underscoring the persistent gap between demographic potential and economic opportunity.

Despite growing interest in youth employment programmes[3], many interventions remain fragmented and overly focused on supply-side solutions such as upskilling. While important, this narrow focus often overlooks the demand-side of the employment equation. In other words, *what are the requirements, commercial motivations, and constraints faced by employers who ultimately create and sustain jobs?*

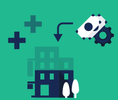
This highlights a critical gap: the need for more evidence and investment in programmes that directly engage employers and respond to labour market realities with demand-driven solutions.

The **Challenge Fund for Youth Employment (CFYE)** seeks to address this gap through the **Pathways to Employment (PTE) Learning Series.** Drawing on standardised data collected over 6 years of implementation and targeted case study research with selected partners, the PTE series aims to generate practical lessons on how different business models can create and sustain decent work for youth.

To better understand the types of businesses in CFYE's portfolio and their contribution to job outcomes, we have segmented our 132 implementing partners (IPs)[4] into the following business model categories:[5]

2 ILO (2024). *Global Employment Trends for Youth 2024: Decent Work, Brighter Futures (20th Anniversary Edition).* International Labour Organization. Retrieved from https://www.ilo.org/publications/major-publications/global-employment-trends-youth-2024
3 Donors such as Germany (GIZ), European Union, multilateral banks (World Bank, African Development Bank), foundations such as MasterCard, and private sector companies like Accenture, Microsoft, and Adecco Group have prioritised youth employment in their strategies.
4 IPs are are privatesector led consortia or single companies contracted by the Challenge Fund for Youth Employment (CFYE) to design and deliver projects that create, match, or improve jobs for young people. IPs are selected through competitive calls for solutions and are responsible for implementing their proposed business models.
5 In this paper, we use "business models" as shorthand for the broad categories of enterprises that CFYE partners with. Our categorisation is informed by the Dutch Good Growth Fund (DGGF) report *Segmenting the Missing Middle*. The assumption is that DGGF's fourth category—Livelihood Sustaining Enterprises—is reached through CFYE's fourth category, Intermediaries.

Table 1. **CFYE Portfolio Categorisation**

	Category*	Model	Definition
	Social Enterprises*	Social Enterprises	Businesses that combine commercial incentives with an explicit social and/or environmental mission, aiming to create both financial sustainability and measurable impact.
	High-growth Ventures*	Platforms for offline work**	Platforms that connect general and blue-collar workers to in-person, non-digital jobs and gigs
		Platforms for digitally-delivered work**	Platforms that train and connect young people to digitally-enabled and digitally-delivered jobs
		Platforms for Skills-Building**	Platforms that offer training and skills development to enhance workers' technical capabilities
		Digitizing Micro-enterprises**	Online platforms that connect potential buyers and sellers and helps to sell or buy products or services
	Dynamic Enterprises*	Agribusinesses	Businesses that produce, or provide support services to the sourcing and/or processing of agricultural products, provided they generate revenue from these activities
		Non-agri SMEs	Businesses that operate in typical "bread & butter" industries
	Intermediaries	NGOs	Conventional non-profit organizations that set up projects to support micro-entrepreneurs and/or self-employment
		Intermediaries	Organisations that combine capital deployment with technical assistance to support the growth of small and growing businesses. Rather than creating jobs directly, they work through the businesses they finance and support, meaning they have an indirect impact on employment through the businesses in their portfolios.

* Our categorisation is informed by the Dutch Good Growth Fund (DGGF) report Segmenting the Missing Middle. The assumption is that DGGF's fourth category—Livelihood Sustaining Enterprises—is reached through CFYE's fourth category, Intermediaries.

** Subcategories within the High-Growth Ventures category broadly align with the classification used by the Jobtech Alliance.

Four Promising Business Models

The PTE series offers a reflective, practitioner-led inquiry into how these business models are performing within the CFYE context. It aims to surface trends, generate insights, and inform the decisions of actors in the youth employment ecosystem.

For this learning series, we have selected four promising business models for deeper analysis:

1. **Platforms for Skills-Building:**
   Platforms that train and connect young people to digitally enabled and digitally delivered jobs.
2. **Social Enterprises:**
   Businesses that combine commercial incentives with an explicit social and/or environmental mission (for example waste management services or health products), aiming to create both financial sustainability and measurable impact.
3. **Agribusinesses:**
   Businesses that produce or provide support services to the sourcing and/or processing of agricultural products, provided they generate revenue from these activities.
4. **Intermediaries:**
   Organisations that combine capital deployment with technical assistance to support the growth of small and growing businesses. Rather than creating jobs directly, they work through the businesses they finance and support, meaning they have an indirect impact on employment through the businesses in their portfolios.

Importantly, this is not an evaluation of CFYE's net impact, nor an academic study establishing causal relationships. Rather, it is a learning initiative designed to support donors, investors, practitioners, and private sector actors in designing more connected, market-grounded youth employment programmes that are more effective, scalable, and inclusive.

Agribusinesses

Pathways to Employment Paper 3

Pathways to Employment 3

Agribusinesses

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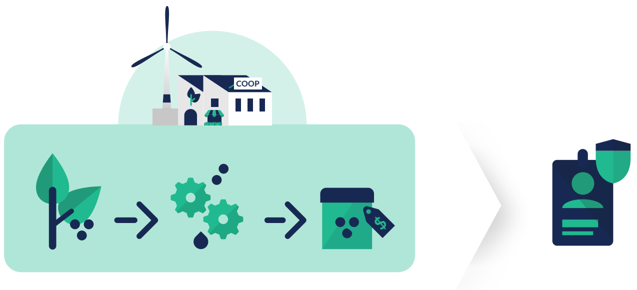
demand

supply

Limited access to land, finance, technical skills, and reliable market linkage.

Young women often face additional constraints, including restrictive social norms, unequal land rights, care responsibilities, mobility limitations, and reduced access to finance, training, and networks.

KEY INSIGHT



There can be a stabilising effect on employment when Agribusinesses coordinate the value chain

KEY INSIGHT

Youth believe job quality improves through formalisation and clear progression pathways

KEY INSIGHT

Inclusion outcomes are strongest when youth and women are integrated into core operational roles

KEY INSIGHT

Skills development strengthens youth employment when embedded in operations

KEY INSIGHT

Commercial sustainability remains a key constraint on employment outcomes

Executive Summary

PTE 3: Agribusinesses

Agriculture remains one of the main sources of employment for youth across Africa and the Middle East, yet most young people remain concentrated in informal, low-productivity roles with limited stability or prospects for advancement. At the same time, Agribusinesses—described in this paper as enterprises engaged in agricultural production, aggregation, processing, and support services—hold potential to generate meaningful employment opportunities for youth.

For CFYE, Agribusinesses represent a critical pathway for inclusive job creation, particularly in rural economies. By integrating young people into structured value chains as employees and entrepreneurs, these businesses can help shift youth from informal work into more stable and productive roles.

However, Agribusinesses face persistent barriers on both the supply and demand sides of the labour market. On the supply side, young people often lack access to land, finance, technical skills, and reliable market linkages, which limits their ability to create or access better quality, more productive roles. Young women often face additional constraints, including restrictive social norms, unequal land rights, care responsibilities, mobility limitations, and reduced access to finance, training, and networks. On the demand side, Agribusinesses operate in volatile environments characterised by climate risks, thin profit margins, fragmented supply chains, and limited access to working capital. These factors constrain their ability to scale operations and invest in workforce development.

Against this backdrop, the paper shows how Agribusinesses have potential to be powerful engines of youth employment when their commercial growth and workforce needs are supported together. Strengthening value chains, improving access to finance, investing in workforce skills, and enabling inclusive business practices will be essential for unlocking the full potential of Agribusinesses to generate sustainable and scalable employment opportunities for young people.

Agribusinesses in CFYE's portfolio span the following archetypes:

Archetype	Examples of CFYE IPs
Production	*African Bamboo* in Ethiopia has built an industrial bamboo value chain that creates employment in bamboo cultivation and processing.
Aggregation and Offtake	*Hemam Synergy* in Nigeria integrates youth farmers into structured supply chains while creating waged roles in aggregation, logistics, and quality control.
Processing and Value Addition	*Happy Cow* in Kenya strengthens the dairy value chain while creating waged roles in processing, quality control, and supervision, and *Delish & Nutri* in Kenya integrates youth into food processing and distribution.
Agricultural Support Services	*ThriveAgric* in Nigeria enables youth farmers to access input financing, extension services, and market linkages while creating roles as agricultural extension agents and field coordinators.

PTE paper 3 explores Agribusinesses through the following research questions:

- How, and to what extent, do Agribusinesses create and improve jobs for young people?
- How have Agribusinesses designed and adapted their business models in ways that reach and benefit young people?
- How do Agribusinesses balance commercial sustainability with delivering social (and environmental) impact?
- What lessons emerge from CFYE's experience supporting Agribusinesses, and how can these lessons inform future policy and programming?

Key Insights from CFYE

1. **There can be a stabilising effect on employment when Agribusinesses coordinate the value chain:** Agribusinesses create more stable youth jobs and plan workforce needs when they strengthen coordination across aggregation, processing, logistics, and market access, enabling them to stabilise supply volumes, manage quality, and smooth seasonal fluctuations. As a result, employment becomes less reactive and more predictable, though these gains often take time to materialise and depend on broader commercial resilience. *Happy Cow* in Kenya strengthened milk collection networks and processing capacity, which stabilised supply and enabled the company to sustain youth employment in roles linked to aggregation, quality assurance, and processing beyond peak production periods.

2. **Inclusion outcomes are strongest when youth and women are integrated into core operational roles:** Employers note that youth often bring strong digital skills and adaptability, making them particularly effective in roles requiring technology use, data management, and innovation. This reinforced their commercial value to the business. Gender inclusion similarly improved where firms created viable roles for women, particularly in processing and coordination, and addressed mobility and safety constraints. However, inclusion outcomes are often context-specific and may require ongoing adaptation, particularly where structural barriers persist. *Hemam Synergy* considers young people the backbone of its procurement and quality control systems due to their affinity with tech-enabled roles and the perception that young people pick up on training more quickly than older employees.

3. **Youth believe job quality improves through formalisation and clear progression pathways:** Agribusinesses achieved stronger youth retention and productivity when they introduced structured employment conditions, including clearer roles, more predictable payment schedules, and safer working environments. This was particularly important in rural labour markets, which are characterised by informal work and income volatility. *Delish & Nutri* introduced clearer job roles within processing, which improved retention and enabled young workers to build skills and transition into more senior or specialised functions.

4. **Skills development strengthens youth employment when embedded in operations:** As modern Agribusinesses adopt more technology-driven, data-intensive, and quality-focused models, the demand for skilled labour is increasing. Firms that invested in role-specific training, supervision, and technology-enabled roles improved operational efficiency while sustaining demand for skilled youth. Rather than reducing labour demand, technology adoption often increased the need for trained youth to serve as field coordinators and quality controllers, supporting the scaling of businesses and higher employment outcomes. Importantly, technology adoption should be contextually appropriate, cost-effective, and accessible for staff, ensuring it genuinely addresses operational needs. *Hemam Synergy* deployed digital monitoring tools alongside trained youth field agents, improving farmer coordination and strengthening demand for youth roles in data collection and supervision

5. **Commercial sustainability remains a key constraint on employment outcomes:** Agribusinesses operate in volatile environments characterised by climate risks, thin margins, and limited access to working capital. These factors can constrain their ability to scale operations and sustain employment. As a result, employment outcomes are closely tied to business performance, and may remain uneven where underlying commercial foundations are weak or still evolving.

Pathways from business growth to youth employment are usually not linear. Many Agribusinesses require time to refine their models, build market linkages, and stabilise operations before employment effects fully emerge. CFYE's experience highlights the importance of flexible, context-aware support—combining co-financing and TA—to enable experimentation and course correction for more and better jobs for young people.


SOWIT

Section 1

Introduction

Defining the Challenge

Agriculture is one of the most common employment sectors for youth in Africa. However, most youth remain in low-productivity roles with limited income security. Agribusinesses—which are businesses spanning production, aggregation, processing, and support services to the agricultural sector—have the potential to generate meaningful, decent work for youth. Despite this potential, young people and Agribusinesses face interconnected challenges that constrain business growth and productivity, while limiting job creation and improvements in job quality[6].

Young people's access to work in agriculture is shaped by a combination of perception, capability, and resource constraints. The low perceived status of agriculture discourages entry, with many viewing it as hard work with low returns and limited upward mobility. In Nigeria, for example, youth often prioritise informal urban jobs, seeing agriculture as a 'poverty trap'. Gender norms further limit participation, particularly in higher-value or mechanised roles. In Ethiopia, young women are excluded from activities such as mechanised threshing, while in Kenya they are concentrated in lower-value tasks like sorting or manual labour. Limited access to productive resources (such as land, inputs and equipment) remains a major barrier, while skills and experience gaps persist, including limited exposure to modern farming techniques, machinery, and digital tools such as GIS. Constraints such as weak market access, unreliable offtake, and limited access to finance further reinforce these barriers.

Agribusinesses, in turn, face structural constraints that limit their ability to generate stable and quality employment. Fragmented and volatile markets make it difficult to secure consistent supply and demand, while infrastructure gaps (such as poor roads, limited cold storage, and unreliable power) increase post-harvest losses and limit growth. Thin margins and restricted access to capital constrain firms' ability to formalise jobs or invest in workforce development. At the same time, businesses face persistent talent gaps – particularly mid-level and technical roles – essential for the effective running of modern Agribusinesses, as well as challenges with workforce reliability. Regulatory burdens and market distortions further increase risk and reduce incentives to invest in long-term employment.

Taken together, these dynamics highlight both the constraints and the opportunity. While Agribusinesses' ability to generate quality employment remains limited by structural barriers, targeted efforts to strengthen skills, improve access to resources, and enable business growth can unlock more productive, resilient, and attractive livelihood pathways for young people working in the sector.

6 Challenge Fund for Youth Employment (2021). *Scoping Reports.* Netherlands Ministry of Foreign Affairs.

What are Agribusinesses?

We define Agribusinesses as small and growing businesses (SGBs) that produce or provide support services to the sourcing and/or processing of agricultural products and generate revenue from these activities. Within CFYE's portfolio, Agribusinesses play a pivotal role in bridging the gap between informal agricultural livelihoods and formal employment, creating decent work opportunities for young people.

Agribusinesses can be broadly categorised into four main archetypes:

- *Production:* Enterprises involved in cultivating crops, raising livestock, or producing other raw agricultural commodities. In other words, these businesses generate primary products in the agricultural value chain.

- *Processing and Value Addition:* Businesses that transform agricultural products into value-added goods, such as food processing firms, milling operations, or packaging facilities. Processing adds economic value and often increases market access for agricultural outputs.

- *Aggregation and Offtake:* Businesses that consolidate produce from multiple smallholder farmers and facilitate its sale or onward distribution, often linking producers to larger markets or exporters. This model helps to streamline logistics, and secure fairer prices for producers.

- *Agricultural Support Services:* Businesses that provide inputs (such as seeds and fertilisers), logistics, technical and advisory services, finance, or other forms of support to producers and processors. These services are essential for efficient agricultural operations.

The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the Challenge Fund for Youth Employment

Who are the Featured Agribusiness IPs?

Table 2. The table below captures the five case study IPs featured in this paper.7

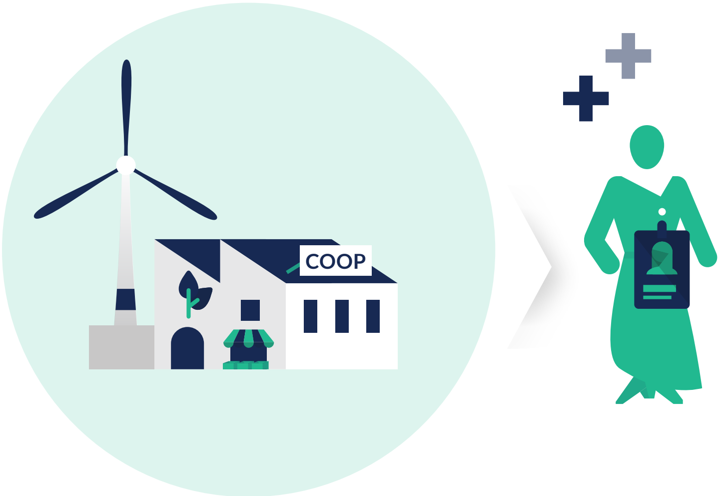
IP	ThriveAgric	Hemam Synergy	African Bamboo	Delish & Nutri	Happy Cow
Agribusiness 'archetype'	Support services (input financing, offtake coordination)	Aggregation and offtake	Production and processing	Processing and retail distribution	Processing
Primary employment pathway	Self-employment (farmers), youth field agents, waged platform and operations jobs	Self-employment (farmers and accountability group heads); waged jobs in aggregation, quality control, logistics and coordination (field officers)	Self-employment (farmers); waged jobs in farm management services, digital & technical roles.	Self-employment (farmers), waged jobs in production, aggregation, processing and last-mile distribution	Self-employment (farmers); waged jobs in retail, transport, processing, technical, & supervisory roles
CFYE project snapshot	ThriveAgric is a platform that links smallholder farmers to finance, technical support, and offtake arrangements using a digitally-enabled model.	Hemam Synergy operates as a services & aggregation business, connecting smallholder farmers to inputs, mechanisation, and reliable markets through a hub-and-spoke model.	African Bamboo develops bamboo-based value chains, including cultivation, processing, and manufacturing of sustainable products.	Delish & Nutri is a ground nuts and beans processing and distribution business.	Happy Cow operates a livestock value-chain model that works with smallholder dairy farmers to improve productivity, milk quality, and market access.
Country	Nigeria	Nigeria	Ethiopia	Kenya	Kenya

Scope of the Research

This paper draws lessons from 21 of CFYE's partner Agribusinesses operating in Kenya, Nigeria, Ethiopia, Senegal, Morocco, Tunisia, Jordan, Egypt, and Sudan. We take an exploratory, mixed-methods approach, drawing on five in-depth case studies, focus group discussions and key informant interviews with youth beneficiaries of three IPs, and ecosystem actors (see *Annex A* for details on Methodology). The research addresses:

- *How, and to what extent, do Agribusinesses create and improve jobs for young people?*
- *How have Agribusinesses designed and adapted their business models in ways that reach and benefit young people?*
- *How do Agribusinesses balance commercial sustainability with delivering social (and environmental) impact?*
- *What lessons emerge from CFYE's experience supporting Agribusinesses, and how can these lessons inform future policy and programming?*

7 See Annex C for a list of IPs in this category, their CFYE grant investment data, and job outcome results.



Section 2

How do Agribusinesses Contribute to Youth Employment Outcomes?

The diagram[8] below illustrates how Agribusinesses contribute to two of CFYE's outcome pathways: Create and Improve. Within these pathways, these IPs contribute to two types of jobs:

Waged jobs:

- Jobs where youth are employed by the Agribusiness itself, on-farm and off-farm (~21% of planned jobs among CFYE's agribusiness portfolio)

Self-employment jobs:

- Jobs where youth are integrated within the value chain of Agribusiness IPs as agents, suppliers, or distributors (~69% of jobs[9]).

8 For CFYE's programme-wide Theory of Change, see *Annex 2*.
9 The breakdown of waged jobs vs. self-employment excludes the small share of matched jobs within the agribusiness portfolio.

Through CFYE's support to Agribusinesses, the Fund impacts youth jobs under the following outcome pathways:

1. **CREATE waged jobs:**
   youth are hired directly by the Agribusiness

   New positions are created as enterprises expand their operations, for example through increased production, asset acquisition, or storage infrastructure development.

   Example: Hemam Synergy created new waged roles for youth as Field Officers within its rice value chain operations. These officers are recruited from local communities and trained to coordinate farmer networks, monitor crop production, deliver agronomic training, and manage the rollout of solar irrigation systems.

2. **CREATE self-employment:**
   youth become a part of the Agribusiness value chain

   As a result of value chain development, the CFYE Agribusiness IP enables youth to become suppliers of Agri inputs.

   Example: ThriveAgric trains youth as agents. In partnership with Crust Microfinance Bank, ThriveAgric provided agents with a point-of-sale device, and onboarded them to a platform, enabling them to earn commissions on transactions.

3. **IMPROVE waged jobs:**
   youth employed at CFYE IP experience improvements in existing waged jobs.

   As a result of changed human resource practices, working conditions, and/or policies enhancing diversity & inclusion, work environment at the IP business becomes more appealing to youth and/or safer for women. Young employees perform better, are more fulfilled, and therefore are retained for longer. IPs may experience increased productivity as a result.

   Example: Happy Cow reassessed wage levels, strengthened occupational health and safety standards, and invested in additional staff training. These steps were designed to boost productivity and improve retention. While they raised short-term operating costs, Happy Cow reports that better working conditions and clearer career pathways have already led to higher staff motivation and stronger performance.

4. **IMPROVE self-employment:**
   youth who are part of the IP's agricultural value chain experience improved employment quality.

   As a result of value chain development, farmer engagement, extension services, or training, Agribusiness IPs enable youth to become more effective as outgrowers or input suppliers, thereby improving the quality and/or quantity of their inputs.

   The nature of these improvements often depends on where jobs sit within the value chain. Upstream roles tend to benefit from productivity gains and market access, while downstream roles are more likely to offer structured income, skills development, and closer integration into formal business operations.

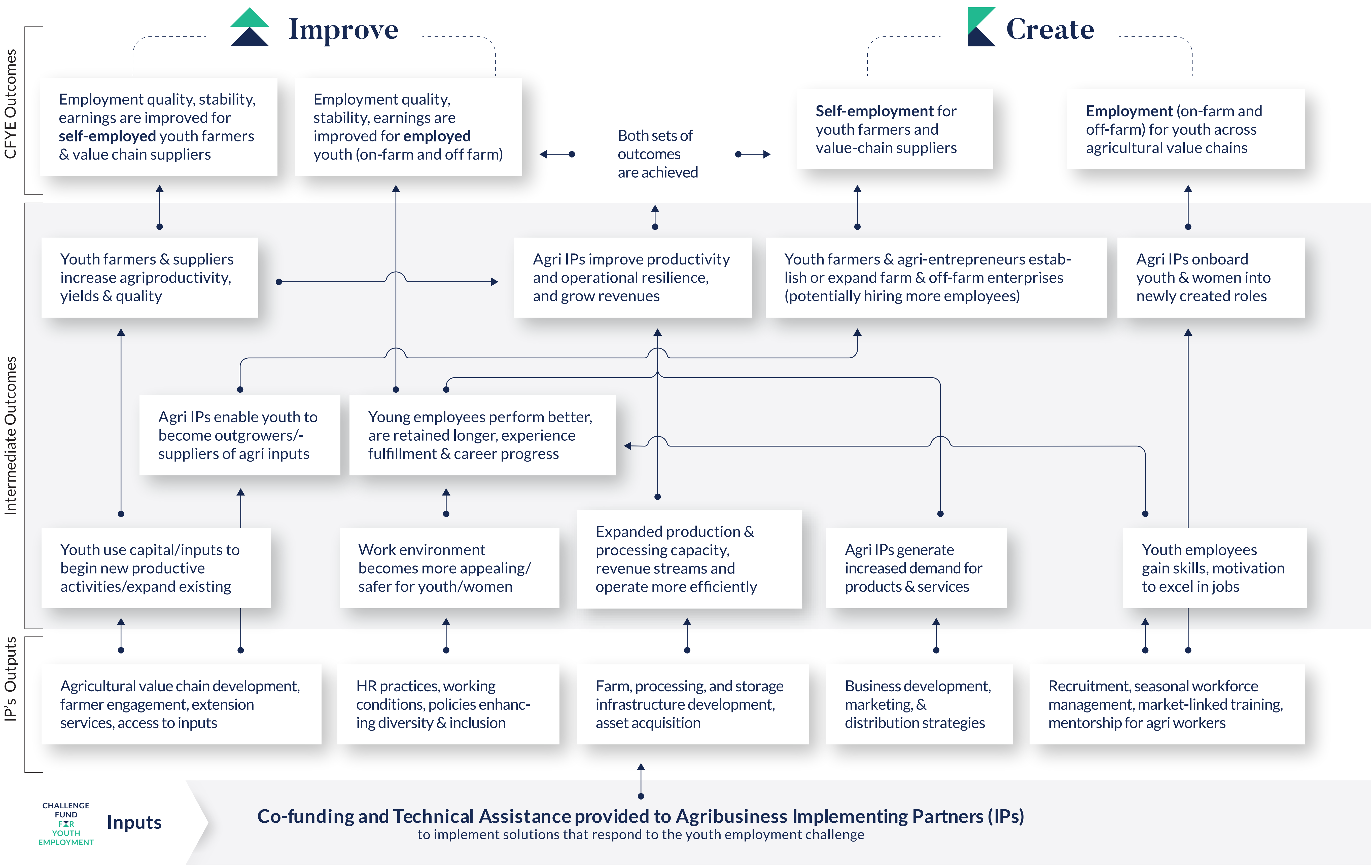
   Example: African Bamboo established a strong resource-sharing framework designed to ensure fair returns for communities and actors involved in the value chain. They have also taken a deliberate approach to guiding enterprises and cooperatives on structuring their sales contracts and managing the purchase of inputs and services.

Across the five case studies selected for this paper, the IPs are concentrated in processing-led models, with four out of five primarily anchored in value addition rather than primary production alone. While these enterprises generate formal waged jobs for youth in both on- and off-farm roles — including aggregation, quality control, manufacturing, and supervision — most employment opportunities remain in production, largely through smallholder farmers participating in the value chain as suppliers.

This reflects the spread of the broader CFYE Agribusiness portfolio, where most planned jobs are concentrated in production (57%), followed by support services (16%), processing and value addition (15%), and aggregation and trading (10%), with only a very small share in distribution and retail (<1%).

Theory of Change for

CFYE's Partnership with Agribusinesses



Section 3

Business Models in Focus

This section analyses the common elements of the business models of CFYE's Agribusinesses. We identify converging trends and innovations that are shaping how these business evolve and consider the constraints they face. These insights highlight how CFYE-supported Agribusinesses are innovating to build inclusive, community-embedded business models that generate youth employment.

What is the Business Model for Agribusinesses?

While each IP has their own sectoral focus and operating model, their business strategies can be mapped to broader pillars. The overview below highlights how CFYE's Agribusiness IPs are delivering value, structuring their key activities, engaging customers and employers, and experimenting with revenue models.

Business Model Pillar	IP Focus Areas for CFYE Project	Challenges to Watch Out For
Value Proposition	–Strengthening agri value chains –Increasing productivity & quality for smallholder farmers –Creating youth jobs across farming, logistics, processing, and retail –Enhancing food security and local market stability –Promoting climate-smart and/or sustainable agri practices	–Exposure to climate shocks and seasonal volatility –Price fluctuations affecting profit margins and therefore wages –Weak infrastructure (roads, cold storage) increasing losses –Women's participation constrained by mobility norms
Key Activities	–Activities across the value chain: inputs, aggregation, processing, packaging, quality control, distribution, advisory services –Youth training in technical, agronomic skills	–High working capital needs –Skills gap among youth –Limited digital literacy in rural contexts –High turnover in seasonal roles
Customers & Beneficiaries	–Smallholder farmers (as suppliers or recipients of services) –Youth employed across value chain –Buyers (processors, wholesalers, retailers) –End consumers	–Market competition –Gender norms impacting women's participation
Revenue & Cost Model	–Product sales (processed goods, aggregated produce) –Service fees (From inputs, advisory, or logistics)	–Cashflow volatility due to seasonality –Thin margins –Timing milestones keeping in mind agricultural cycles –Limited access to working capital

Converging Trends & Innovations

A cross-case analysis of CFYE Agribusiness IPs reveals patterns in how businesses operate to balance commercial viability, scale, and inclusion within volatile agricultural markets. These patterns reflect both, intentional design choices as well as iterative learning.

Across the portfolio, Agribusinesses increasingly recognise that sustainable youth employment depends on strong business fundamentals, coordinated value chains, diversified revenue streams, skilled labour, and stable market linkages. Where these foundations have been weak, there has been a knock-on effect on the sustainability or quality of youth jobs.

1 Some Agribusinesses are discovering commercial incentives for hiring young people

This section looks at when and how hiring young people can make commercial sense for Agribusinesses. It highlights how some IPs invest in inclusive hiring and climate resilience to secure reliable supply, reduce costs, and manage long-term risk. Often, these approaches work best when combined with experienced staff in roles that require deeper expertise.

Commercial incentives can encourage inclusion of youth and women

Some IPs strategically recruit youth into roles where learning speed and adaptability are valued more highly than prior experience. Previous research co-funded by CFYE on the business case for youth recruitment highlighted that youth are often commercially attractive where roles require rapid skills acquisition, adaptability to new processes, comfort with tech-enabled systems, speedy deployment of field workers, or field-level coordination.[10]

- *Hemam Synergy* in Nigeria considers youth labour as the operational backbone of its procurement and quality control systems due to their affinity with tech-enabled roles and the perception that young people pick up on training more quickly than employees in older age brackets. Expansion of their farmer network is directly linked to the speed with which they can train and deploy field officers and Accountability Group Heads engaged in quality control.

- Kenya's *Delish & Nutri's* reports that improved participation from women farmers—resulting from CFYE-delivered gender TA—enabled better household collaboration and decision-making. This, in turn, resulted in better farming outcomes and strengthened supply predictability for the company.

However, these examples also highlight that the commercial case for inclusion is conditional, and not all IPs' inclusion strategies translated into commercial success. In some cases, approaches required adjustment after early implementation revealed operational constraints.

- Egypt's *District Spaces (RDNA)* initially prioritised youth recruitment across most functions, including managerial roles in finance and accounting. While this approach aligned with CFYE job outcome milestones, it created operational bottlenecks due to youth having limited professional experience in roles requiring specialised expertise. The company subsequently shifted its hiring strategy, combining experienced professionals in core management positions and youth in operational and technical roles.

Key Takeaways:

- IPs see commercial incentives for hiring youth and women due to their adaptability, quick learning, and digital skills.

- IPs that met or sustained employment targets positioned young people in roles that were essential to core business functions, such as quality assurance or field monitoring, where youth capabilities, such as adaptability, digital skills and learning potential directly contributed to operational efficiency.

10 Challenge Fund for Youth Employment and Genesis Analytics (2024). *Commercial and social motivators for recruiting youth: Evidence from literature and key informant interviews*, April 2024.

2 Strengthening value chain coordination can help formalise and stabilise employment

A pattern across CFYE IPs is the evolution towards coordinated value chains. IPs that invested in aggregation, processing, logistics, and service coordination were better able to manage quality, mitigate seasonality, and reduce climate risks. By reducing volatility across the value chain, these investments enabled firms to move from reactive to more planned workforce management. This supported more predictable and higher quality jobs for youth, particularly in roles that lie between farm and market, such as field officers, aggregation agents, and quality controllers.

Value chain coordination helps IPs improve commercial growth, creating more stable job opportunities

IPs found that their ability to create and improve jobs for young people - and attract and retain them - became more stable once overall commercial viability improved, often enabled by stronger value chain coordination, rather than through hiring practices alone. As strengthening underlying value chains can take significant time and resources, improved employment outcomes may only emerge over the medium term.

- Kenya's *Happy Cow* increased volumes and improved milk quality by engaging with youth-run fodder enterprises, ensuring consistent feed supply during dry spells. Over the first year of CFYE implementation, the company recorded a 17% increase in revenue and expanded daily processing volumes from approximately 15,000 to 20,000 litres, which the business attributes to improved milk supply and marketing investments. Stronger cooperative governance and improved sales in turn, enabled more consistent youth recruitment, with the IP creating 18 new jobs and improving 480. Improved jobs were closely linked to value chain development.

- On the other hand, delays faced by *Cherubet* in Kenya, importing and installing machinery for a new processing line had knock-on effects across their employment model, particularly for hawkers and kiosk operators whose roles depended on product availability and market readiness. As project staff noted, job pathways linked to these roles developed more slowly than anticipated, not due to weak labour demand, but because operational timelines proved longer than assumed. Cherubet's experience also highlights that value chain addition can require active market creation at the last mile, especially when introducing new products to low-income consumers. Hawkers and kiosks were reluctant to promote unfamiliar products, preferring fast-moving consumer goods that sell quickly and require little explanation. As a result, the IP initially had to invest in consumer awareness before a distributor-led model could function effectively.

- *District Spaces (RDNA)* strengthened value chain coordination by investing in a co-processing facility alongside its retail operations, enabling the business to move beyond resale. This vertical integration reduced reliance on external suppliers, improved control over product quality, and stabilised margins. Rather than relying on ad hoc hiring linked to fluctuating supply, value chain coordination enabled District Spaces to shift towards more deliberate workforce planning as the business scaled.

"[Establishing a co-processing facility over and above our retail business] stabilised the business because … if we are only retailing, which means if we are only receiving finished product and reselling it, we can't add big margin on it because we have to remain competitive. But when we add value we are able to add bigger margin … now we are operating with around 30% to gross profit. In this industry, it›s pretty neat."

— **–Mazen Helmy, CEO, District Spaces (RDNA)**

Agribusinesses are experimenting with diversified revenue streams and blended employment models

Several IPs have diversified revenue streams and expanded into off-season activities, which has helped to smooth demand for labour across the year. This requires factory-based roles, on-farm engagement, aggregation agents, seasonal labour, and technical staff. While this mix can increase outreach, for example by offering both stable waged roles and more flexible self-employment opportunities, outcomes are not always evenly distributed across these pathways and respond more to market conditions and business resilience.

- *Hemam Synergy* initially pursued both wage employment and entrepreneurship pathways for youth, but early implementation showed stronger youth demand for self-employment roles (e.g. Accountability Group Heads charged with quality control) than for waged positions. The IP adjusted its model after a year of implementation[11] to align with these preferences, by increasing self-employment roles in its outcome targets.

- *District Spaces (RDNA)* was intentionally designed for blended employment—combining direct employment within consortium businesses, small-scale suppliers (including women poultry producers), and farm workers. However, while during project design District Spaces assumed that growth among women-led micro-enterprises would generate the majority of new jobs, in practice, post-COVID market conditions, import constraints, and working capital pressures prompted a large number of small businesses to exit. As a result, the most sustained employment outcomes were generated through District Spaces' own operations and larger, more commercially resilient suppliers. Notably, the women-led micro-enterprises that did succeed largely did so due to offtake guarantees and technical support from District Spaces, which enabled them to operate without taking on debt.

11 CFYE allows Implementing Partners to formally adjust project pathways and targets during implementation through an approved Change Request Form, enabling course correction in response to market realities while maintaining accountability.

As IPs consolidate growth, they develop pathways from entry-level into higher-skilled roles

As businesses scale and require greater quality assurance, coordination, and supervision, some IPs created pathways that allow young people to progress from entry-level positions into higher skilled roles aligned with core business needs. These pathways demonstrate that youth advancement is strongest where roles are deliberately designed around young people's strengths and embedded within operating structures, rather than assuming all positions offer equal progression potential. However, both the pace and quality of progression vary considerably: advancement is often constrained by capital investment timelines, infrastructure rollout, and production models.

- *Delish & Nutri's* processing and packaging operations demonstrate how formalised production allows for clear role definitions, predictable wages, and job progression, which are valued by youth in this sector (*See 4. Youth job quality improves where Agribusinesses build pathways into income-stabilising roles)*. Roles in groundnut processing, cleaning, packaging and post-harvest handling allowed young workers to move into line supervision or quality control as production scales. Supervisory roles also grew as night shifts were introduced to extend production capacity, further bringing opportunities for progression. However, case study evidence depicts a mixed picture on job quality improvements. While wages have increased, and basic benefits (such as meals during shifts) have been introduced, night shifts raise questions around working conditions, especially for young women. The continued reliance on imported processed inputs also limits the extent of value addition locally.

Key Takeaways:

- Value-chain integration is not only a commercial shift, it changes the type of available jobs, and stability of jobs.

- As supervision and quality assurance needs grow, youth are often offered opportunities to progress into higher-skilled roles, which can improve job quality.

- Strengthening underlying value chains often takes time, but when successful, appears to increase the likelihood of more stable and sustainable employment outcomes.

Investment and Capital Constraints in Agribusiness

The Current Investment Landscape

Agribusinesses operate in capital-intensive environments; working capital is tied to planting and harvest cycles, while infrastructure investments such as cold storage, mechanisation hubs, and processing lines require significant upfront expenditure. This financing gap is structural: agriculture contributes 20–40% of GDP in Sub-Saharan Africa but receives less than 5% of commercial bank lending, leaving many Agribusinesses undercapitalised, despite their employment potential[12].

Investment Challenges faced by IPs

- *Working capital volatility*: Processors such as *Happy Cow* face input price fluctuations and delayed buyer payments
- *Infrastructure financing gaps*: *SokoFresh* and *Hello Tractor* depend on capital-intensive cold-chain and mechanisation assets. *StartupBootCamp's* portfolio companies rely on partnerships to pre-finance technology installation.
- *Carbon projects have long payback horizons*: *African Bamboo* aims to generate Verified Carbon Units (VCUs) from tree planting. However, smallholder farmers may wait four to five years for projects to be listed and begin receiving income, so the IP provides alternative access-to-finance interventions until carbon revenues are unlocked.
- *Compliance burdens:* Engagement with Development Finance Institutions (DFIs) or carbon markets requires governance and reporting systems that increase early-stage costs

CFYE IPs illustrate how external capital strengthens business foundations and supports employment outcomes

Across the CFYE portfolio, Agribusiness's access to capital shapes both, their commercial resilience and youth employment stability:

- *ThriveAgric* attracted IFC investment which supports expansion of agent networks and expanding farmer outreach
- *Horn Afrique* utilised donor-backed funding to scale poultry farming and youth recruitment across veterinary, sales, and management roles
- *Hello Tractor* combines external investment with donor and partner capital to scale mechanisation services and support the expansion of youth employment in booking, operations, and maintenance roles.
- External financing enabled *SokoFresh* to roll out cold storage hubs, creating more stable technical and operational jobs for young people in aggregation, logistics, and quality control.

Looking Ahead

Investment dynamics directly affect job quality. Limited working capital constrains hiring and seasonal retention, while infrastructure investments create more stable and skilled roles. Climate-linked finance offers long-term potential but depends on patient capital.

Overall, employment resilience in Agribusiness is closely tied to the businesses' financial resilience. Expanding access to financing aligned with seasonal cycles and operational realities remains critical for sustaining youth jobs.

12 Making Finance Work for Africa (MFW4A). (n.d.). Agricultural Finance in Africa. World Bank Group. https://www.mfw4a.org/our-work/agricultural-finance

3 Modern Agribusinesses increasingly recognise the need to take a strategic approach to skills development

Many of CFYE's Agribusiness IPs are adopting new technologies to increase efficiencies, improve competitive advantage, and navigate dynamic markets. In this context, skills development is increasingly seen as a driver of competitiveness, rather than as an 'add on' activity.

However, IPs are still working out how to do this in practice. For example, which skills matter most, and how best to build them. There is also some indication that stronger skills pathways can support progression into higher-skilled roles and make agriculture-based work more attractive to young people, though this is offset by a continued pull towards non-agricultural opportunities.

IPs view skills upgrading as an important lever for improved business performance and offer role-specific training across the value chain

From the IP experience, training was most effective when it was role-specific (e.g. quality control, machinery operation, data collection, climate-smart practices) and reinforced through follow-up such as coaching and performance tracking.

- *Delish & Nutri's* agronomist-led training enabled youth to manage quality control, operate processing equipment, and support climate-resilient producer networks. This reduced product losses, drawing a strong link between training and operational efficiency.

- *Hello Tractor* in Nigeria provides skills-building in mechanisation-support, a core commercial activity. Their strongest-performing CFYE outcomes pathway was 'create' (1,545 jobs), in part because booking agents were trained to operate in a sales-like role: they could enter communities, generate demand, and earn more as demand increased, a structure that rewarded initiative while still requiring support from the company in the form of tools, onboarding, and oversight. Therefore, training not only supports youth in their role, it is what makes the revenue model work. This category served to be more resilient than 'match' placements (a relatively lower performing CFYE outcome category for the IP), as it relied on existing vacancies.

- Despite investments in training, *Happy Cow* experienced young people leaving for urban jobs. The company adjusted by re-evaluating wages and working conditions, incurring significant upfront costs. The IP has early indications that these measures have improved productivity, with a 17% increase in production over the last year.

> *"So one reason why [the create pathway] worked so well was in a lot of ways we trained these young people. We gave them jobs that did not exist before, but then their success in those roles were largely dependent on them. So for example, our booking agents...We train them, we give them all the tools they need to succeed. They go into the communities and then they find the demand. So in a lot of ways it can ...be like a sales role where you have to drum up your own business, right? And the more business you generate, the more you're able to earn.."*
>
> — **Ufuoma Emonena Partnerships Manager, Hello Tractor**

Innovation Spotlight

ThriveAgric

ThriveAgric began as a grain aggregator but struggled with unreliable volumes, limited farmer trust, and high transaction costs across Nigeria's fragmented agricultural markets.

To address this, ThriveAgric introduced a **youth-led agent network**—Tradr agents, Crust financial-access agents, and Climate Champions—supported by its proprietary Agricultural Operating System (AOS). Agents deliver in-person extension, digital training, aggregation, POS-enabled financial services, and climate advisory, all within their home communities.

These roles offered youth pathways into semi-skilled employment that is considered more cutting-edge, stable, and better remunerated than traditional farm labour.

Skills development improves job quality, especially where youth begin from lower skill positions

Training not only prepares youth for their current roles but can also support longer-term career progression, helping to position Agribusinesses as a viable option relative to traditional agricultural roles or migrating to urban, often informal, employment. Where training is combined with structured follow-up and performance tracking, it can also strengthen incentives for youth to join and remain in these roles.

- Nigerian IP *ThriveAgric's* digital training programme for their agent network enables agents, 70% of whom are youth, to grow into higher responsibility roles (85 improved jobs for CFYE). Additional leadership and 'mindset training' is provided for motivation and to shift how youth perceive their role within the agricultural ecosystem, as part of a broader mission to modernise farming and support their families.[13]

  "[I] share knowledge about climate smart agriculture and teaching [farmers] the best possible way to farm, teaching them the right thing to do. I feel I am participating in something good and also helping the environment."

  – **Male Climate Champion, ThriveAgric**

- *Hemam Synergy* introduced field officer roles specifically targeting young people, coupling these positions with tailored training, particularly in agronomy, climate-smart agriculture, irrigation management, use of the Agricultural Operating System (AOS) platform for farmer registration, monitoring, and payment coordination. Due to low digital literacy, the IP conducts refresher training sessions, and peer mentors are assigned to support the new recruits.

- In *Cherubet's* experience, while youth workers brought creativity and adaptability, retention became more challenging once young people's skills and experience grew and alternative opportunities emerged. However, the IP suggests this may also be attributed to delayed revenues constraining the firm's ability to pay workers consistently in early phases. This also demonstrates the wider point that sustainable job pathways may emerge after periods of instability, particularly where firms are transitioning from informal to structured operating models.

CFYE's Pathways to Employment Youth Survey[14] data shows that roles with high autonomy, interaction, and learning opportunities (agents, champions, cooperative roles) consistently score highest on job satisfaction and career growth (an average of 4.35 out of 5). Production and processing roles - which tend to be more task-based lag on these dimensions, increasing the risk of higher turnover unless complemented with progression.

13 Challenge Fund for Youth Employment & INCLUDE Knowledge Platform. (2025). *Leveraging green and digital technologies to create decent jobs for youth in agriculture: Case illustrations.* INCLUDE Knowledge Platform.
14 The PTE Youth Survey draws on primary interviews and questionnaires with young people engaged in CFYEsupported businesses, conducted alongside case study research to capture youth perspectives on job access, quality, and progression. The survey is intended to complement qualitative analysis rather than provide statistically representative findings.

Digitalised models require specialised training

Digital tools are central to how CFYE's Agribusinesses operate, as they reduce post-harvest losses and generate jobs for youth such as in data and platform management. Youth are often perceived by employers as more digitally literate, which supports the business case for youth recruitment in tech-enabled Agribusinesses.

- *ThriveAgric's* employees undergo online training in digital literacy and navigation of ThriveAgric's proprietary Agricultural Operating System (AOS) platform. Customised training, depending on roles, are delivered via AOS. The software also enables youth to onboard farmers, conduct soil testing, and provide support to farmers based on in-house agronomist expertise via handheld devices.[15] The IP scaled rapidly from reaching 4,500 smallholder farmers in 2017 to over 1,200,000 by 2026.

- *SOWIT* uses remote sensing and data analytics for farm management. The IP reports that impact emerged only once technology was embedded within a dense network of field agents providing continuous, in-person TA to farmers. Therefore, as the business matured, human resources (agents, supervisors, trainers) became 60–70% of operating costs, challenging the assumption that technology-driven scaling will lead to reduced labour needs.

  "We are building technology for people who are not highly literate, so simplicity is key. The moment the solution becomes too complex, adoption is a challenge."
  — Musa Ismail, Impact Evaluation Manager, ThriveAgric[16]

At the same time, the experience of CFYE IPs underscores many barriers to scaling digital technologies for youth employment in agriculture, such as the high upfront cost of precision agriculture tools, infrastructure limitations, such as weak electricity grids and poor connectivity, digital illiteracy particularly when tools are not available in the local language, and skepticism amongst local populations towards technology.[17]

"We do a small training on smart agriculture, show them videos of how the solution works, and explain everything in a simple way. When they see it is not complicated—that it works through WhatsApp or voice messages—they are amazed. They see it's something they can actually use."
— Seydina Mouhamed Sene, Co-founder Safetrack Senegal (A StartUpBootCamp portfolio company)[18]

Key Takeaways:

- Skills development is increasingly a precondition for the commercial viability of modern Agribusinesses. Where training is aligned to revenue-generating roles and reinforced through follow-up, firms report stronger productivity and retention.

- When youth employment is an intended outcome, it is important to design technology adoption around users' capabilities and context, accounting for low digital literacy, language barriers, and infrastructure constraints, while integrating training and ongoing support.

- In some cases, as digitalised models matured, labour demand increased, particularly for trained agents, supervisors, and trainers, reflecting that embedding technology in operations often requires expanding the skilled workforce instead of scaling it down.

15 Ibid
16 Ibid
17 Ibid
18 Ibid

4 Youth job quality improves where Agribusinesses build pathways into income-stabilising roles

Across Agribusiness IPs, improvements in job quality were driven by the introduction of more structured roles, for example clearer contracts, predictable payment schedules, safety protocols, and pathways for advancement. Many IPs have reported continuing these practices after CFYE grant support ended because they observed commercial benefits, such as improved retention, productivity, and brand reputation with buyers.

Formalisation and structure are important drivers of job quality

CFYE's experience in volatile rural markets demonstrated that youth value predictable payment schedules and basic job security, as many youth were used to roles with delayed and inconsistent pay.

- Through CFYE support, *African Bamboo* professionalised activities such as planting and harvesting—roles that rural youth were already performing informally—turning them into structured, better-defined jobs with clear wages, and safety standards. This reinforces a core insight: job creation in rural contexts often comes less from "new" activities than from redesigning how existing work is organised.

- *Cherubet* demonstrates how digitisation, financial systems, HR structures, and performance management can transform both business performance and employment quality even in the absence of rapid job growth. Through CFYE-supported TA, Cherubet introduced financial models, digital sales tracking, HR policies, performance-linked bonuses, and clearer role differentiation. These systems enabled the company to improve efficiency and identify higher-value roles within sales and operations, contributing to a reported 22% improvement in business performance. The company notes that young workers responded positively where skills acquisition was visible and linked to income growth, while roles without clear learning trajectories saw higher attrition.

- *ThriveAgric* invests in ongoing training and in data and transport allowances to raise agents' take-home incomes. Agents work in their own communities, which builds trust with farmers and makes the roles more convenient. Climate Champions receive salaries, while other agents earn commissions and can combine roles (for example, being both Crust agents, who provide financial services, and Tradr[19] agents, who aggregate crops and link farmers to markets) to increase earnings. This model fosters loyalty, with many agents staying long term or returning after further education. In the CFYE survey, youth rated "voice" (4.53/5) and progression dimensions (4.5/5) highly.

Challenges remain in leading the coordination of informal agricultural value chains

Across Agribusinesses, efforts to formalise employment and improve job quality through clearer structures and incentives often clashed with incentives favouring informality.

> *"This [allowances, trainings, other job quality-related expenditures] can be quite expensive. But for us, it's a trade-off — we tend to spend more money. Would you rather have low cost and high turnover? For us, it's about retention, and we get to keep people who are quite skilled, experienced in the job, and even people coming back after studying."*
>
> – **-Samirah Bello, Global Head, Strategic Partnerships, ThriveAgric**

- *Hello Tractor's* experience illustrates how service roles such as booking agents linking farmers can create entry points for more structured work in sectors dominated by informal agreements. However, the IP faced constraints in improving jobs due to a persistent gap: young workers and service providers were unfamiliar with written contracts, and some employers initially resisted formalisation. This meant that training had to be paired with advocacy and repeated follow-up to shift behaviour. Hello Tractor's experience also showed that employers can often revert to old practices once initial engagement faded.

19 See ThriveAgric case study in Annex for more details on these agent roles

- A similar dynamic played out with another (now terminated) Agribusiness IP, whereby farmers preferred informal labour due to lower costs, while youth were reluctant to sign contracts for fear of losing access to government subsidies. As an outcome of Gender TA, the IP attempted targeted outreach to young women through local associations and offered mentoring. However, these activities did not yield significant outcomes due to deeper structural barriers such as pervasive informal hiring practices and weak enforcement of contractual arrangements, highlighting the limits of TA in the absence of incentives across the value chain.

Key Takeaways:

- Predictable incomes, clear role structures, and visible progression are key determinants of job quality for youth. When youth internalise these norms, they may begin to demand them in future jobs, extending impact beyond a single employer.

- Roles that offer learning, autonomy, and progression see higher satisfaction and retention, while routine processing roles lag on these dimensions.

- Efforts to formalise and improve jobs are difficult to sustain in contexts where informal practices remain more attractive to employers and workers.

Innovation Spotlight

HEMAM SYNERGY

Hemam Synergy initially struggled with farmer drop-off and low participation in remote communities, where poor roads and long travel distances discouraged consistent engagement. Early aggregation hubs were too far apart, and field officers spent hours on motorbikes recovering small quantities of produce.

In response, Hemam Synergy introduced **decentralised community-level collection centres**, which are compact hubs placed directly inside hard-to-reach villages. This shift dramatically reduced farmers' travel time, increased timely offtake, and enabled year-round participation, especially for women with mobility constraints.

The model unlocked a second innovation: **youth-led Accountability Group Heads** who manage farmer clusters around each centre. This localised approach has tightened quality control, expanded farmer onboarding, and created a growing layer of income-earning youth coordinators embedded in rural communities.

Youth Voice Spotlight

Job Quality in Agribusiness Value Chains

Youth-led survey research with 140 youth employees and suppliers across 3 CFYE-supported Agribusinesses in Kenya, Nigeria, and Ethiopia shows that job quality is experienced differently depending on where roles sit in the value chain, but a consistent theme emerges: predictable income, respect, and visible progression matter more to youth than formal contracts alone.

Income predictability over income level

Across IPs, youth consistently described job quality in terms of predictable earnings, especially when transitioning from seasonal labour. Even modest wages were valued when paid reliably, enabling young people to plan household expenses and reduce reliance on informal financial coping strategies. Youth in production roles explicitly stated they would remain in these jobs if income became more predictable, even without large wage increases.

Role type shapes job quality outcomes

Youth job quality scores vary sharply by role category: Sales/agent and extension roles consistently scored highest across satisfaction (average of 4.2/5). These roles were described as autonomous, even where income was variable.

Cooperative/SME roles, primarily in Ethiopia, were framed as transformational; Youth reported gender equality as particularly high (average of 4.5/5), strong job security (average of 4.0/5) and suggested these roles were linked to higher confidence due to improved social status.

Production and processing roles scored lowest on job security (average of 2.5/5). Youth described these roles as physically demanding, and acceptable primarily because they offered greater stability than informal alternatives.

Progression and skills visibility matter more than job numbers

Youth valued training highly, but progression was understood less as promotion and more as earning more, stabilising income, or gaining recognition and responsibility. Where skills acquisition was visible and linked to income or status (e.g. cooperative leadership roles, agent models), youth reported higher satisfaction and retention. Where progression pathways were unclear, attrition risk increased, even when basic job conditions improved.

For Gender & Job Quality, see box: Youth Voice Spotlight - Gender-Responsive and Inclusive Design in Agribusinesses

5 Agribusinesses are starting to integrate gender-responsive design, but structural challenges persist

Across cases, women's participation was shaped not only by businesses, but by structural constraints, including land ownership patterns, mobility norms, and household power relations. While several IPs moved beyond treating gender inclusion as a recruitment target, embedding it instead into internal systems, results varied. Evidence suggests that gender-responsive design can expand opportunities and improve job quality, but progress is often uneven, slower than anticipated, and accompanied by new tensions, particularly as women's economic participation begins to shift household dynamics.

IPs embedded women inclusion in internal systems, rather than treating it solely as an outreach objective.

Some IPs demonstrated that moving beyond outreach toward institutionalised gender inclusion can enable women's progression into higher quality and leadership roles, even in traditionally male-dominated sectors. However, these outcomes typically required sustained investment and organisational commitment.

- Rather than confining women's participation to informal activities, *Horn Afrique* in Ethiopia has intentionally promoted women into senior positions across its business. Women have progressed into senior and technically demanding roles—including Head of Human Resources and Head of Warehouse—demonstrating that, when women are granted access to training and other support, they can perform on par with men in male-dominated agribusiness functions. From a commercial perspective, Horn Afrique reports that employing women in customer-facing roles has strengthened trust and engagement with women customers, improving market access in segments that were previously harder to reach. At the same time, women leaders are visible role models within surrounding communities, an effect reinforced through complementary approaches such as GALS (Gender Action Learning System) TA—a community-based methodology designed to promote dialogue and shared decision-making. Beyond CFYE supported roles, a growing number of young women at Horn Afrique are now engaged in commission-based positions linked to commercial activities, suggesting that gender-responsive employment practices can catalyse spillover effects beyond the original project design.

- *Happy Cow's* TA on gender-led cooperatives to change recruitment practices, improved women's access to jobs and leadership, and led to more equitable household decision-making. The IP recently developed a Youth Advisory Council so youth and gender perspectives can be better integrated into planning and reporting.

IPs experimented with intentional gender inclusion strategies with varying success

IPs adopted context-specific strategies to expand women's participation, particularly in sectors where constraints are deeply structural. While these approaches increased access, they also revealed tradeoffs related to role segmentation, safety, and social norms.

- *Hello Tractor* offers a practical example of what 'gender inclusion' requires in mechanisation markets where constraints are structural: the sector is male-dominated, local norms can discourage women from applying, and there are mobility and safety concerns where roles require travel to remote areas. These factors impacted the IPs ability to attract women's participation in operator and technician tracks. In response, the IP experimented with women-only cohorts, which significantly increased confidence, participation, and peer support. These informal safety nets helped women navigate safety and seek advice from other women. However, as the IP observed that women were more likely to succeed as booking agents than tractor operators due to mobility and cultural constraints, the team therefore developed an adaptive approach: they tried to match women to relatively safer environments and deployed men to higher risk locations as needed.

- *Horn Afrique* provided self-employment poultry-related activities such as feeding, watering, and egg collection which can be managed within the home. This has enabled women—especially among refugee and host communities—to actively participate in income-generating activities without compromising childcare responsibilities. The IP notes that female entrepreneurs have demonstrated higher success rates than their male counterparts in self-employment. With a CFYE target of 393 improved self-employment roles (increased profits) for both men and women by the end of their project, the IP achieved 312 improved jobs for men, and 466 for women.

- Findings from *Hemam Synergy*'s questionnaire on TA needs indicate that in some communities, women's increased labour participation has coincided with higher levels of reported household tension and conflict. While the IP has deployed GALS training, the evidence is not yet sufficient to conclude whether these interventions reduced conflict over time.

- *District Spaces (RDNA)* initially assumed that supporting female microentrepreneurs required providing seed capital to enable production and market entry. However, this assumption did not hold in practice: in smaller villages, women were often able to mobilise start-up capital informally through family networks, personal credit from local suppliers, and trust-based arrangements.

"I think it was important as a lesson learned for us as well, to consider the local and cultural context. The assumption was basically built on the [female micro-enterepreneurs] need[ing] seed capital to start the production and then the distribution channel or the sales ... but the [required] start-up capital is much smaller than other like businesses... in a smaller village they're having more family ties and the cultural trust between each other. So it happened that they can raise from family and friends, or they can actually access some raw ingredient and raw material from local shops, local providers on personal credit. Without signature or anything just based on word of mouth and trust."

— **Mazen Helmy, CEO, District Spaces (RDNA)**

Key takeaways:

- IPs that moved beyond outreach to institutionalise gender inclusion were better able to support women's progression into higher quality and leadership roles. However, these gains required sustained investment and organisational commitment and did not materialise uniformly across contexts.

- Adaptive strategies, such as women only cohorts and household-based self-employment, helped expand access but often involved tradeoffs between inclusion, progression, and earnings potential.

- Increased female labour participation can surface unintended effects, including household conflict. This underscores the importance of context-specific gender strategies that address household dynamics and social norms.

Youth Voice Spotlight

Gender-Responsive and Inclusive Design in Agribusinesses

Youth perspectives reveal that Agribusiness models can expand meaningful opportunities for young women, particularly where roles emphasise stability and respect, but structural norms continue to shape who participates. Reflections of youth in the CFYE survey surface how gender, sector realities, and job roles interact to define inclusion and job quality.

Where women feel empowered

Stability, dignity, and predictability:

Women in processing, sales, and extension roles consistently highlighted respectful environments, routines, and the ability to balance work with care responsibilities as core markers of a "good job." These roles provided a sense of responsibility and status.

Identity and recognition:

Young women in extension roles described gains in confidence, noting that working "within a system" or connecting farmers and companies enhanced their self-worth.

Flexibility as empowerment:

Sales roles enabled women, especially young mothers, to manage income generation alongside household responsibilities.

Where barriers persist

Sector-linked norms:

Land ownership and mobility constraints continue to restrict women's access to field-based roles. Women described these jobs as physically taxing, unpredictable, or socially discouraged, even when programme incentives were strong.

Unequal access to higher earning roles:

Mechanised and mobile roles, often associated with higher pay, remain male dominated because women prioritise safety and predictable hours, while men emphasise income growth and autonomy. These differences contribute to gendered clustering across value chains.

Limited voice in entry-level operations:

In processing and production roles, women highlighted low decision-making power, repetitive tasks, and minimal progression pathways. This constrains their ability to influence workplace practices.

Innovation Spotlight

Happy Cow

Happy Cow realised that low fodder availability and limited mechanisation were causing seasonal milk fluctuations, which weakened cooperative income and made youth roles in dairy volatile. Cooperatives lacked the capital to address these constraints, trapping young people in low-productivity roles.

Happy Cow introduced **youth-run fodder and mechanisation enterprises** nested inside cooperative structures. Through CFYE support, cooperatives acquired tractors, silage-making equipment, and chilling tanks, equipment operated and commercially managed by trained youth.

These services not only stabilised milk volumes during drought periods but also diversified cooperative revenue and expanded youth employment pathways beyond traditional dairy production. Young people now lead tilling, silage production, transport, and data-enabled quality control, strengthening both supply reliability and the commercial viability of cooperative networks.

Section 4

Lessons Learned and Looking Ahead

CFYE's experience with Agribusinesses suggests that youth employment outcomes are strongest where businesses build commercial resilience and embed inclusion, skills-building, and job quality into their operating model. Across the portfolio, youth jobs were more likely to be sustained where firms treated employment not as a stand-alone target, but as an outcome of stronger value chains and sharper alignment with business growth. The lessons below draw out the wider implications for future programming.

1 Stable youth jobs depend first on stronger business fundamentals

A central lesson from the portfolio is that youth employment is most sustainable when Agribusinesses improve the underlying commercial viability of their business, rather than focusing on hiring alone. Firms that invested in stronger value chain coordination, more reliable market linkages, and better capacity to manage volatility were better able to plan employment needs, and offer more predictable progression pathways. For example, *Hemam Synergy* invested in decentralised aggregation hubs, enabling the business to stabilise labour demand and create more predictable roles for youth as field officers and Accountability Group Heads.

Where commercial fundamentals remained weak, employment outcomes were more uneven and more exposed to seasonality and market risks.

Implications:

- **For Donors/Implementers:**
  At selection stage, assess the business model fundamentals that underpin employment, including logistics, market access, and operations.

  During implementation, prioritise support that strengthens these fundamentals and anchors employment in a viable and scalable business model.

- **For Agribusinesses:**
  Investing in value chain coordination can improve business performance and is often a precondition for sustaining jobs. This can reduce staff turnover and increase worker productivity.

2 Inclusion is most durable when it addresses business challenges

The portfolio shows that youth and women's inclusion is most sustainable where it is designed into roles that are operationally critical for the business. Youth employment proved more durable where young people were positioned in functions such as coordination, quality control, extension, sales, digital support, or processing, rather than recruited primarily to meet CFYE outreach targets. The evidence also shows that inclusion strategies work best when they are adapted to local realities, especially around land access, mobility, safety, and household norms. For example, *Horn Afrique* provided self-employment roles such as feeding, watering, and egg collection deliberately designed to be home-based, addressing operational needs while at the same time enabling women to participate in income-generating activities alongside care responsibilities.

Implications:

- **For Implementers:**
  Sector and partner selection should go beyond growth potential and headline job numbers to consider the types of roles businesses are likely to create, and whether these align with young people's capabilities.

  Programme design should focus on where youth and women can add operational value. Where structural barriers such as limited mobility, land access, or social norms, make certain roles difficult to sustain, programmes should adapt and develop alternative pathways that are more feasible and likely to last.

- **For Agribusinesses:**
  Recruit for roles where youth and women address operational bottlenecks and combine inclusive hiring with experienced leadership.

Innovation Spotlight

African Bamboo

African Bamboo initially focused on industrial bamboo processing, but quickly faced a systemic constraint: farmers lacked skills and incentives to supply high-quality raw material, and existing landholdings were too degraded to support predictable sourcing.

The company pivoted to **building an agroforestry ecosystem from the ground up**, investing in nurseries, training youth and women's enterprises in planting and after-care services, and creating community-run bamboo management units. This ecosystem approach unlocked a second innovation: a **carbon-finance business case** that ties farmer participation to climate-linked income streams.

By combining bamboo agroforestry with digital mapping, carbon monitoring, and diversified service enterprises, African Bamboo transformed a fragmented, underutilised resource into a source of year-round rural employment—from planting and harvesting to geo-data collection and carbon-project monitoring.

3 Job quality improves through predictability and progression

A consistent lesson across the portfolio is that job quality in Agribusinesses is shaped less by wages than by how structured and stable work becomes. Young people valued timely payment, clear expectations, safer conditions, and visible pathways for advancement. This was evident in *African Bamboo*, where structured roles across nursery management, plantation operations, and processing, combined with clearer supervision and skills progression, enabled young workers to shift from seasonal labour into more predictable jobs with visible pathways for advancement.

In contexts where informal work is common, even modest gains in role clarity, contracts, and performance-linked progression can significantly improve retention. Conversely, where pathways to learning and income growth were unclear, turnover risk remained high.

Implications:

- **For Implementers:**
  Include indicators on income predictability, role clarity, and progression pathways into job quality monitoring, rather than focusing only on wages or contract status.

  Include HR Management (e.g. payroll, contracts, supervision structures, performance management) as part of TA support.

- **For Agribusinesses**
  Staff retention can be improved by offering more predictable pay, role clarity, safe working practices, structured supervision, and visible opportunities to progress.

4 Skills and technology deliver results when treated as operational infrastructure

Across the portfolio, training worked best where it was directly linked to business functions and reinforced over time. Skills development was most effective when it enabled young people to perform business critical tasks, such as machinery support, data collection, quality assurance, or sales. For example, *Hemam Synergy* relies on trained youth field officers and Accountability Group Heads to collect data, supervise production, and support adoption at farm level. Making digital skills a core part of day-to-day operations rather than a one-off intervention.

The cases also show that technology does not reduce the need for labour automatically. In many instances, digital or climate-smart models depended on trained field agents and supervisors to build trust and drive adoption.

Implications:

- **For Donors/Implementers:**
  Select partner businesses that recognise a skilled workforce as being central to their performance and growth, and specifically those that enable continuous capability-building (e.g. coaching, supervision), rather than one-off training.

- **For Agribusinesses:**
  Treat skills development as core operational infrastructure, and budget for ongoing capability-building as part of scaling the business.

5 Supporting youth employment in agriculture requires adaptive, patient support

A broader lesson from the portfolio is that pathways from business innovation to youth employment are rarely linear. In the case of *District Spaces*, initial assumptions that women-led micro-enterprises would drive most job creation proved unrealistic under post-COVID market and working-capital constraints, forcing the IP to adapt its model. In other cases, delayed revenues or market volatility forced businesses to adapt their models mid-course. For some IPs, employment effects took longer than expected because value addition or market creation required more time and investment than initially assumed. This suggests that programmes in Agribusiness need to allow for experimentation and differentiated timelines across business models.

Implications:

- **For Donors:**
  Use flexible, patient funding approaches, especially for models where employment outcomes take longer to emerge, and allow room for iteration as business models evolve.

- **For Implementers:**
  Portfolio management should capture course correction and business adaptation as part of learning, including where initial approaches did not work.

  Tailor support, timelines, and expectations across partners, recognising that employment outcomes vary by IP, business model, and context.

- **For Agribusinesses:**
  Align hiring with business readiness, avoiding scaling the workforce ahead of stable revenues or operations.

  Use programme support to de-risk and refine business models over time, rather than committing to fixed approaches.

Innovation Spotlight

Delish & Nutri

Delish & Nutri found that dispersed production zones and inconsistent crop quality were undermining both supply reliability and manufacturing efficiencies. Farmers hesitated to adopt new practices.

The company responded by **building an integrated "commodity corridor" model**, structuring groundnut and high-iron bean sourcing along defined, climate-resilient routes. Within these corridors, Delish & Nutri deployed youth aggregators, formalised crop handling roles, and paired them with conservation-agriculture training and long-term offtake agreements.

This system stabilised supply volumes, reduced post-harvest losses, and created formalised jobs across farming, aggregation, processing, and last-mile distribution. It also laid the groundwork for new youth-led micro-enterprises operating shelling, drying, and sales functions inside the corridor.

Where Was the Challenge Fund Model Most Additional for Agribusinesses?

Across the Agribusiness portfolio, CFYE's support was most additional where it helped IPs manage risk, unlock working capital towards business expansion, and professionalise operations. In several cases, CFYE support accelerated business expansion, enabled experimentation with sourcing, and strengthened linkages between smallholder farmers, agents, and markets. These shifts may not have occurred, or would have occurred more slowly, without CFYE grants and TA tailored to the realities of agricultural markets.

Financial Additionality of CFYE Grant Funding for Agribusiness IPs

Agribusiness IPs face financing constraints linked to seasonality, climate, price volatility, and high costs for inputs, aggregation, and processing. CFYE grant funding was particularly additional where it helped IPs smooth cashflow across agricultural cycles and pilot new revenue streams.

- *ThriveAgric* used CFYE support to expand its hub-and-agent model, allowing it to reach more smallholder farmers and youth agents.
- *African Bamboo* leveraged CFYE funding to expand nursery operations and bamboo outgrower networks, supporting job creation across roles in planting, harvesting, and processing. The grant helped de-risk early-stage investments that later attracted additional investor interest.
- *Delish & Nutri* used the CFYE grant to invest in production and aggregation models, including starter packs and training for young farmers who lacked assets and access to land. This enabled participation by youth who would otherwise have been excluded from the dairy supply chain.

TA Additionality for Improving Agribusiness Operations and Value Chains

CFYE TA was most additional where it addressed the operational complexity of Agribusinesses operating across fragmented rural contexts and multiple value chains.

Operational TA supported IPs to strengthen procurement systems, improve quality control, formalise supplier relationships, and align growth strategies with agricultural cycles.

Agribusiness IPs also engaged actively with Business TA related to scaling, investment readiness, and supply chain management. Peer learning was also valued, particularly where IPs shared approaches to managing seasonality, farmer retention, and youth engagement.

Examples of TA additionality include:

- For *ThriveAgric*, TA contributed to strengthening internal systems and processes underpinning its agent-based model, improving coordination between farmers, agents, and buyers and supporting more reliable delivery.
- *African Bamboo* benefited from TA focused on operational planning and supply chain development, supporting the transition from informal sourcing to more structured offtake relationships and clearer role definitions for youth workers.

- *Delish & Nutri* received TA that reinforced operational discipline and clarified cost structures across aggregation and processing, helping the IP better align its youth employment targets with commercial realities.
- *Hello Tractor* benefited from TA to standardise and refresh training curricula across booking agents, operators, and technicians to reflect current realities in the mechanisation space. In the case of Hello Tractor, building replicable training systems (curricula, standards) rather than one-off training events supported scale in deployment.

TA effectiveness depended strongly on organisational readiness. Where teams lacked the internal capacity to implement recommendations, or where timing did not align to business realities, the perceived value of TA was lower.

TA Additionality in Outreach, Inclusion, and Job Quality

Compared to other business models, Agribusiness IPs faced deeper structural barriers to inclusion, particularly for young women, linked to land access, mobility constraints, and social norms. As a result, inclusion-focused TA was most additional where it helped IPs move to implementation.

Some Agribusinesses reported that CFYE's emphasis on youth and women's employment pushed them to be more deliberate in recruitment, role design, and community engagement. This included using sensitisation strategies with households and community leaders, adapting job roles to local contexts, and introducing support mechanisms for retention.

- *Hello Tractor* found that gender TA was useful for improving gender-inclusive communications (e.g., imagery in flyers/posters), but as some guidance came mid-way through the project, it was too late to influence job outcomes in the three year project duration.

TA Enabling Impact Measurement

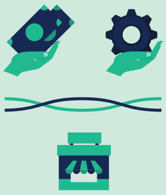
CFYE TA was also additional in strengthening how Agribusiness IPs measured and articulated impact in complex value chains. IPs improved their ability to track youth participation, seasonal employment patterns, and improvements in job quality across different roles in the value chain. This enhanced internal decision-making and improved credibility with investors and ecosystem actors.


AUTOMATIC
PACKING MACHINE

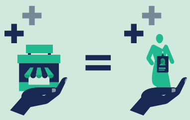
Looking Ahead: Implications for Future Agribusiness Programming

As explored in this paper, CFYE’s Agribusinesses contributed to improved youth employment outcomes most significantly when young people were embedded in core business functions. Employment was more stable and sustained when firms invested in underlying commercial performance, rather than relying on hiring practices alone.

Business models that reached and benefited young people adapted roles and training to operational needs and local realities. This includes an emerging business case for hiring young people into roles requiring adaptability, digital skills, and rapid learning.



In addition, employment tended to be more stable where Agribusinesses were supported in ways that reflect how they actually operate. Given seasonal income, cashflow constraints, and infrastructure limitations, aligning financial and technical support with these realities helps improve business performance, enabling firms to hire, pay, and retain workers more reliably over time.



Ultimately, supporting youth employment in Agribusiness means focusing less on creating jobs directly, and more on helping businesses grow in ways that make those jobs viable and sustainable over time.

Annexes

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Annex A
Methodology

Research design

A mixed-methods research design was used to provide a more complete understanding of the featured business models.

- Quantitative analysis measured the scale of impact – for example, how many jobs had been created, matched, or improved as a result of supporting these business models and IPs.
- Qualitative analysis explored the reasons behind these changes, particularly which factors might have contributed to success (e.g. financial performance and social impact), sustainability, and challenges.

Data sources

Secondary data (CFYE portfolio data and other secondary sources)

- Provided quantitative information on results and trends at an aggregate (business model) level and at the level of the individual IPs and projects.
- Provided qualitative insights (e.g. on labour market barriers for young people, success factors and challenges experienced by IPs, the effects of CFYE's support, etc.).

Primary research

- IP case studies provided insights into business models, the role of CFYE's support, challenges, and success factors. The cases combined quantitative data (e.g. financial and usage information) with qualitative insights, and the report included both within-case and cross-case analysis. Case study IPs had been selected for their innovative approaches to project design, scalability, targeted support to young women, early signs of commercial viability, and willingness to share data and learning with the CFYE team for the purposes of this study.
- Youth Survey: Interviews and Focus Group Discussions (FGD) held with young men and women in Ethiopia, Kenya and Nigeria who have had various roles in the agriculture chain at African Bamboo, Delish & Nutri, and ThriveAgric.
- Key informant interviews (KIIs): semi-structured discussions with IP representatives, employers, and investors/ecosystem support organisations generated insights on the inner workings of featured business models, the impact on employers of using these services, and the investment ecosystem and dynamics relating to these business models and IPs.

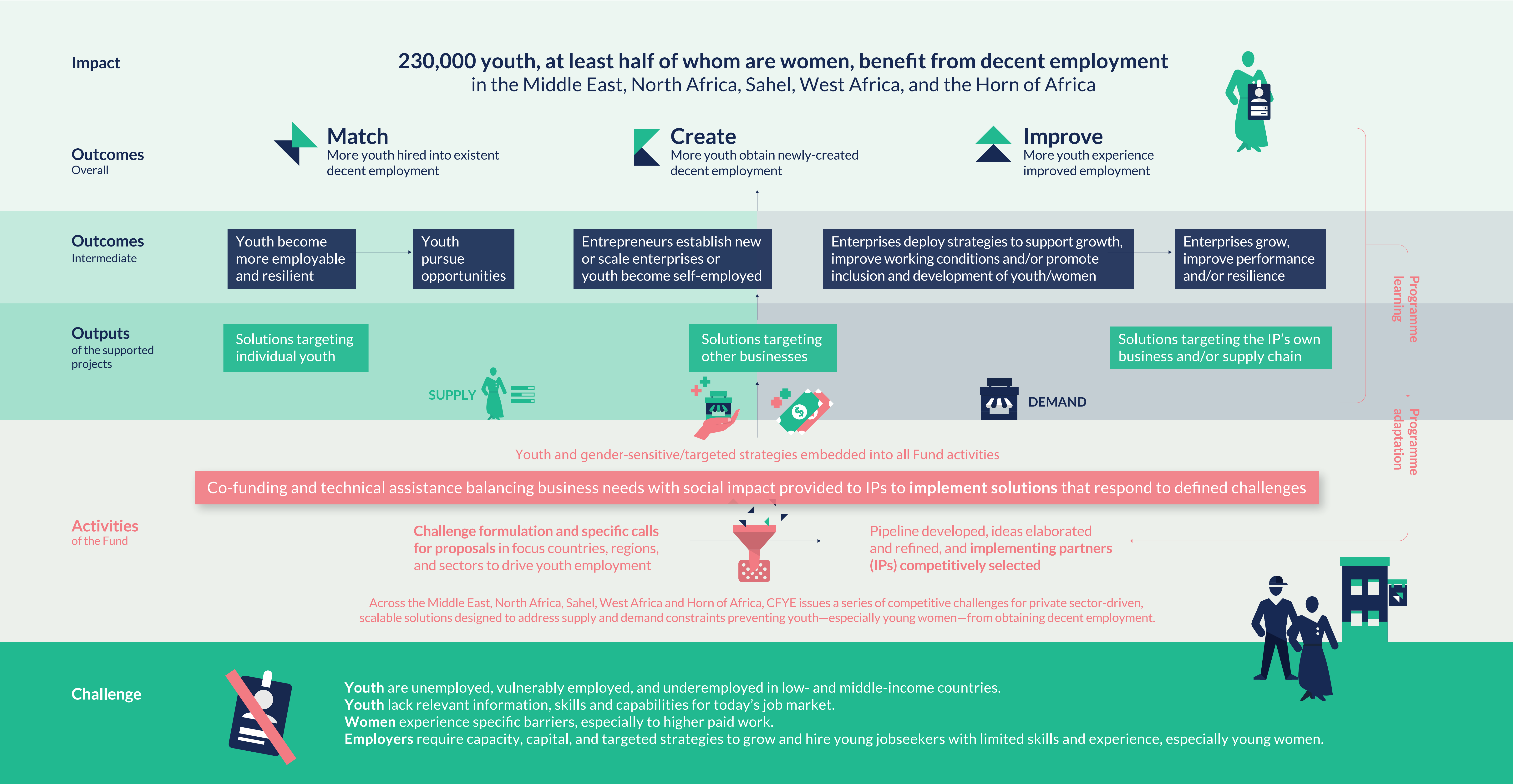
This learning initiative was led by an internal, multi-disciplinary learning team working on CFYE. The insights drew on diverse implementation experiences (geographically and across functions) to support joint learning across the Fund.

Annex B

The CFYE Fund Level Theory of Change

CFYE's Theory of Change (ToC) reflects a shared understanding of the project's intended impact and the pathways through which that impact will be delivered. The logic underpinning the ToC draws on available evidence about what works in youth employment and job creation programmes across the focus countries.

Moreover, the Fund ToC provides the basis for assessing the Fund's results and informs learning activities. Rather than a static hypothesis, the ToC is expected to evolve as the Fund generates new insights through implementation.



Annex C

CFYE Agribusiness Portfolio

Country	Project	Short Description of Project	CFYE Contract Value	Achieved Jobs**		
				Created	Improved	Matched
Egypt	District Spaces	Consortium providing processing, marketplace and delivery centres to support formalising young farmers' work.	€ 1,095,085	1,510	117	-
Ethiopia	Horn Afrique Poultry Farm	Commercial poultry producer expanding youth employment across farming, processing, and distribution activities.	€ 504,360	180	795	56
	Cams Engineering Plc	Advancing agricultural mechanisation through innovating grain threshing.	€ 169,020	1,153	-	-
	Tchakka Origins Personal Care	Ethical personal care producer creating youth roles in sourcing, production, and sales.	€ 387,291	1,735	95	-
	Serafin Campestrini/ African Bamboo*	Commercial agribusiness generating youth employment across primary production and services.	€ 2,202,600	2,858	4,582	-
Jordan	Al Durra International For Food Products	Food processing expanding youth jobs in manufacturing and distribution.	€ 430,000	328	465	127
Kenya	Cherubet Company Ltd	Local agribusiness supporting youth roles in production, aggregation, and market access.	€ 200,000	47	495	-
	Ripple Effect	Impact NGO enabling youth livelihoods through agriculture and enterprise support.	€ 460,490	367	710	-
	Delish & Nutri$_x$ *	Food manufacturer specialising in peanut-based products and bio-fortified beans, creating youth jobs in processing and value addition.	€ 200,000	14	296	
	Happy Cow$_x$ *	Dairy processor for cheese and fermented milk products, expanding youth employment through collection, processing, and quality upgrading.	€ 427,577	18	480	
Morocco	SOWIT	Agri-tech company creating skilled youth jobs in precision-agriculture advisory.	€ 300,000	20	12	-

Country	Project	Short Description of Project	CFYE Contract Value	Achieved Jobs**		
				Created	Improved	Matched
Nigeria	Novus Agro Limited	Agricultural services company supporting youth roles in input distribution and extension.	€ 476,758.00	1,208	-	-
	Nature's Bounty Health Products T/A ReelFruit	Food processing company creating youth jobs in sourcing, processing, and sales.	€ 369,636.00	-	75	552
	Hello Tractor Inc.	Agri-tech platform enabling youth work in tractor operations and maintenance.	€ 643,376.00	1,545	-	577
	AugustSecrets Ltd$_x$	Child-nutrition foods made from locally sourced ingredients; creates youth roles in food processing, retail and parent support.	€ 257,533.00	596	-	-
	ThriveAgric$_x$ *	Agri-tech platform linking smallholders to finance, inputs, extension, and markets; project deploys youth agent networks.	€ 808,868.00	284	85	-
	Hemam Synergy Ltd$_x$ *	Scales smallholder rice value chains with inputs, market access and youth tech-enabled extension jobs to boost yields and resilience.	€ 387,000.00	1,108	-	-
Sudan	Fair Agro Food	Agroforestry/social enterprise building nurseries and agri-service centres to plant acacia, support gum arabic and crops.	€ 588,466.00	9	85	-
Tunisia	Herbiotech	Agri-biotech company creating skilled youth roles in bio-inputs and services.	€ 311,886.00	46	46	-
Uganda	Woord en Daad$_x$	Development NGO enabling youth employment via inclusive agribusiness initiatives.	€ 843,428.00	1,193	542	-
	Opportunity Bank$_x$	Improving employment opportunities for refugees through financial inclusion services and agronomic support.	€ 944,752.00	1,491	1,430	-

* Case study IP

** Project timelines varied across the portfolio, with some projects completed and others ongoing at the time of publication ($_x$). Reported job figures for ongoing projects are provisional and expected to increase at final reporting.

Case Studies

CHALLENGE
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Case study 1

African Bamboo

Case Study Author: **Sarah Ebady**
Editors: **Nimrah Karim and Justin van Rhyn**

This case study is part of the Challenge Fund for Youth Employment's Pathways to Employment (PTE) Learning Series Paper 3: Agribusinesses. The PTE series explores how different business models support youth employment outcomes, by creating new jobs, improving job quality, or strengthening pathways into work, based on evidence from CFYEsupported initiatives across Africa and the Middle East.

Key Takeaways

Formalising informal rural work can improve income, security, and skills: CFYE support enabled African Bamboo to convert unpaid or informal family farming roles into structured, paid employment across agroforestry, biofertiliser production and digital monitoring services. By professionalising roles in planting, harvesting, mapping, and geotagging, the model helped improve income reliability while building transferable skills linked to -growth sectors.

Ecosystem approaches can support resilience and commercial viability: African Bamboo has expanded beyond product manufacturing to engage in agroforestry systems, youth-led service provision, digital Measurement, Reporting, and Verification, and partnerships with public and private actors. This diversification is helping to reduce reliance on a single revenue source and create more consistent economic activity across the year.

Inclusion and scale require adaptive design: Early gender imbalances and regulatory constraints underscored the fact that ecosystem building is iterative. Targeted measures, such as home-site agroforestry roles, preferential finance mechanisms, and policy engagement on carbon governance, demonstrate that equitable and scalable youth employment outcomes must be deliberately engineered and continuously refined.

1 Introduction

Forestry and agriculture remain central to Ethiopia's economy, employing over 85% of the population. Yet rural youth struggle to access stable and sustainable income due to shrinking landholdings, limited market access, and low levels of skills training. Land fragmentation, falling from 1.15 to an average of 0.96 hectare per household has further reduced agricultural productivity and income potential[1].

African Bamboo is responding to these constraints with a community-driven bamboo agroforestry development and manufacturing model that integrates smallholders, youth-led enterprises, and digital Measurement, Reporting, and Verification systems into a coordinated bamboo-based value chain that connects smallholders directly to carbon and product markets.

The company applies an ecosystem-building lens to mobilisation and capacity-building, and equipping rural youth with practical skills in sustainable land use and restoration, business management, and digitised data collection and analysis. African Bamboo does this by converting natural assets into bankable income streams for smallholder farmers and service enterprises through climate-smart practices. This effort leverages Ethiopia's underutilised supply of bamboo, which is strong enough to produce construction-grade timber, carbon assets, and biochar-based biofertiliser.

1 FAO, 2017

Key Details

Year founded	2012
Location	Headquartered in Delft, The Netherlands. Production activities in Sidama and processing facilities located in Hawassa Industrial Park, Ethiopia.
Employment Outcomes	Total jobs 7,440 (2,858 created, and 4,582 improved)
Annual Revenue	€1.88 million
Staff	46

2 The Business Model

African Bamboo operates as an integrated forest-to-product system that links smallholder agroforestry, youth- and women-led small service enterprises, digital verification, and market access into a commercial model.

At the production level, smallholder cooperatives generate construction-grade timber and biochar-based biofertiliser, alongside verified carbon assets. Youth- and women-led MSMEs provide standardised nursery management, planting, harvesting, digital monitoring, and processing services for bamboo, as well as the full spectrum of services related to the production and sale of biochar-derived biofertiliser. A digital Measurement, Reporting, and Verification system aggregates field-level data, reduces carbon verification costs, and enables compliance with international standards such as FSC (Forest Stewardship Council) and Verra, allowing both timber and carbon outputs to access premium markets.

- **Value Proposition:** The company supplies lightweight, high-strength, and durable bamboo materials as lower-carbon alternatives to steel, concrete, and conventional timber. [2] Simultaneously, it develops verified forest and soil carbon credits that combine climate mitigation with social co-benefits, following international sustainability standards. [3]

- **Key Activities:** Agroforestry training, harvesting, processing and manufacturing of construction-grade products. Carbon project development and monitoring.

- **Revenue Streams:** The sale of bamboo products and technology services to industrial partners, manufacturing, waste-to-value, and carbon finance.

- **Customer Segments:** African Bamboo's products are sold through long-term agreements with domestic and international buyers in the green construction sector. Carbon credits are registered under recognized standards and marketed to voluntary carbon market participants.

- **Key Resources:** African Bamboo's key resources are bamboo and human capital, which include the trained young people and women who support with nursery management, harvesting operations, data collection and quality control.

- **Channels:** African Bamboo reaches international buyers through specialised distributors, certification-driven market positioning, and partnerships with architects and developers seeking low-carbon construction materials. Domestically, channels are embedded into the agroforestry ecosystem: cooperatives supply bamboo, youth and women's enterprises deliver planting and harvesting services, and nurseries provide seedlings under contract.

- **Cost Structure:** The cost structure reflects the high upfront investments required for land restoration, workforce training, and system development, alongside ongoing costs for processing and logistics.

2 See African Bamboo, *Advanced Materials*, available at: https://www.african-bamboo.com/our-solutions/advanced-materials/
3 Partnering for Green Growth and the Global Goals 2030 (P4G). *African Bamboo: An Ethiopian Startup Transforming Sustainable Construction, Creating Jobs and Regenerating Forests.* P4G Case Study, hosted by the World Resources Institute.

Evolution of Business Model

Initially, African Bamboo focused narrowly on manufacturing a single bamboo product (bamboo scrimber[4]) and competing directly on processing efficiency. Over time, it became clear that product innovation alone could not secure a sustainable competitive advantage for the company, as the bamboo sector was extremely nascent in Ethiopia, and farmers lacked both incentives and skills to supply quality raw material.

This realisation triggered a pivot toward agroforestry ecosystem development. The company began to invest in building the entire value chain of bamboo, from land management to harvesting services. The second phase of evolution introduced carbon finance as a key component of the business model. Recognising that bamboo agroforestry generates both climate mitigation and adaptation benefits, African Bamboo began developing a "carbon business case" that would deliver direct financial gains to farmers and youth-led enterprises.

> *"We initially started with a very narrow focus to do bamboo scrimber boards. But I think one of the reasons we were so keen to collaborate with CFYE is we understood the need for the ecosystem build, so we went further. It gave us the opportunity to develop the carbon business case…which has significant benefit and direct benefit to the community…we built an agroforestry system and so giving more diversified opportunity for smallholder farmers with other crops and other produce that were part and parcel of an agroforest system." -*
>
> **— Rania Duri**
> **co-founder, African Bamboo**

With this pivot to an agroforestry system, African Bamboo not only expanded its crop diversification, but also unlocked different job pathways, aiming to generate 69,000 biochar jobs, 33,000 transport jobs, 21,000 harvesting jobs, 4,000 fostering jobs, 139,000 planting and aftercare jobs, 22,000 improvement jobs, 6,000 bamboo processing jobs, 10,000 Measurement, Reporting, and Verification jobs, and 350,000 sericulture jobs.[5]

Alongside this shift, the company embedded digital infrastructure into operations, creating roles for data mappers and geotaggers and enabled robust monitoring, a prerequisite for both investor confidence and carbon certification.

Support from CFYE and Impact of Technical Assistance

With support from the Challenge Fund for Youth Employment (CFYE), African Bamboo received total funding amount of €3,702,600. African Bamboo applied for the project in consortium with Serafin Campestrini GmbH (SECA), an Austrian business in the construction and interiors sector. As a consortium partner, SECA provides an offtake market for the raw material and increases the value of the bamboo by turning it into building materials.

The TA support African Bamboo has received from CFYE has been significant. Rania notes that TA was particularly helpful in engaging international experts for capacity building support. African Bamboo received Scaling and Investment Readiness TA, which supported them to align their market strategies with actual market conditions and requirements.

Additionally, the company received TA on Carbon Financial Modelling, which is helping them towards unlocking carbon finance and carbon pre-payment[6] for afforestation and reforestation based on VERRA methodology.

3 Results

Under CFYE, African Bamboo has worked towards formalising work and creating new entry points for young people and women. Many rural youths were already engaged in family farming but without pay or employment security. Through CFYE support, these roles are now shifting into structured paid opportunities in agroforestry services, such as planting, after-care and thinning, as well as in digital roles like mapping and geotagging bamboo plots, which tend to be more attractive roles for youth. This

4 A bamboo building material made by aligning bamboo bundles parallel to the fibre direction and bonding them with thermosetting resin.
5 *Growth in Ethiopia through Bamboo Agroforestry*. CFYE, available at: *From Forest to Future* https://fundforyouthemployment.nl/from-forest-to-future-creating-jobs-and-sustainable-growth-in-ethiopia-through-bamboo-agroforestry/
6 Carbon pre-payment is an advance payment made by a buyer for carbon credits that are expected to be generated and verified in the future, providing upfront financing to support project development before credits are formally issued.

is improving income reliability, while building skills that link rural communities to modern, green-growth sectors.

As operations scaled, the importance of job decency and job quality become more prominent. For the CFYE project, African Bamboo defines an "improved" job outcome as skills development, an increased salary above minimum wage, safer working conditions, and higher job stability. To meet this criteria, African Bamboo has developed Standard Operating Procedures and occupational safety practices that are now embedded across field and processing activities. Workers benefit from clear responsibilities, fit-for-purpose protective measures, and pathways to longer-term advancement, which is especially important in rural contexts previously dominated by seasonal or informal labour.

4 Success Factors and Challenges

African Bamboo's progress demonstrates that ecosystem building can play an important role in unlocking sustainable employment. The company's long-standing presence in the communities and its commitment to co-designing decisions, from species selection to benefit-sharing, have helped cultivate trust and legitimacy among smallholders. Rania explained the process of co-designing decisions together; *"We went through workshops where we really walked communities and youth and women enterprises on what the goals are, what the objectives are, what we were thinking through, but also gave them room to participate… they were equally a decision maker, co-designing the programme."* They also engaged the broader community, including elders and religious leaders so that they could advocate for what they do. Part of this approach was also establishing a multistakeholder platform which allows the community to share questions, grievances, and feedback.

Rania underscored the importance of ecosystem building for African Bamboo and partnerships and for balancing financial goals with social/environmental impact. As she noted: "*The more we worked on this ecosystem build…we realised the need to pursue kind of a much more larger ecosystem partnerships…and facilities, which then accelerates your ecosystem build and effectively accelerates your commercialisation*".

Another success factor is African Bamboo's business model, which aligns commercial viability with climate action. By diversifying revenue streams i.e. manufacturing, technology services, waste-to-value, and carbon finance, the company has reduced dependency on any single market and ensured year-round labour demand. As Rania noted, this helps to ensure that the model is economically viable for the ecosystem, and not just African Bamboo as an enterprise: "*I think the beauty of having this kind of a very diversified agroforest setting is that different crops are maturing at different time. So it has given us that the need for year-round services."*

However, the journey also revealed challenges. Ethiopia's carbon governance framework is nascent, and slowed access to carbon-finance revenues, which are key to scaling community benefits. Through CFYE TA, African Bamboo was able to engage with policymakers and international experts to accelerate the regulatory environment, but uncertainty remains, and investor confidence can fluctuate as global standards evolve.

A further challenge is ensuring equitable participation. As the smallholders tend to be from traditional backgrounds, women have domestic responsibilities that limit mobility and attendance. Early participation skewed heavily towards men, with very few women attending the meetings and trainings. African Bamboo had to become intentional about retaining women. The company developed a mechanism including home-site agroforestry roles for women, priority access to finance for smallholders, and leveraging culturally recognised women's group structures (called *iddir* in Amharic). This mechanism helped to create more inclusive employment pathways.

Together, these factors show that the success of nature-based youth employment models depends not solely on job creation numbers, but on building durable, community-owned ecosystems.

5 Future Outlook

African Bamboo plans to continue scaling its agroforestry and industrial processing operations, with plans to expand to over 19,000 hectares of sustainably managed bamboo. This growth is expected to create new roles for youth, in planting and harvesting, farm-management services, digital data systems, and downstream manufacturing.

As the company approaches carbon credit issuance, expected within the next two years, carbon finance is anticipated to accelerate investment into cooperatives and youth-led enterprises. The company is forecasting a 3- to 5-year break-even horizon, followed by sustained profitability, thereby removing dependence on grant funding.

Case study 2

ThriveAgric

Case Study Author: **Nicolas Prescott**
Editors: **Nimrah Karim, and Justin van Rhyn**

This case study is part of the Challenge Fund for Youth Employment's Pathways to Employment (PTE) Learning Series Paper 3: Agribusinesses. The PTE series explores how different business models support youth employment outcomes, by creating new jobs, improving job quality, or strengthening pathways into work, based on evidence from CFYEsupported initiatives across Africa and the Middle East.

Key Takeaways

Bundling services across the agricultural value chain can improve both farmer outcomes and employment generation: ThriveAgric's multi-channel, integrated Agribusiness model seeks to combine extension, aggregation, financial inclusion, and climate services with digitally enabled local agents to improve youth and smallholder livelihoods and improve market supply.

Locally embedded agent networks have been key to building trust and driving adoption: Youth agent networks are the core "engine" of delivery and trust; ThriveAgric recruits agents from the served communities, layers other community engagement methods, and uses demonstration plots with the intention of forming strong farmer relationships.

Increasing women's participation requires targeted investment and sustained support: ThriveAgric seeks to recruit women through targeted recruitment, ongoing support to women, and CFYE's TA efforts. ThriveAgric reports women's recruitment costs are 30% higher.

Key Details

Year founded	2017
Location	Nigeria
Employment Outcomes	Total jobs 369 (284 created and 85 improved)
Staff	~2,000

1 Introduction

Agriculture is central to Nigeria's economy, yet when ThriveAgric's founders left university to work in aggregation they encountered systemic bottlenecks in logistics, quality and supply. As a response to these challenges, they established ThriveAgric: an agri-tech company that provides end-to-end services to smallholder farmers in multiple crop value chains, from production and aggregation through to logistics.

Using a primarily agent-based model, the company bundles capital access, extension and market services to raise smallholder farmer incomes.

2 The Business Model

ThriveAgric operates an integrated smallholder trading model: it buys and sells multiple crops and relies on an agent network, which is largely made up of youth, to deliver the services farmers need to reach the volumes and quality that sustain profitability. To support farmer throughput, agents provide:

1. Farming services: Extension, soil testing, input finance, and data-driven advice via SMS/an application.
2. Aggregation: Aggregation, post-harvest loss reduction, warehousing, logistics and structured market access to premium offtakers.
3. Processing: Supply to ThriveAgric's new processing facilities.
4. Financial inclusion: POS-based transactions and support to open bank accounts.
5. Climate services: Education on regenerative agriculture, agroforestry, and carbon credit opportunities.

- **Value Proposition:** For buyers, ThriveAgric aims to offer reliable, high-quality, environmentally friendly supply aggregated from hundreds of thousands of farmers. For farmers, the company looks to support increased productivity and income through bundled extension, input finance and delivery, structured markets, and financial inclusion. For institutions, it aims to provide investable pipelines and delivery of carbon and impact targets.
- **Key Activities:** To build its farmer base, ThriveAgric focuses on outreach, training and field delivery of extension, aggregation, financial and climate services. To develop its agent networks, it invests in sensitisation (especially meeting gender targets), recruitment, and ongoing in-person and online training.
- **Revenue Streams:** ThriveAgric's revenue stream is the sale of grains and produce to offtakers.
- **Customer Segments:** Buyers are offtakers (processors, exporters, and traders) of rice, maize, soybeans, wheat, and sorghum. Farmers are smallholders needing finance, market access, and improved yields. A smaller segment, institutional clients, are financial and climate organisations that use ThriveAgric's agent network to channel rural investments and carbon initiatives. ThriveAgric aims to build long-term partnerships with both farmers and offtakers, using tools like community sensitisation, step-down engagement,[1] and word-of-mouth to help build trust among farmers and prospective agents.
- **Key Resources:** Key resources include a large, trained agent network (human capital) and the crops they produce and aggregate (natural capital), alongside digital infrastructure (proprietary tools and those from partners such as Crust).
- **Channels:** All segments are reached or served via agent networks and underlying digital systems. Buyers interact via ThriveAgric's digital interfaces, while tech-enabled field agents connect farmers into these services. Institutions rely on ThriveAgric's agent networks as distribution channels for their own financial products and climate initiatives.
- **Cost Structure:** ThriveAgric's model has significant upfront and recurrent costs for recruitment, training, and supporting (including data and transport allowances). These investments are viewed as indispensable for retention and agent quality.

Evolution of Business Model

ThriveAgric began in 2017 as a pure aggregator, buying rice, maize, soybeans, wheat and sorghum from smallholder farmers. Early on, the business struggled with low and inconsistent volumes and poor quality, compounded by crop diseases and other climate shocks to Nigerian agriculture. Further, informal trading arrangements that helped bridge market fragmentation offered limited price transparency, stability, or incentives to invest in quality or productivity.[2]

1 Sensitization of a group of youth and other leaders, followed by training that enables them to go and sensitize their *own* communities.
2 ThriveAgric. *Uka Eje: Rewriting the Story of Agritech in Africa*. ThriveAgric, Hectare series, n.d. Accessed January 2026. https://thriveagric.com/resources/hectare/uka-eje-re-writing-the-story-of-agritech-in-africa.

Recognising that trading alone could not solve these constraints, ThriveAgric shifted upstream to focus on productivity. In 2019, it launched digitally enabled extension services through ThriveAgric agents. Initial reliance on phone calls and Excel proved unscalable, prompting the development of its proprietary Agricultural Operating System (AOS), which underpins data-driven advisory (e.g. weather and crop recommendations) delivered both in person and via SMS.

Even with higher yields, frictions in trading persisted. To address this, ThriveAgric introduced the Tradr app and agent network dedicated to buying inputs for, and aggregating outputs from, farmers. Platform- and agent-based trading reduced dependence on costly intermediaries and extended services to more remote communities. Today, Tradr agents work with an average of 500 farmers quarterly.

In 2023, ThriveAgric added a climate dimension. Climate Champion agents began promoting regenerative practices such as minimum tillage, cover cropping and agroforestry, linking farmers to carbon projects with the potential to boost income through both higher productivity and carbon-credit revenues. Today, Climate Champions have ensured 700 farmers adopt agroforestry and more than 30,000 farmers adopt regenerative agricultural practices under ThriveAgric's carbon credit projects.

The COVID-19 pandemic exposed another bottleneck: farmers were largely unbanked just as the wider economy shifted to digital payments. In partnership with Crust Micro Finance Bank, ThriveAgric piloted Crust agents, who bring bank registration, input financing and other financial services directly to rural communities. Today, Crust agents work with an average of 105 customers quarterly.

ThriveAgric is further pursuing value chain integration by establishing processing facilities in Kaduna and Niger States. These plants make ThriveAgric an offtaker for its own Tradr network, with the intention of creating value-added processing and further smoothing seasonality for agents.

Across these pivots, the company has moved from tackling isolated pain points to helping to build an integrated ecosystem. Technology has extended reach, but locally rooted agents remain central to trust-building, farmer onboarding, and attracting entire households into the model:

> *"We're able to do advocacy, provide different additionality within the communities because we're recruiting their children…[We're building] the ecosystem of household income…So you have a farmer, and his daughter, and everybody in the family working with ThriveAgric. We are not the likes of an oil refinery that everybody's loyal to. But we're trying to be something similar."*
>
> — **Samirah Bello, Head of Partnerships, ThriveAgric**

Support from CFYE and Impact of Technical Assistance

Through CFYE, ThriveAgric received €808,868 in grant funding as well as technical assistance (TA). TA focused on designing a carbon credit framework, improving measurability, and aligning to standards, which will contribute to improved access to carbon credit markets for the business and its Climate Champion agent network. ThriveAgric also received Gender Inclusion TA, which included a Training of Trainers on unconscious biases, and gender-inclusive policy review.

3 Results

ThriveAgric has reached more than a million smallholder farmers with its portfolio of services. It accesses these farmers through agent networks composed of over 70% youth.

With CFYE grant support for recruitment and training, ThriveAgric reports connecting 369 youth with agent roles, 49.3% of whom are women. These numbers represent an overperformance on year 1 targets.

ThriveAgric defines a quality job as one that offers progression, good pay and fulfilling, "disruptive" work. It invests in ongoing training and in data and transport allowances to raise agents' take-home incomes. Agents work in their own communities, which builds trust with farmers and makes the roles more convenient. Climate Champions receive salaries, while other agents earn commissions and can combine roles (for example, being both Crust and Tradr agents) to increase earnings. This model fosters loyalty, with many agents staying long term or returning after further education.

For ThriveAgric, CFYE's main additionality lays in building these networks. The company believes that investors see the large, technically skilled youth agent base as a core asset: impact investors may value youth and women representation, while financial-sector partners may regard ThriveAgric's agent network as a trusted channel for rural lending. Across the board, agents' extension work and data collection help sustain farmer performance, reduce risk and unlock further investment.[3] Samirah says:

"[Without] CFYE subsidising our overhead cost, we would have taken a lot of time to do it [build agent networks]. We would have not been able to achieve it within the two year period that we're doing this; it would have taken us maybe five years, six years to do it right…It is about having agents to distribute loans, to provide extension services so risk is lower, and the scale of these networks that help us access financing. You can see the additional financing we're accessing ties back to [that]."

4 Success Factors and Challenges

For ThriveAgric, a key success factor in delivering integrated services is farmer trust. Agents are recruited from the same communities they serve, and farmers are invited to see pilot plots and receive training before adopting new practices. Similar community-led approaches support agent recruitment: starting with local and religious leaders, then step-down advocacy by youth leaders, and follow-through with word-of-mouth (including farmers encouraging their children to become agents) has generated sustained interest in agent roles.

This has produced a robust agent network: ThriveAgric can reach and maintain long-term relationships with even remote farmers, which underpins profitability and appeals to investors seeking high rural penetration. Women-led training and outreach increase female participation, and climate-focused services also help to strengthen ThriveAgric's position as a socially and environmentally conscious partner.

ThriveAgric's tech-forward stance is another advantage. Its proprietary tools and partnerships with financial technology firms support data-driven agronomy and platform-supported trading. These practices have increased yields and made trading more efficient, reinforcing farmer interest and enabling a cost-effective, scalable model. Technology may also help youth reimagine roles in agriculture, serving to create interest in the industry.

However, challenges remain post-CFYE. The focus on tech presents high upfront costs which can be difficult for farmers, agents, and Agribusinesses themselves to cover. This also exposes operations to risks from unreliable internet connectivity and energy infrastructure. And, while technology can lead to gains on farming practices and youth recruitment, strong co-design and trust-building remain essential to realise change.

On the agent network side, maintaining a high-quality, well-supported network of agents means high ongoing costs for recruitment, training and allowances. Persistent barriers to women's recruitment in agriculture, especially in northern Nigeria, raise the cost of meeting gender targets. According to ThriveAgric, costs for recruiting women are 30% higher than for men.

On the farmer side, scepticism in rural communities, particularly for "innovative" offerings such as financial and climate offerings, is a continued constraint. Concerns about sharing personal data, unfamiliar technology and agroforestry practices with delayed pay-offs mean that continued, costly sensitisation and training will be essential to sustaining ThriveAgric's smallholder network. This points to a funding gap and a need for flexible financing.

3 ThriveAgric is exploring primarily debt investment from institutional investors, in an undisclosed amount.

5 Future Outlook

ThriveAgric aims to deepen its integration across agricultural value chains. Two new processing facilities will enable it to act as an offtaker for its own Tradr network, reducing seasonality for agents, while multi-year contracts with carbon-credit developers and ongoing discussions with financial partners is expected to expand access to input finance and other products for farmers. Extension and data-driven farming services remain central, underpinning these higher-level engagements.

To deliver on this pipeline, ThriveAgric plans to maintain all CFYE-supported activities, retaining the 1,519 agents hired under the project and upholding its gender inclusion commitments. Strong partnerships will be essential to sustaining recruitment while preserving job quality. On its current trajectory, ThriveAgric can continue expanding its farmer and agent networks, improving livelihoods while growing a profitable, climate-engaged business.

Case study 3

Delish & Nutri

Case Study Author: **Sarah Ebady**
Editors: **Nimrah Karim and Justin van Rhyn**

This case study is part of the Challenge Fund for Youth Employment's Pathways to Employment (PTE) Learning Series Paper 3: Agribusinesses. The PTE series explores how different business models support youth employment outcomes, by creating new jobs, improving job quality, or strengthening pathways into work, based on evidence from CFYEsupported initiatives across Africa and the Middle East.

Key Takeaways

Integrating nutrition and local value addition, can improve Agribusiness competitiveness and strengthen employment outcomes: By combining value addition with the production of nutritious food products, Delish & Nutri is attempting to address multiple impact objectives simultaneously: improving farmer incomes, reducing reliance on imported snacks, and generating youth employment across the supply chain.

Improving job quality in agriculture is not only a development objective, but also a good business strategy: Agricultural employment is often characterised by informal work and low wages, yet Delish & Nutri has begun introducing higher wages, basic worker benefits, and safer production practices as it scales. The company views these investments as a way to strengthen worker productivity and retention, suggesting that better work conditions may support operational performance rather than simply increasing costs.

Building stable supply chains often requires investing upstream in farmer productivity and quality control: Through agronomic training and input support, the company has worked to improve crop quality and mitigate challenges such as aflatoxin contamination. Strengthening smallholder production systems can simultaneously improve business reliability, product quality, and income opportunities for youth engaged in farming and aggregation.

1 Introduction

Agriculture and food manufacturing remain essential to Kenya's economy, providing livelihoods for a large share of the population, particularly youth and women. Yet many young people face limited access to decent, formal jobs due to informality in the food sector, skills mismatches, and low productivity in traditional, small-scale processing. For young women especially, barriers such as unpaid family labour, limited mobility, and minimal access to capital constrain their ability to secure sustainable income in a sector with strong growth potential.

Delish & Nutri seeks to address these challenges by localising value addition in nutritious food products and creating inclusive employment pathways within the food manufacturing supply chain. The company sources nutritious peanut products and fortified beans from local farmers, processes them into healthy snacks and food ingredients, and distributes these products across Kenyan retail and institutional markets. By formalising production jobs and expanding market access, Delish & Nutri aims to demonstrate that nutrition-focused manufacturing can generate dignified work for youth while strengthening local food systems. With CFYE support, the company is scaling operations, professionalising workforce management, and building a more resilient and opportunity-rich ecosystem for Kenya's young workforce.

Key Details:

Year founded:	2017
Location:	Nairobi, Kenya
Employment Outcomes:	Total jobs 310 (14 created and 296 improved)
Annual revenue:	€ 382,830
Staff:	73

2 The Business Model

Delish & Nutri operates a vertically integrated Agribusiness designed to reduce inefficiencies across the value chain and creates employment pathways and entry points at different levels, including employment for over 1,500 smallholder farmers and last mile sales agents.

The business model focuses on building better structured, more efficient supply routes for high-value, climate-resilient crops. Through conservation agriculture practices, tailored extension support, and long-term offtake arrangements, Delish & Nutri also aims to increase the reliability and quality of raw materials. The logic is that farmers benefit from regular offtake, while the company secures consistent input flows for processing facilities.

- **Value Proposition:** High-quality, nutrient-dense Kenyan food products (such as peanuts and beans) produced through climate-smart agriculture production systems, providing reliable markets for smallholder farmers and youth-led enterprises, alongside formal, structured employment pathways across the value chain.

- **Key Activities:** Key activities include aggregation, cleaning, drying and processing of groundnuts and high-iron beans. Marketing and distribution of value-added products as well as digital outreach for demand creation are also important activities for the business.

- **Revenue Streams:** The company's primary revenue comes from selling processed foods and ingredients to retail and institutional buyers.

- **Customer Segments:** Delish & Nutri's customers consist of retail consumers seeking nutritious, locally sourced products, wholesalers and institutional buyers (schools, hospitals, food-service providers), and smallholder farmers integrated into supply chains (as upstream partners). The company works to maintain close ties with farmers through conservation agriculture training, field visits, and transparent procurement terms. With institutional buyers, the company emphasises food safety, certification and timely delivery.

- **Key Resources:** Its network of trained farmers within designated commodity corridors; processing equipment and quality-assurance systems; and a workforce of youth who operate in farming support, manufacturing and last-mile distribution.

- **Channels:** Delish & Nutri's channels are designed to move products more efficiently from farm to market while enabling youth participation at multiple points. Retail channels include supermarkets and local shops. Institutional channels include schools, health facilities and bulk food-service buyers. In parallel, the company deploys last-mile sales agents who reach underserved neighbourhoods and peri-urban markets. Digital channels support online marketing, customer education, and engagement with farmers and suppliers, strengthening real-time coordination across the chain.

- **Cost Structure:** Major cost drivers include agronomy training, conservation agriculture extension, and community engagement - activities that are essential for securing consistent crop quality but can be resource-intensive to deliver. Processing infrastructure requires ongoing investment in maintenance, food safety certification and quality control. As Delish & Nutri formalises its workforce, costs related to supervision, skills development and workforce management also rise.

Evolution of Business Model

Delish & Nutri began with processing peanut products. However, supply instability, inconsistent crop quality, and the absence of formalised production networks were limiting its ability to scale. These challenges prompted a strategic shift toward establishing a bean product line. The company built an integrated approach, enabling structured sourcing of groundnuts and high-iron beans along climate-resilient, high-productivity routes.

As the model matured, Delish & Nutri increasingly adopted conservation agriculture to help improve soil health, boost yields, and secure a more consistent supply of raw materials. Training farmers and youth aggregators became central to the model, helping to transform it from a processing-focused enterprise into a coordinated value chain system spanning production, aggregation, processing and distribution.

The company also introduced digital marketing and mobile engagement tools to reach younger consumers and strengthen farmer coordination.

Support from CFYE and Impact of Technical Assistance

CFYE support has supported Delish & Nutri to strengthen and scale its Agribusiness model. Through a combination of grant funding and targeted TA, the partnership has helped the company professionalise key functions across its supply chain while expanding opportunities for youth and women.

Grant funding for capacity building: CFYE funding enabled Delish & Nutri to hire an agronomist who now provides consistent training to farmers on good agronomic practices, post-harvest handling, and aflatoxin control. These trainings address longstanding knowledge gaps among smallholder farmers and improve both productivity and crop quality.

Monitoring, Evaluation and Learning support: TA helped the company strengthen its monitoring systems, allowing Delish & Nutri to track farmer performance, training uptake, and youth participation more systematically. Improved data collection has enabled more informed decision-making across the supply chain.

Gender TA: A gender diagnostic assessment and Gender Action Plan were developed, alongside the introduction of the Gender Action Learning System (GALS)[1]. Fifteen GALS champions (8 men and 7 women) were trained through a five-day course and subsequently cascaded the approach to 148 farmers. Early outcomes include improved household dialogue, clearer goal-setting, and increased confidence among women and youth participants.

Sales and Marketing TA: A customised assignment supported the company in refining its commercial strategy. This included strengthening market segmentation and distribution planning, training last-mile sales agents and internal sales teams, and supporting the recruitment of new sales officers. These activities improved the company's market presence while enhancing the quality of youth employment in distribution roles.

Scaling and Investment Readiness TA focused on preparing Delish & Nutri to attract external investment. The company developed investor-facing materials, strengthened its pitching capability, and improved readiness for due diligence processes.

> *"The grant was catalytic and has helped us now to set up the foundations where now we are looking at investors to take us now to the next step… We have managed to develop the materials required by investors, getting guided on how to approach investors, how to do the pitching."*
>
> — **James Muturi, Founder Delish & Nutri**

1 The Food and Agricultural Organisation of the UN (FAO) defines the Gender Action Learning System (GALS) as a community-led, participatory methodology aimed at promoting gender equality, economic empowerment, and social justice, particularly among marginalized rural populations. It uses visual, pictorial tools to help individuals and households map out personal visions, identify barriers, and change unequal power relations.

3 Results

A notable outcome has been the gradual formalisation of roles across the supply chain. Young people who previously participated in informal agricultural work or casual labour are now engaged in more structured positions in production, aggregation, processing, and last-mile distribution. These roles come with clearer responsibilities, supervision, and more predictable income streams, while providing opportunities to develop technical skills in areas such as post-harvest handling, equipment operation, and sales.

Job quality has also improved incrementally. Delish & Nutri reports an increase in wages and the introduction of basic worker benefits, including meals during shifts, alongside safer production processes and clearer operational procedures. These changes suggest an effort by the company to professionalise its workforce as it grows. The durability of these improvements will ultimately depend on whether the company continues to see commercial value in investing in workforce quality, rather than reverting to lower-cost, more informal labour arrangements as it scales.

At the production level, CFYE-supported agronomic training and input packages have contributed to higher yields and better crop quality among participating farmers. Youth farmers have begun diversifying into groundnuts and high-iron beans, crops that align with Kenya's nutrition priorities and domestic agricultural production strategy. Early results include improved harvest quality and more stable supply volumes, suggesting that strengthened upstream production systems can reinforce both business performance and employment outcomes.

4 Success Factors and Challenges

Delish & Nutri's progress has been driven by several success factors. The company's vertically integrated model enables it to manage quality, reduce post-harvest losses and create employment at multiple points in the value chain. The adoption of conservation agriculture and structured agronomy support has increased farmer trust and supply reliability, both of which are essential for sustaining processing operations. Additionally, the company's willingness to leverage digital tools for marketing and coordination has enhanced visibility in the market and connected young sales agents with new opportunities.

Partnerships with agricultural research and innovation institutions have reinforced the company's technical foundation. Delish & Nutri works with organisations including the International Institute of Tropical Agriculture (IITA), the World Food Programme's Farm to Market Alliance (FtMA), the Kenya Agricultural and Livestock Research Organization (KALRO), and the Pan-Africa Bean Research Alliance (PABRA) under the International Center for Tropical Agriculture (CIAT). These partnerships support access to improved seed varieties, regenerative agriculture techniques, and aflatoxin control technologies such as Aflasafe, strengthening both productivity and quality. They have also enabled expansion into new hubs and markets and supported product positioning in urban and rural areas. As founder James Muturi noted, *"Partnerships with trusted institutions have helped build credibility and community acceptance."*

However, Delish & Nutri continues to face challenges typical of early-stage Agribusinesses operating in fragmented supply chains. Scaling conservation agriculture requires sustained extension capacity and ongoing behaviour change among farmers, which is resource-intensive and slow to mature. Logistical costs remain high due to dispersed growing areas and variable road infrastructure, and the company must continuously balance affordability with the need to maintain quality standards. Formalising youth employment also requires significant investment in supervision, skills development and HR processes, costs that rise faster than revenues in the short term.

5 Future Outlook

In terms of future outlook, Delish & Nutri emphasised the importance of scaling and seeking investor support to do so. More specifically, the company is keen to take up new opportunities to scale into additional counties and diversify crop portfolios. On this, they plan to diversify by building on the success of nutrient-dense items such as peanut powder, groundnut snacks and high-iron bean products. The company anticipates that increased food safety certification and brand development will open new institutional and retail markets, both locally and regionally.

Delish & Nutri also anticipates the need for greater investment in digital tools to enhance supply-chain visibility, streamline farmer support, and improve sales performance. Such investments would complement the internal systems strengthened under CFYE TA, enabling Delish & Nutri to operate with greater efficiency as it scales. With continued improvements in data management, HR processes and financial reporting, the company will be better prepared to engage potential investors and pursue growth financing. Continued farmer capacity building, and youth development will be essential for sustaining growth.

Case study 4

Hemam Synergy

Case Study Author: **Sarah Ebady**
Editors: **Nimrah Karim and Justin van Rhyn**

This case study is part of the Challenge Fund for Youth Employment's Pathways to Employment (PTE) Learning Series Paper 3: Agribusinesses. The PTE series explores how different business models support youth employment outcomes, by creating new jobs, improving job quality, or strengthening pathways into work, based on evidence from CFYEsupported initiatives across Africa and the Middle East.

Key Takeaways

Expanding farmer support services can improve youth employment outcomes: By scaling input provision and aggregation services, Hemam Synergy increased the need for coordination roles such as Field Officers and Accountability Group Heads, illustrating how upstream service systems can create employment even where production itself remains smallholder based.

Climate-smart infrastructure can strengthen both productivity and employment outcomes: The introduction of solar-powered irrigation enabled farmers to cultivate multiple seasons, increasing production and stabilising labour demand. However, scaling such systems requires significant upfront investment and coordination across farmer networks.

Aligning employment models with youth preferences is critical for programme effectiveness: Hemam Synergy initially targeted both wage employment and entrepreneurship, but project implementation showed stronger interest among youth in self-employment roles such as Accountability Group Heads. Adjusting the model to reflect these preferences helped improve participation and retention.

1 Introduction

Agriculture remains a primary source of livelihood in Nigeria, with smallholder farmers accounting for 90% of food production. Yet, persistent challenges, including low yields, limited access to quality inputs and services, weak climate resilience, and constrained market linkages undermine productivity and livelihoods. Youth in rural or underserved communities especially face acute barriers, as formal employment opportunities are scarce and many young people, particularly women, are excluded from stable, skilled work.

Hemam Synergy operates in this context as an integrated Agribusiness linking smallholders to improved inputs, climate-smart practices, aggregation services, and structured markets. Working in isolated production zones with weak infrastructure and limited access to electricity, health services, and transport networks, the company addresses gaps in agronomic knowledge, climate awareness, and market access through bundled service delivery.

Through its partnership with CFYE, Hemam Synergy aims to transform informal agricultural work into sustainable employment for rural youth. The project focuses on increasing rice paddy yields, improving climate resilience, and mobilising extension workers to train and manage smallholder farmers. By bringing jobs directly to rural communities, the initiative seeks to reduce migration pressures while creating employment that is both local and scalable.

Key Details

Year founded	2015
Location	Headquartered in Abuja, with the CFYE project operating in Ibaji Local Government Area of Kogi State.
Employment Outcomes	Total jobs 1,108 created
Annual Revenue	€1,452,000
Staff	752

2 The Business Model

The company provides solar-powered irrigation systems that enable year-round cultivation and offers affordable access to solar-powered rice mills to minimise post-harvest losses. Its model integrates three core services:

1. Input support through high quality seeds, fertilisers, and other production resources provided on credit and recovered at harvest

2. Training and extension services that equip farmers with good agronomic and climate-smart practices; and

3. Structured aggregation and market access, where Hemam offtakes an agreed share of farmers' paddy and links them to transparent, reliable markets. The company works in the upstream and midstream segments of the value chain. Farmers handle primary cultivation, and Hemam Synergy earns revenue by sourcing grains from them and selling these to large food processing companies.

- **Value Proposition:** The business's value proposition centres on delivering an integrated, climate smart farming system that helps smallholder farmers produce more, reduce losses, and earn better incomes. The company does this by combining solar powered irrigation, affordable post-harvest processing, bundled input and training support, and guaranteed market access.

- **Key Activities:** Providing access to high quality inputs (seeds, crop protection chemicals, etc), market access through processing, aggregation, and offtake services, as well as climate smart production support through their solar irrigation system and agronomic training.

- **Revenue Streams:** As a business operating in midstream and upstream segments of the value chain, Hemam Synergy's revenue is primarily generated from sales of grain. The business is pivoting towards processing, which will add more value before selling, and is expected to generate more revenue.

- **Customer Segments:** Hemam Synergy's customers are predominantly large food processing companies and traders that are purchasing produce, including institutional buyers.

- **Key Resources:** Hemam Synergy's key resources are human capital - the farmer networks and trained youth extension agents, storage and basic processing infrastructure, and data systems for tracking production.

- **Channels:** Hemam Synergy reaches farmers and partners through a community approach with the use of Field Officers and Accountability Group Heads (who monitor, coordinate, and mobilise farmers). They also have processing centres; physical touchpoints where farmers bring produce for milling, drying, cleaning, or sale.

- **Cost Structure:** Hemam Synergy's cost structure includes agricultural input sourcing and storage facilities, the capital and operational costs of deploying solar irrigation systems and processing equipment, the expenses associated with training and employing youth Field Officers, and the ongoing costs of farmer support, logistics, and market-linkage operations.

Evolution of Business Model

Nigeria's recent reforms, fuel subsidy removal, exchange rate liberalisation, and tighter monetary policy, were intended to stabilise the economy but instead drove up production and transport costs, keeping food inflation extremely high and squeezing household budgets[1]. These pressures have affected smallholder farmers directly, raising input costs and increasing market volatility.

Within this context, Hemam Synergy has adapted its model to help farmers maintain and improve incomes. The company is introducing a processing-led approach, enabling farmers to move beyond selling raw produce and instead access value addition through its facilities. As founder Michael Ameh explains:

> *"What we are now doing to help our farmers get back on track, in terms of their income, is the facility that we're setting up. We're now engaging them to come and process right through this facility, so instead of them selling raw, they will come in, they will process through the facilities and then earn higher income."*
>
> — **Michael Ameh, Founder, Hemam Synergy**

By shifting farmers from selling raw products to processing through Hemam's facility, the company aims to boost margins, stabilise incomes, and keep more value within producing communities.

Under CFYE, the business expanded its model to embed youth in delivery roles, formalising two core job categories: Field Officers and Accountability Group Heads (AGHs).

- Field Officers are recruited from local communities and act as the main link between the company and farmers. They coordinate offtake, monitor production, support the rollout of solar irrigation systems, and deliver training on climate-resilient practices and basic digital tools.

- AGHs operate as self-employed coordinators, each responsible for a cluster of 15–20 farmers. They organise production schedules, procure rice paddy, and enforce quality standards, earning income through commissions on aggregated volumes.

As youth showed a clear preference for self-employment over waged roles, the company narrowed its focus towards hiring AGHs in the second year of implementing the CFYE project.

Support from CFYE and Impact of Technical Assistance

CFYE funding was used to expand input provision to additional farmers, enabling Hemam Synergy to widen participation in the programme. As the farmer base grew, operational demands increased, requiring the recruitment of more Field Officers and Accountability Group Heads. In this way, CFYE's investment in upstream inputs contributed to higher youth employment, as service capacity had to expand in step with farmer outreach.

Furthermore, through CFYE funding, Hemam Synergy was able to establish collection centres and interim holding facilities in key rice-producing communities within Ibaji Local Government Area. These centres serve as easily accessible hubs where farmers could deliver produce and access inputs. Prior to their introduction, farmers faced high transaction costs and long distances on poor roads to main warehouses, limiting participation. It was also a challenge for the Field Officers who had to move around the community, accessing farms on their bikes to recover the grains. By creating these decentralised touchpoints, Hemam Synergy expanded farmer inclusion, which in turn increased demand for AGHs and Field Officers to coordinate operations.

Key TA was focused on addressing agronomic and scaling challenges:

1. **Climate-Smart Agriculture TA:**
   This support improved the company's capacity to train farmers in sustainable production practices, including water management, improved seed use, and integrated pest strategies. Training content was localised and delivered through youth field staff, strengthening the quality and uptake of climate-smart agriculture methods at scale.

2. **Scaling and Investment Readiness TA**
   This TA has helped Hemam Synergy refine its business case, develop investor-ready materials, and articulate a strategy for scaling the company.

1 World Bank. *Positive Economic Momentum in Nigeria: Now Time to Bring Home the Gains*. Press release, October 8, 2025. World Bank Group. Accessed January 2026. https://www.worldbank.org/en/news/press-release/2025/10/08/positive-economic-momentum-in-nigeria-now-time-to-bring-home-the-gains?utm_source=copilot.com

As a result, the company is now working more actively to secure investments.

Hemam also received TA on MEL, Gender Inclusion, and Impact Measurement and Monitoring (IMM).

3 Results

Hemam Synergy has exceeded its first-year CFYE employment targets, creating 1,108 youth jobs against a planned target of 1,028.

A key driver of these results has been the deployment of climate-adaptation infrastructure, particularly solar-powered irrigation systems. The company piloted more than 160 units across rice-growing communities in Ibaji, enabling farmers to cultivate multiple seasons. As Michael noted: *"This solar irrigation system that we're providing is one of the biggest interventions that we have made since we started our vision across these communities…The farmers are now able to cultivate twice and some of them have gone three times a year."*

This expansion in production has increased both productivity and labour demand, with AGHs and Field Officers playing central roles in coordinating irrigation, supporting maintenance, and managing farmer networks.

Job quality has also begun to shift as the programme matures. Youth recruited into AGH and Field Officer roles receive structured training, ongoing supervision, and defined responsibilities within farmer networks. Although many positions remain community-based and semi-formal, the project is moving towards greater regularisation of work cycles and clearer progression pathways within Hemam Synergy's operational structure.

4 Success Factors and Challenges

Hemam Synergy engages with rural communities to understand local needs and operating conditions. Drawing on his background in an agrarian household, the founder has emphasised building relationships with community members and securing local participation. The business positions itself as working within communities while also contributing to local development outcomes.

This approach is reflected in initiatives such as the establishment of a health clinic specialising in maternal and postnatal services. Hemam Synergy also works with council leaders, rice-farmer cooperatives, and community representatives to support project implementation and farmer mobilisation.

At the state level, Hemam Synergy engages with the Commissioner of Agriculture, providing input on policy discussions and advocating for reforms that support climate smart agriculture and rural livelihoods. This government engagement helps align field activities with broader policy priorities and creates a more supportive ecosystem for farmers.

Partnerships have further strengthened delivery capacity. The business has partnered with ThriveAgric, another Nigerian IP in CFYE's portfolio, on its Agricultural Operating System (AOS) platform. This solution provides smallholder farmers with financing, index-based crop insurance, extension services, and linkage to markets for their produce.

In terms of local job creation, the types of jobs offered are some of the first of their kind in Ibaji. These roles offer income levels at or above minimum-wage benchmarks and, in the case of AGHs, structured earning opportunities linked to volumes procured. This has made the positions attractive in contexts where formal employment opportunities are scarce.

In addition to decent income, the roles also offer clear pathways for professional development. Training is central to this approach. Youth receive instruction in agronomy, climate-smart agriculture, irrigation management, and the use of digital tools, such as the Agricultural Operating System (AOS) platform for farmer registration, monitoring, and payment coordination. Exposure to these technologies, often for the first time, has increased the appeal of the role and resonated with young people. This has helped young people to understand that they don't need to leave the community in search of work, and therefore improved retention.

While training is a strength of the business, it has also been used to address challenges related to low digital literacy among new AGHs. Limited skills in data entry and reporting initially slowed down operational processes. To address this, Hemam Synergy introduced refresher training sessions, and assigned peer mentors to provide support to new recruits.

Gender inclusion has been a challenge that required deliberate and sustained effort. Female participation remains uneven, and social and cultural norms continue to restrict women's mobility and economic participation. Hemam Synergy has responded by engaging households and community leaders through town-hall meetings, emphasising the economic benefits of women's participation, not only for the project but for the community at large. As Michael explains, *"For us to be able to do this, we have to have… equal female participation in this. Then we'll go ahead to explain the benefit. Because if the females are empowered in more income, it contributes to the families"*. Hemam Synergy benefited from CFYE's Gender Inclusion TA and has integrated gender sensitised modules into AGH onboarding sessions.

Other challenges include poor infrastructure, which raises logistics costs. Rapid expansion places pressure on training and supervision systems and maintaining decent-work standards increases working-capital needs before revenues fully mature.

Moreover, ongoing economic instability, characterised by inflation and rising input costs, poses a threat to the project's sustainability. These constraints reflect the broader challenge of sustaining inclusive, climate-smart agribusiness growth in rural contexts.

5 Future Outlook

Looking ahead, Hemam Synergy is positioning itself to expand into other states in the country. The company has begun expanding into the North-West geopolitical zone of Nigeria, where it is engaging with the maize and soybean value chains. At this stage, the company's role focuses on providing market-linkage support rather than direct farmer services. Hemam Synergy is also seeking additional investment to scale its solar irrigation systems. Although investor interest has been strong, discussions are still ongoing to secure the necessary funding.

Case study 5

Happy Cow

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This case study is part of the Challenge Fund for Youth Employment's Pathways to Employment (PTE) Learning Series Paper 3: Agribusinesses. The PTE series explores how different business models support youth employment outcomes, by creating new jobs, improving job quality, or strengthening pathways into work, based on evidence from CFYEsupported initiatives across Africa and the Middle East.

Key Takeaways

Strengthening cooperatives can be an effective pathway to scale youth employment in agricultural value chains: Rather than recruiting youth directly into the processor, Happy Cow's model focused on upgrading cooperative systems and services. This created employment opportunities across fodder production, mechanisation, transport, and cooperative operations, demonstrating how processor-led ecosystem strengthening can indirectly generate jobs.

Job quality improvements can require short-term trade-offs in profitability but may strengthen productivity over time: Improving wages, training, and working conditions increased operational costs in the short term. However, Happy Cow reports that these investments contributed to higher staff retention, improved productivity, and a 17% increase in production volumes.

Youth participation in the agricultural value chain remains constrained by structural factors that cannot be resolved by training alone: Despite investments in training and service enterprises, youth retention remained a challenge, with many young people leaving for urban employment or youth-led cooperatives switching buyers in response to short-term price differentials. This highlights that improving youth engagement in agricultural value chains requires not only skills development, but also competitive and stable income opportunities.

1 Introduction

Kenya's dairy sector is central to rural livelihoods and national food security, contributing about 14%[1] of agricultural GDP and relying heavily on 1.8 million smallholder farmers who produce over 80% of the country's milk. However, the industry struggles with low productivity, endemic livestock diseases, inconsistent milk quality, and high production costs. These systemic challenges continue to constrain its full potential.

Happy Cow Limited was established in 1994, shortly after the liberalisation of the dairy industry, in response to a clear market gap. While farmers were producing large volumes of raw milk, there was limited value addition and few opportunities to improve returns. Happy Cow sought to address this by producing higher-value dairy products, with the aim of stabilising markets for small-scale farmers and building a more sustainable, locally rooted dairy business.

[1] Climate Focus. *Enhancing the Investment Attractiveness of Kenya's Dairy Sector*. Brief 3. Climate Focus, June 2022. Accessed January 2026. https://climatefocus.com/wp-content/uploads/2022/06/brief_3_-_enhancing_investment_attractiveness_of_kenya_dairy_sector.pdf

Over time, this commercial model has expanded to include a stronger focus on youth employment and cooperative development. In partnership with CFYE, Happy Cow is working to increase youth participation across the dairy value chain. This responds to a broader challenge: most young people engage informally through family farms, with limited access to structured or paid roles, and often view dairy farming as unattractive compared to urban opportunities.

Happy Cow's model creates structured entry points for youth within the dairy value chain. Through its partnerships with cooperatives and training providers, the company supports youth not only as farmers but also in roles such as fodder production, mechanisation services, milk transport, and cooperative operations. By providing role-specific training and linking these roles to stable market access, and quality-based payment systems, Happy Cow is attempting to make participation in the dairy sector more viable and attractive for younger workers.

Key Details

Year founded:	1994
Location:	Nakuru County, Kenya
Employment outcomes	Total jobs 498 (18 created and 480 improved)
Annual revenue:	€4.6 Million
Staff	154

2 The Business Model

Happy Cow's core business lies in dairy processing, but its commercial performance depends on close, long-term relationships with milk-supplying cooperatives and farmers.

- **Value Proposition:** A reliable supply of quality-assured dairy products produced through strengthened cooperative systems.
- **Key Activities:** Milk processing, training delivery, and logistics coordination.
- **Revenue Streams:** Sales of processed dairy products.
- **Customer Segments:** Retail buyers (restaurants, hotels) and distributors of dairy products. Relationships with customers are based on long-term, contract-based relationships with cooperatives and buyers.
- **Key Resources:** Processing facilities, milk-chilling infrastructure, trained staff, cooperative networks, training systems, and digital traceability tools.
- **Channels:** Milk collection centres operated by cooperatives, processing plants, retail distribution networks, and digital marketing platforms.
- **Cost Structure:** Chilling tanks, transporters, and farm machinery; training delivery; staff wages; quality-testing systems; and cooperative support.

Evolution of Business Model

Happy Cow's core business model has not fundamentally changed from its initial focus on increasing processing volumes and revenues. What has evolved is how the company engages with its supply base. Happy Cow has deepened its work with cooperatives on milk quality, fodder availability, and mechanisation—areas identified as key constraints to scale.

Youth engagement emerged as a major addition to the model. The project has embedded young farmers in production roles, supported youth-run fodder enterprises to smooth seasonal feed shortages, and expanded employment opportunities in retail, transport, and processing.

Support from CFYE and Impact of Technical Assistance

Happy Cow benefited from CFYE support and TA at a time when it was looking to scale up productions and expand market access.

> *"The CFYE project came in handy at a time when Happy Cow was figuring out how to expand in terms of the volumes we are producing and in terms of marketing".*
>
> — **- Joyce Kinyanjui, Project Manager, Happy Cow**

Funding was directed toward operational upgrades, including the purchase of chilling tanks, milk transporters, tractors, and silage-making equipment. These investments improved milk aggregation efficiency, reduced spoilage during peak production periods, and stabilised milk flows to Happy Cow's processing facilities. These investments also enabled cooperatives to establish new service lines that are intentionally youth managed, such as mechanisation services, fodder enterprises, and milk transport operations. In the case of fodder enterprises, youth leadership was a deliberate design choice: high performing cooperatives like Ainabkoi have demonstrated that youth play a pivotal role in fodder commercialisation, ensuring reliable feed supply even during dry spells.

The purchase of tractors and other equipment meant that cooperatives could offer tilling and silage making services during low milk periods. These services are provided at subsidised rates, generating additional revenue for cooperatives, while strengthening farmer resilience.

TA support was focused on strengthening cooperative governance, sales and marketing functions and youth and gender inclusion. Gender Action Learning System (GALS)[2] interventions reached more than 800 farmers and raised awareness of women's participation across the dairy value chain. At production (farm) level, there is around 45% female participation.

Meaningful Youth Participation TA assignments placed particular emphasis on employability and retention, including entrepreneurship training delivered in partnership with Fooster Dairy Solutions Ltd. Together, these interventions strengthened cooperatives' capacity to continue recruiting and supporting young people beyond the CFYE project period, while reinforcing the commercial sustainability of upstream supply networks that anchor Happy Cow's processing operations.

Joyce notes that CFYE's additionality to the business is significant: "Another aspect that came from CFYE that has really helped us is youth engagement, because that was one area that maybe would have been left out...we have seen a great turnaround in terms of engaging the youth. So, we have not changed our design much, only that CFYE has enhanced it better through engaging youths, through quality-based incentives, for the commercialisation activities and of course, farm mechanisation activities."

3 Results

Over the first year of implementation, Happy Cow observed a 17% increase in revenue alongside a rise in daily processing volumes from approximately 15,000 to 20,000 litres. The business attributes this to improved milk supply and marketing investments.

Another outcome the business has experienced this year has been improved job quality and remuneration. Happy Cow reviewed salaries, introduced clearer contractual arrangements for processing staff, and strengthened occupational health and safety systems. While these measures increased short-term operating costs, management reported improvements in productivity, staff motivation, and retention.

The company acknowledged short-term trade-offs between profitability and improving working standards. Raising salaries and upgrading employment terms required significant upfront investment, but the long-term gains have been substantial. Staff turnover reduced from 16% in 2024 to 10% in 2025. Management attributes the increase in revenue last year to better working conditions, higher staff motivation, and stronger retention, demonstrating that improved job quality ultimately drives productivity and commitment.

2 The Food and Agricultural Organisation of the UN (FAO) defines the Gender Action Learning System (GALS) as a community-led, participatory methodology aimed at promoting gender equality, economic empowerment, and social justice, particularly among marginalized rural populations. It uses visual, pictorial tools to help individuals and households map out personal visions, identify barriers, and change unequal power relations.

4 Success Factors and Challenges

Happy Cow's strongest enabling factors have been its cooperative-centred delivery model, practical training systems, and adoption of decent-work principles. The company has also aimed to make stable and timely payments, issue transparent contracts, and offer quality-linked incentives, which it reports have been critical in building trust with farmers and sustaining milk flows.

Happy Cow also works closely with government bodies to ensure regulatory compliance and engages processors and sector actors through associations such as the Kenya Association of Manufacturers. This is exemplified through Kenya's new national Quality Based Milk Payment (QBP) system, which builds directly on the groundwork laid by early adopters like Happy Cow Ltd. For years, the company tested and proved that rewarding milk quality could lift standards across smallholder networks. Those early pilots helped shift sector thinking, and today the government is scaling an approach Happy Cow endorsed long before it became national policy.

Management reports the importance of these partnerships and how they have contributed to the business overall; *"We have seen great improvement in terms of the supply, reliability of supply, milk quality, access to markets, as well as compliance. So overall, we feel as a business, those partnerships are very close to our heart."*

The maintenance of these partnerships relies heavily on transparency with the cooperatives and farmers. Happy Cow prioritises consistent and timely payments and having contracts in place with cooperatives and service providers.

Happy Cow has also been strengthening its internal systems through greater use of digital tools, a process that was reinforced through CFYE's project requirements. The company has piloted digital data-collection platforms for farmer registration, training attendance, and quality-based payments, while training curricula have increasingly been digitised to enable wider dissemination across cooperative networks.

Seasonality remains a key challenge for Happy Cow and its cooperative partners. Drought periods reduce milk supply and farmer incomes, creating volatility in cooperative revenues and uncertainty for youth engaged across the value chain. These fluctuations also constrain access to finance, limiting farmers' ability to invest in feed, herd improvement, and on-farm infrastructure.

To mitigate these pressures, Happy Cow has introduced fodder commercialisation, silage production, mechanisation services, and ongoing farmer training. These interventions have begun to stabilise seasonal variation. One cooperative manager noted that milk intake, which previously fell by 2,000 to 3,000 litres per day during January, has stabilised (and in some cases increased) following youth-led fodder initiatives supported through CFYE. Diversification into tractor services and other income streams has also helped some cooperatives offset drought-related losses. However, scaling fodder conservation and mechanisation across smallholders remains challenging and requires sustained financing and cooperative capacity.

Youth retention has remained a persistent challenge. Even with expanded training and new income opportunities, many young people relocate to urban centres in search of better wages and more attractive prospects. This competition for labour affected several project components. For example, some youth involved in fodder enterprises eventually left the work to family members while they pursued jobs elsewhere. Similarly, despite increased milk production, many shifted suppliers when higher prices were offered.

5 Future Outlook

Happy Cow is entering a new phase of growth, with ambitions to double processing volumes over the coming year and extend operations beyond the current five counties. Management views deeper engagement with dairy cooperatives as central to this expansion, alongside continued investment in quality-based payment systems and youth-centred recruitment models. As Joyce noted, cooperative engagement will remain a long-term priority: "*Happy Cow is on an upward trajectory right now and we are looking forward to growing our volumes even two times of what we are doing now. So that means more cooperative engagement will be key to us. Also, quality incentives, I think that's the direction to go."*

At the same time, the company recognises that growth will need to be accompanied by continued attention to youth retention, gender inclusion, and seasonal volatility. Expanding fodder commercialisation, mechanisation services, and off-season income streams within cooperatives is expected to remain a central strategy for stabilising rural employment as volumes increase. To finance its expansion, Happy Cow is actively exploring additional sources of capital beyond CFYE. While the company has not yet secured new external investment, management has identified this as a key priority for the business.

Regulatory bodies in Kenya are increasingly advocating for quality-based payment of milk[3]. This aligns closely with Happy Cow's existing incentive structures and could strengthen compliance, traceability, and supply reliability across its cooperative networks. If implemented consistently at sector level, these reforms may further reward farmers who invest in productivity and quality and would benefit businesses like Happy Cow.

3 SNV. *Quality Based Milk Payment: Incentivising Quality and Improving Dairy Value Chain Performance.* SNV Netherlands Development Organisation, n.d. Accessed January 2026. https://www.snv.org/assets/downloads/f/191310/96c4c14b1c/quality_based_milk_payment_brief.pdf

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