

Inclusive Business Analysis

*Analysing Lersha's phygital business model
unlocking growth opportunities through climate
smart bundled packages for women farmers*

Lersha | Ethiopia

Public report

January 2026

ABERA
BOOSTING BUSINESS
INNOVATION FOR WOMEN'S
CLIMATE RESILIENCE



Disclaimer

This study examines the projected (financial) performance of Green Agro Solution PLC (Lersha)'s Business Model and explores and recommends potential improvements and opportunity pathways. The findings in this report have been used by IDH, CGAP, and Lersha and involved value chain players to shape their strategy, project design, and future business models, but these organizations cannot be held accountable for meeting any targets included in the report.

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Introduction

Smallholder livelihoods

Agriculture plays a key role in the wellbeing of people and planet. 70% of the rural poor rely on the sector for income and employment. Agriculture also contributes to and is affected by climate change, which threatens the long-term viability of global food supply. To earn adequate livelihoods without contributing to environmental degradation, farmers need access to affordable high-quality goods, services, and technologies.

Inclusive Business Models

Inclusive Businesses provide goods, services, and livelihoods on a commercially viable basis, either at scale or scalable, to people living at the base of the pyramid, making them part of the value chain as suppliers and/or customers. These business models can sustainably increase the performance of farm(er)s while providing a business opportunity for the company. Using IDH's data-driven Inclusive Business methodology, IDH analyses these models to create a solid understanding of the relation between impact on the farmer and impact on the company.

Insights & Innovations

Our data and insights enable businesses to formulate new strategies for operating and funding service delivery, making the model more sustainable, less dependent on external funding and more commercially viable. By further prototyping efficiency improvements in service delivery and gathering aggregate insights across sectors and geographies, IDH aims to inform the agricultural sector and catalyse innovations and investment in service delivery that positively impact people, planet, and profit.

ABERA

The initiative

- [ABERA](#), a collaboration between CGAP and IDH, aims to improve the climate resilience of service providers and the rural women they serve by fostering commercially viable, climate-smart innovations in inclusive finance.
- ABERA works with select innovative financial and agricultural service providers. At the beginning of each company collaboration, ABERA conducts a deep-dive Inclusive Business Analysis (IBAs) to examine overall business performance with particular attention to gender and climate. ABERA aims to generate data and experience that helps service providers and funders see their profit, gender, and climate goals as interdependent rather than mutually exclusive.
- As part of the IDH team that generated this IBA, CGAP colleagues provided insights related to financial inclusion, rural economies, and agricultural development, particularly with a gender and climate lens, derived from interviews with key ecosystem actors influential to the business, in-field focus group discussions with farmers and customers, and analysis of related data. A brief version of this report prepared by CGAP and IDH that highlights key findings and insights would be available [here](#).

The approach

[CGAP](#) and [IDH](#) are accelerating business to empower rural women in agriculture through ABERA, which:

- Supports technical assistance and experimentation to help companies integrate gender and climate in their strategy and improve overall business performance
- Cultivates a forum for peer exchange and learning where companies can share experiences and co create scalable solutions



Acronyms

ABERA	Accelerating Business to Empower Rural women in Agriculture
CASA	Commercial Agriculture for Smallholders & Agribusiness
CCF	Collateralized Commodity Financing
EBIT	Earnings before interest and taxes
ETB	Ethiopian Birr (currency)
FSP	Financial Services Provider
FTE	Full-time equivalent
GAP	Good agricultural practices
GDP	Gross domestic product
IBA	Inclusive Business Analysis
IT	Information technology
KPI	Key performance indicators
Mn	Million
Mt	Metric ton (1,000 kg)

NGO	Non-governmental organization
PHL	Post-Harvest Loss
P&L	Profit and loss statement
SHF	Smallholder farmer
SWOT	Strengths, weaknesses, opportunities and threats
USD	United States dollar (currency)



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Executive summary



The objective of this IBA is to understand Lersha's business model and the impact of its climate smart packages on women smallholders and on Lersha's bottom line

Scope	Lersha's objectives	IBA Learning questions
Business model	<ul style="list-style-type: none"> Scale the business across gender-inclusive value chains such as vegetables Understand the impact of their services on women vegetable farmers 	<ul style="list-style-type: none"> Which <u>services</u> provided by Lersha are most valued by rural women and why? What characteristics of climate smart input packages are key for creating <u>value for rural women and Lersha</u>?
Climate smart input packages	<ul style="list-style-type: none"> Develop climate-smart input packages for women, youth 	<ul style="list-style-type: none"> How does introducing climate smart input packages and advisory support to women smallholder farmers (SHFs) influence their <u>productivity and income</u>? How does introducing climate smart input packages and advisory support to women smallholder farmers influence <u>business risk</u>? How does introducing climate smart input packages and advisory support to women smallholder farmers influence <u>YoY customer growth</u>, <u>average revenue/customer</u>, during the pilot phase and at scale?
Agent network	<ul style="list-style-type: none"> Improve usage of data as an organization. 	<ul style="list-style-type: none"> How does an <u>agent network</u> leveraging digital tools and data influence customer attrition and business risks? How do women agents contribute to enhanced outcomes for women as compared to men agents?
Access to finance	<ul style="list-style-type: none"> Align gender inclusivity and commercial viability to attract financial institutions and offtakers 	<ul style="list-style-type: none"> How does improved <u>access to finance</u> affect women's productivity and income?
Market linkage		<ul style="list-style-type: none"> How does <u>market linkage</u> affect women's ability to access finance and repay loans?



The vegetable cultivation sector in Ethiopia is led by SHFs, with production, marketing and post-harvest challenges skewing the margins towards the traders and aggregators

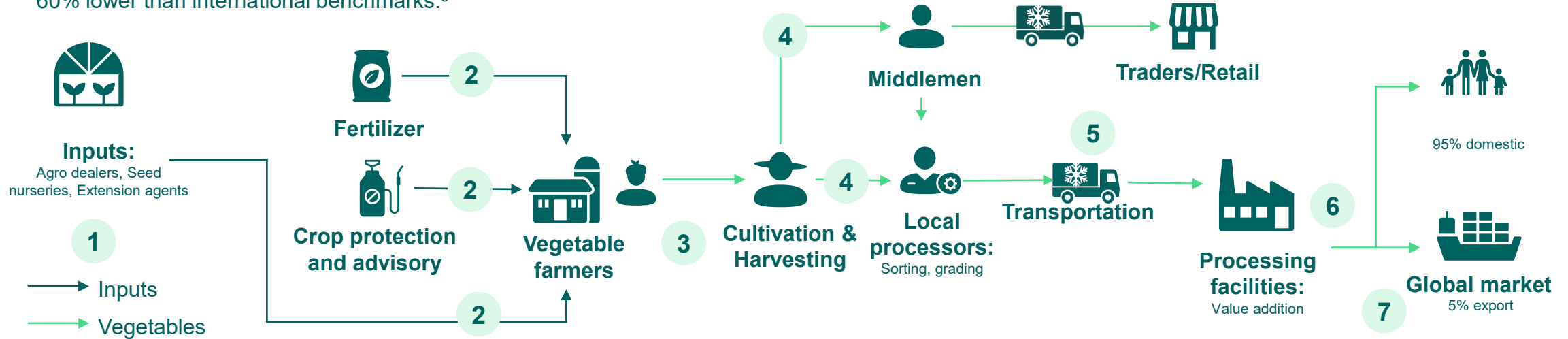
- Ethiopia has favourable agro-ecological conditions for vegetable production, including high-land and mid-altitude regions such as Sidama.
- Fruits and vegetables export resulted in USD 65 Mn in 2024, accounting for 14% of the country's export.¹
- Vegetable cultivation involves ~40% women SHFs and is practiced on smaller plots (<0.5 ha) alongside other commercial crops such as cereals or coffee.
- Women-headed households were found to have ~30-40% lower average yield than men-headed households.²

Inputs

Cultivation & Marketing

- Lack of access to improved vegetable seeds and production practices,²
- Lack of access to credit, disease and pest control measures,²
- Yields of crops such as potato, tomato, onion and cabbage are 30-60% lower than international benchmarks.³

- Lack of market information systems, high post harvest losses (30-40%) insufficient market linkages, middlemen controlling prices and profit margins.²
- 5.& 6. Professional sorting, grading, packing, and transporting affecting the quality, and in turn, marketability of the product⁴



Sources: 1) [Ecofin](#) (Nov 2025) 2) [International Journal of Agricultural Science and Food Technology](#) (Mar 2021) 3) FAOSTAT 4) [East African Scholars Journal of Economics, Business and Management](#) (Feb 2024)

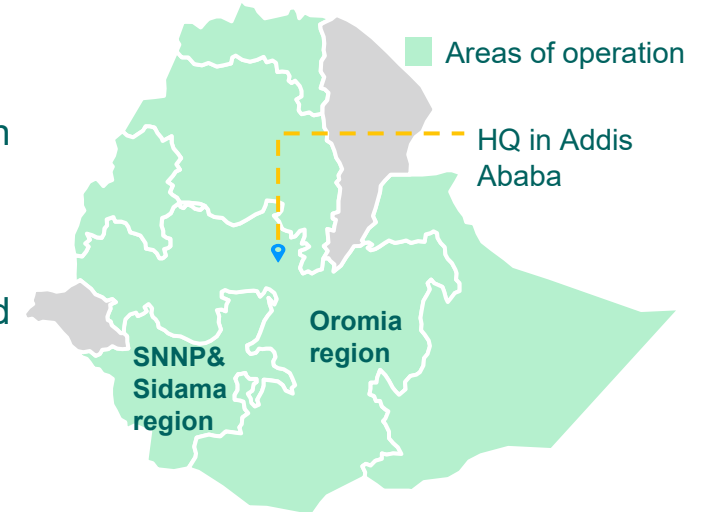


Lersha is a phygital platform solving for smallholder agriculture challenges in Ethiopia via climate smart inputs and advisory, mechanization, credit, insurance, and market linkage

- Green Agro Solution PLC is a private agribusiness company registered in 2016, headquartered in Addis Ababa, Ethiopia.¹ It is present across 6 regions in Ethiopia, and have begun pilots in Kenya and Uganda.
- Lersha is the company's digital platform operating as a one-stop marketplace for SHFs. It provides them with agri inputs, mechanization services, agro and climate advisory, credit, and insurance through its mobile app, Lersha agent network and multi-lingual call centre.²
- Lersha is solving for limited access to quality agri inputs resulting in suboptimal yields; lower access to finance and insurance exposing farmers to climate shocks; lack of access to market and transparency in market prices resulting in farmer income volatility.
- Lersha actively operates in the following value chains: cereals, pulses and oilseeds, coffee, dairy, livestock, and avocado and is aiming to expand into the vegetable value chains in Oromia and Sidama regions.³
- Lersha has served over 270,000 SHFs on their platform with 2,500 agents, 65% of their revenue (USD X Mn) is generated from service fees.

- Lersha is present in cereals value chain in Oromia and Sidama regions and aims to expand into the vegetable value chain in Ethiopia which engages 95% smallholder farmers.²

- Farm yields for vegetables such as potato, tomato and onion is 8-10 Mt/ha compared to the potential yields of 25-35 Mt/ha.⁴



- Farmers are constrained by disease and pest attacks, price volatility and poor market infrastructure that are further compounded by climate events such as erratic rainfall.
- Lersha aims to address these challenges through their bundled services (input, credit, mechanization) while linking them to local off takers to increase efficiency.
- Lersha has identified 4 highly cultivated vegetables in the region: cabbage, potato, onion and tomato.

Sources: 1) [Lersha website](#) (2025) 2) [CASA programme](#) (2025) 3) Concept note 2) [East African Scholars Journal of Economics, Business and Management](#) (Feb 2024)



~19% of Lersha’s registered farmers are women (2024). Market linkage with transport, timely inputs, and loans are the most valued and accessed services by women

<u>Lersha’s services</u>	Access to women ¹	Value for women	Value for Lersha	Observations
Market linkage and transport	28%	High	High	This service is identified as being most valued by women. Due to road quality and cultural norms, transport to market is managed by the spouse, which gives them more control on the terms of sale.
Market information services	24%	High	Low	Women are interested in knowing for the best price and time to sell
Seeds, fertilizer provision	23%	High	Medium	High quality seeds are essential for higher yields but are not always available at the right time in their production cycle.
Mechanization	23%	High	Medium	Irrigated vegetable farmers sometimes rely on pumps for irrigation, battery operated sprayers, and weeders – making these farming activities more accessible for women farmers
Short-term loans	20%	High	High	Highly valued by women for improved input access and a high earner for Lersha.
Loan insurance	20%	High	High	The (co-) borrower will be shielded from the repayments and poor credit rating (accident or climate event). This feature brings in reduced perception of risk for FSPs, creating value for Lersha.
Climate smart advisory	18%	Medium	Medium	Literacy and mobile penetration are barriers. However, women are keen to engage with agents and optimize their farming operations.
Financial literacy training (for agents and farmers)	NA	Medium	Medium	Lersha is in the piloting financial literacy trainings for agents, who will further train the farmers, which is aimed to improve loan repayments.

Notes: 1) The access to women % is calculated based on all value chain transactions for 2024, the % reflects the portion of transactions done by women for each service. 2) Women are 19% of Lersha’s registered farmers and 28% of their active farmers. 3) CCF: Fewer women are involved in the grains value chain due to their smaller plots, and it is not a high driver of growth for Lersha.

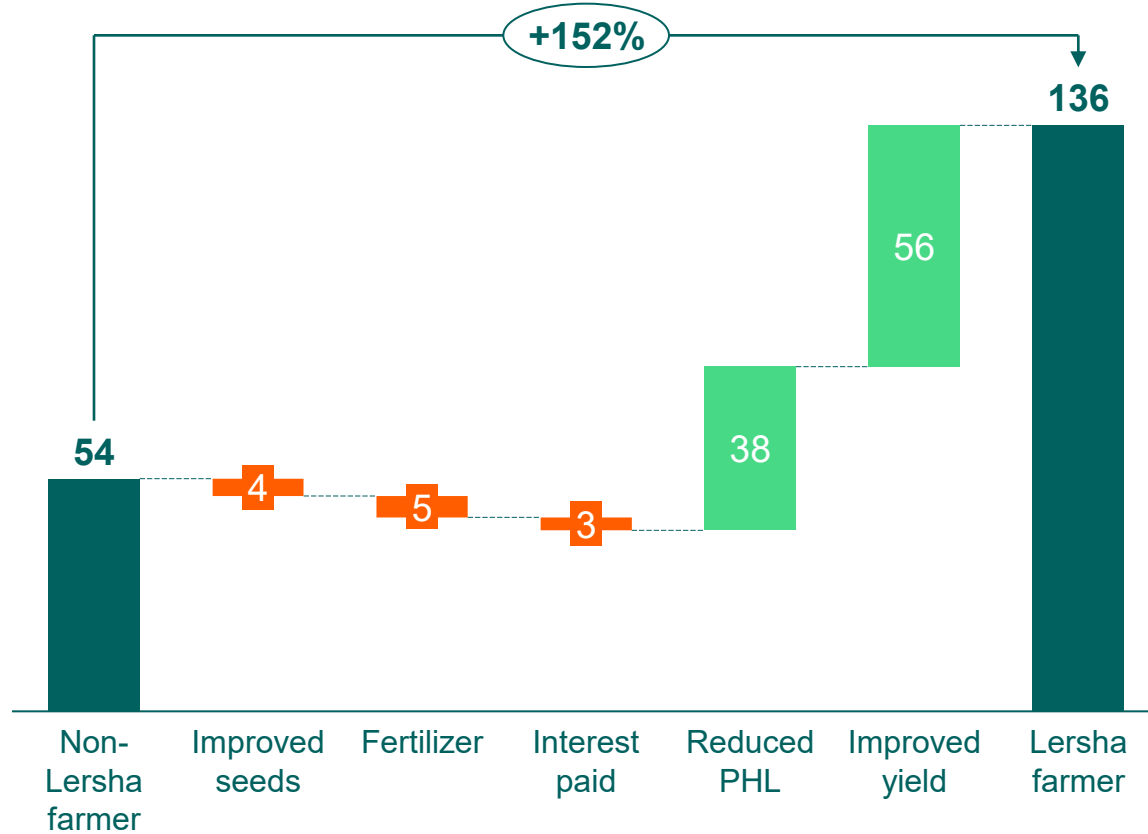


Through Lersha's bundled services, farmers are expected to achieve ~40% higher marketable surplus resulting in 2.5 times higher net income

Drivers of income improvement (USD/farm per season)

Net income Expense Revenue

CABBAGE



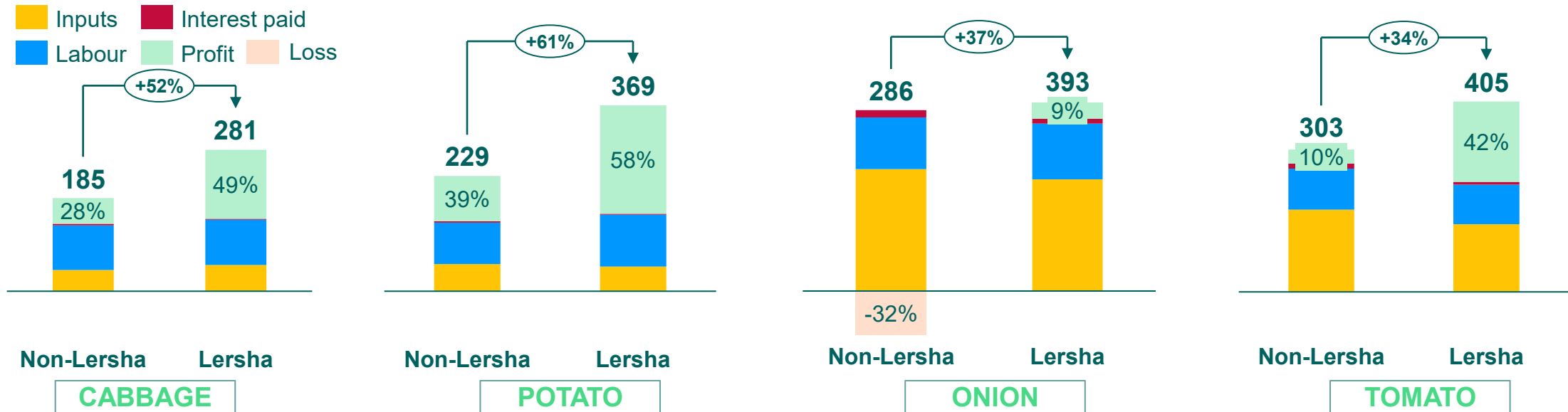
- Post harvest losses could potentially reduce from 35% to 20% resulting in a net increase in marketable surplus (produce that can be sold to market).
- There is also an expected increase of 7-8% in yield on account of best practices and optimal fertilization.
- Altogether, a cumulative increase of ~40% in marketable surplus translating to USD 82 higher net income for the farmer per production cycle for cabbage is expected.

Sources: 1) IBA Tool 2) Agronomy data



With Lersha's bundled services, farmers could potentially increase their yields by ~10-20% and reduce PHL to ~10-15% resulting in an increase of ~35-60% in their revenues

Revenue, profitability and cost of cultivation (USD/farm) for 0.125 ha of land - for a **single** growing season



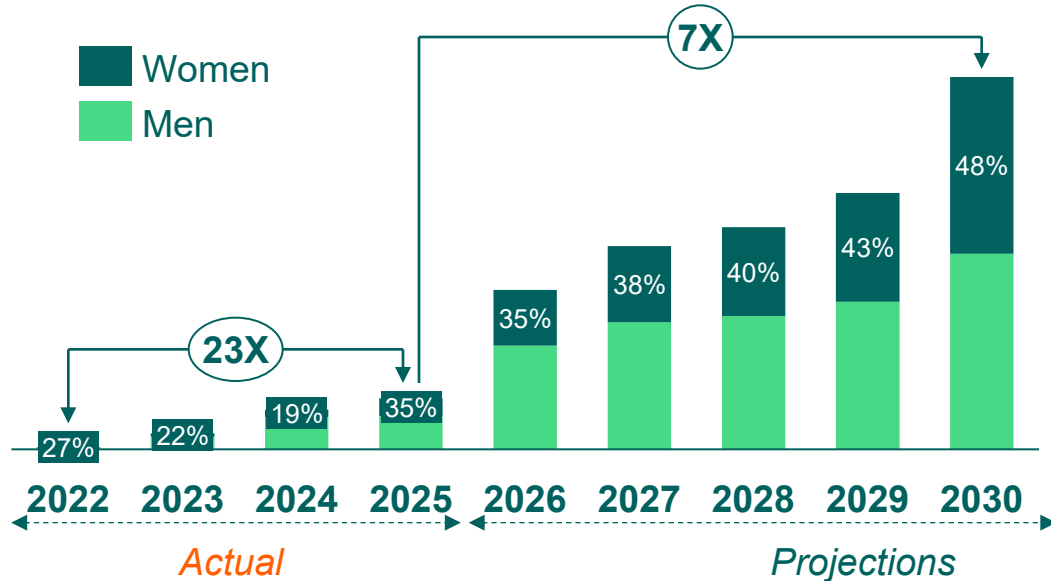
- Potato showcases highest profitability for farmers, whereas higher seed costs for onion and tomato and their higher perishability could make these crops riskier to farmers.
- Considering that vegetable prices are highly volatile, Lersha may choose to reconsider onion as potential value chains for lending, as a small dip in market prices could easily result in loan default due to the lower farmer margins. Farmers need to sell at least 70% of their marketable surplus to ensure that they can repay the interest and the principal².
- The marketable surplus per farmer is ~2 Mt for these 4 vegetable crops (smaller compared to grains or other cash crops) and emphasizes the need for village level collection centres to aggregate, sort and grade the produce for the offtaker.

Notes: 1) Lersha farmers get loans at 16-18% annual interest rates and non-Lersha farmers are assumed to borrow at a higher interest rate of 24% from microfinance institutions or informal lenders. 2) The loans are repaid by the farmers during the sale of the produce, deducted by the offtaker while paying the farmers (bullet repayment).

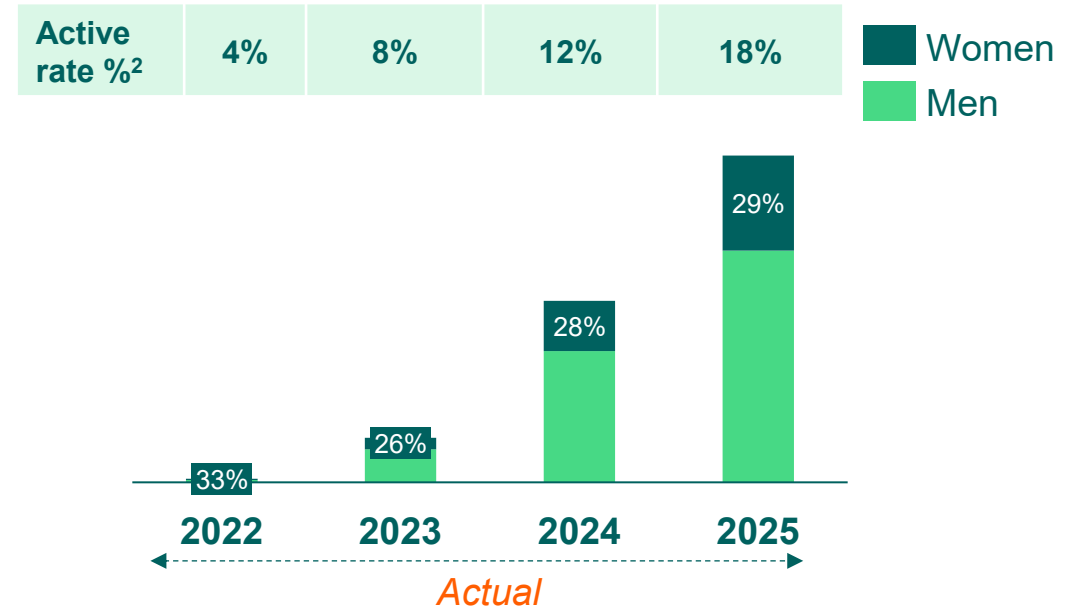


Lersha has a target of reaching 1Mn farmers by 2030; while still low, their active customer rate is at par with the leading fintech platforms in Ethiopia

Number of farmers registered on Lersha's digital platform



Number of **active**¹ farmers on Lersha's digital platform



- Lersha has vigorously increased their farmer registrations in the past 3-4 years starting with X farmers and reaching 163,000 farmers as of 2025 on its platform. The platform has an upward trending active rate of ~18% as of 2025.
- The share of actively transacting women farmers are slightly higher than men (comparing their share of registered farmers and their share of active transactions) on the platform (except 2025).
- Lersha is expected to reach 33,000 vegetable farmers by 2030.

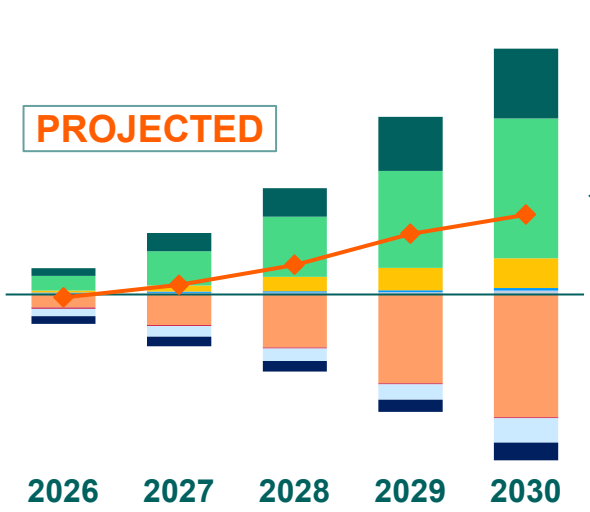
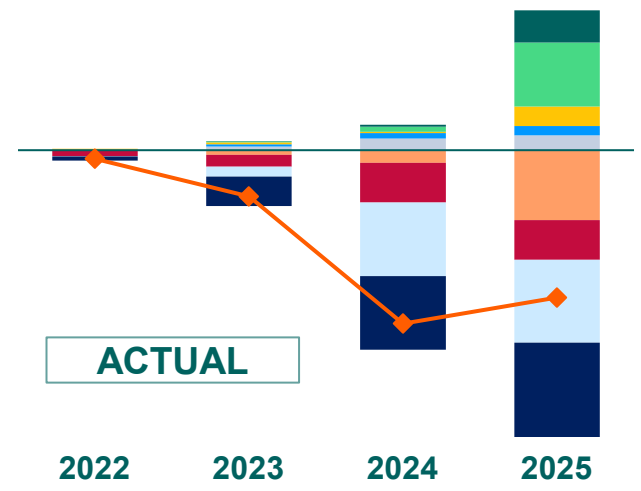
Notes: 1) *Active farmers are farmers that have done at least **one** transaction in that year 2) Other fintech platforms such as [Tele birr](#), [M-PESA](#) have an active rate of ~15% and ~30% respectively based on reports.



Lersha's growth trajectory is driven by successful market linkages, where access to finance is the key lever as it enables SHFs to produce higher yields with higher quality

P&L for Lersha platform service provision (USD '000)

- Lersha has realized a revenue of ~USD X Mn in 2025 through its facilitation fees with access to finance and market access together driving ~70% of the revenue.



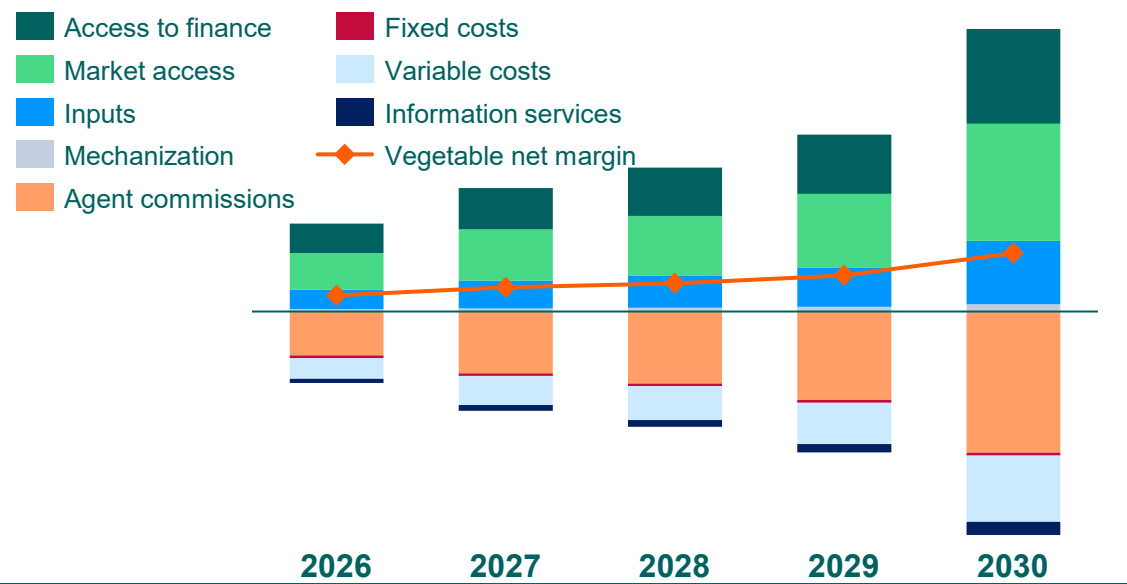
- Going forward, by 2030 market linkage is expected to become the largest driver of Lersha's growth with access to finance following close.
- Lersha is expected to realize a revenue of ~USD XX Mn with an average revenue of ~USD XXX per active farmer by 2030.
- Lersha is expecting average transactions to increase from 1 per farmer (2025) to 5-6 transactions per farmer by 2030, which will require a robust delivery and high farmer retention.

Notes: 1) Fixed costs include costs such as salary, rent, depreciation, utilities, gifts etc. and variable costs include transport, travel & per diem, repair and maintenance, printing etc.
Sources: 1) Company documents 2) IBA tool



There is a business case for Lersha to engage with women in the vegetable value chain due to higher revenue per farmer that supports Lersha's growth trajectory

Expected service revenue² from vegetable farmers (USD '000)



- Vegetables entail higher ticket size, year-round production (due to irrigation), strong market demand making them a strategic lever to reduce seasonality and accelerate revenue growth
- The loan ticket sizes are higher for vegetable farmers (USD XXX as compared to Lersha's 2025 loan ticket sizes of ~USD XXX). Additionally, the vegetables can be cultivated thrice a year compared to cereals such as wheat, maize, barley etc. and hence, the market produce value (USD XXX) over the year is high per farmer, resulting in higher facilitation fees for Lersha.
- Vegetable farmers could achieve a revenue of USD 43 per farmer which is higher than Lersha's overall farmer revenue of USD XX (in 2025). Thus, vegetable farmers are crucial for Lersha to increase the average revenue per farmer in 2026.
- However, currently the farmers in the region are not always able to cultivate thrice a year due to **unavailability of inputs, specifically fertilizer.**
- The introduction of climate smart input packages (including fertilizer) are key to secure farmer production and in turn off-takers' supply for vegetables. Vegetables are in demand all year round and these service packages providing access to credit, inputs, and markets are crucial to reducing the effect of seasonality on Lersha's cash flows.

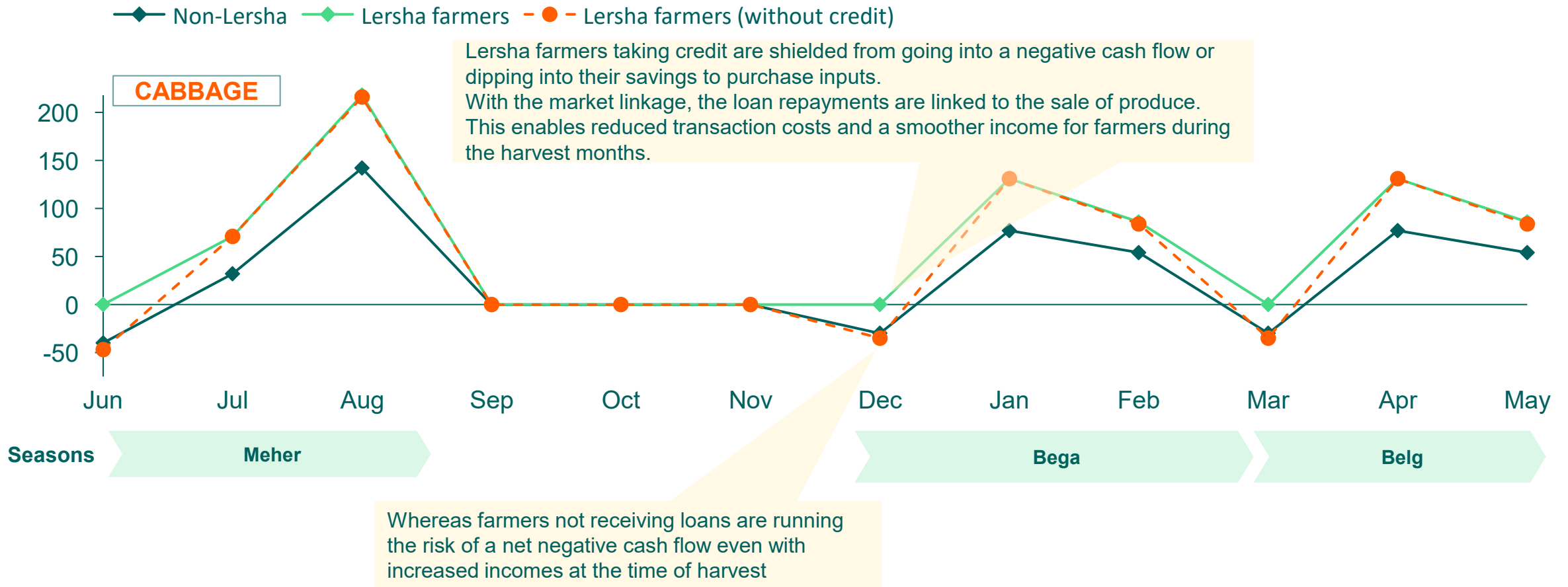
		2026	2027	2028	2029	2030
# Active Farmers ¹		10,000	14,000	17,000	20,000	33,000
Revenue/vegetable farmer ³ (# seasons)	3	XX USD	XX USD	XX USD	XX USD	XX USD
	2	XX USD	XX USD	XX USD	XX USD	XX USD
Revenue/farmer (overall)		XX USD	XX USD	XX USD	XX USD	XX USD

Notes: 1) vegetable farmers are assumed to be 10% of the total active farmers 2) The graph showcases revenue based on farmers cultivating cabbage thrice a year 3) The revenue per vegetable farmer is estimated per active farmer, assuming they cultivate for 3 and 2 seasons per year



Access to finance and market linkage are key factors enabling farmers to not dip into their savings and promoting a smoother cash flow throughout the year

Cumulative net cash flow (USD)





Summary (1/4) | Lersha provides a holistic bundle of services that provide value for Lersha and their farmers, but there are still some opportunities to improve performance at farm level

Area	Assessment	Recommendations for next steps
Market linkage	The focus on market linkage is key for successful access to finance. However, market linkage is incomplete without logistics services – particularly where there are infrastructural barriers to market access and insufficient scale for farmers to hire logistics services.	<ul style="list-style-type: none"> • Leverage existing farmer organizations such as coffee cooperatives to help farmers design and implement an aggregation strategy. • Consider providing discounted logistics services for farmers effectively implementing this strategy. • Collaborate with local regulatory bodies and community leaders for road maintenance. After the rains, if local authorities can deliver dirt to areas with large holes in the road, community members can help to fill them in.
Farmer organizations	Farmers are enthusiastic about growing vegetables and discussing in their coffee cooperative to decide which varieties to grow. When everyone grows the same varieties, the flooded market leads to lower prices.	<ul style="list-style-type: none"> • In the absence of a large offtaker with specific demands (e.g. Haile Resorts), leverage existing farmer organizations such as coffee cooperatives to support regional coordination of crop diversification. • Planning vegetable plantation by leveraging existing farmer organizations could lead to more favourable local market prices for farmers that will help them maintain these margins and their bankability.
Inputs	Vegetable farmers have irrigation and though plot sizes are small, they could grow 3 cultivation cycles of vegetables per year. However, input availability in general, and fertilizer availability most acutely, could make this a challenge.	<ul style="list-style-type: none"> • Climate-smart input packages, provided thrice yearly in time for land preparation, would allow farmers to take full advantage of their land and irrigation capabilities • Securing timely and adequate quantities of appropriate fertilizer could remain a risk and could be mitigated with public-private partnerships, collaborations, and basing decision on fewer growing seasons as needed.



Summary (2/4) | Lersha's relationship with off-takers provides a clear path to access to finance for farmers, however some vegetable value chains may still prove risky

Area	Assessment	Recommendations for next steps
Financial Services	<p>Lersha is considering entry into 4 vegetable value chains:</p> <ol style="list-style-type: none"> 1. Cabbage 2. Potato 3. Tomato 4. Onion <p>Some of these value chains have high potential for low-risk credit, particularly when off-take agreements are in place. However, others could require special considerations to decrease susceptibility to market prices.</p>	<ul style="list-style-type: none"> • Inputs on credit are most feasible for cabbage and potato, as profit margins are high enough to allow for fluctuations in market price and marketable surplus. • Tomato is potentially profitable, but riskier due to high perishability, volatile market prices, and broker-drive markets. Bypassing brokers by connecting farmers directly to anchor off-takers would help to mitigate this risk. Additionally, Lersha could consider off-take agreements with a price floor. • Tomatoes and onions have a strong market demand annually. However, as farmers have unpredictable margins, a small dip in market price could easily lead to default. Thus, onion could become a challenging crop for farmers as well as Lersha and we recommend to do further due diligence or a smaller pilot with onion farmers to understand the market dynamics and supply chain resilience.
Business scalability	<p>By 2030, Lersha is expecting 5-6 transactions per farmer per year, rising from an average of 1 transaction per farmer from the situation in 2025. There is a 10X increase in farmers by 2030 with an active rate of 25%.</p>	<ul style="list-style-type: none"> • Actively linking agent performance with the number of farmer transactions and rewarding best performing agents through the graduation model, could result in higher transactions per farmer resulting in higher revenues for Lersha. • As market linkage is expected to be the biggest contributor of revenue for Lersha by 2030, there is a need to develop offtake partnerships across high value crops such as vegetables. Few agents could take up sole aggregation responsibility at zone/woreda level with different incentives.



Summary (3/4) | Lersha has embedded climate and gender into its operations and now needs a more holistic ecosystem approach to create more value for women and build their resilience

Area	Assessment	Recommendations for next steps
Climate resilience	Lersha farmers adopt climate packages including drought and flood resistant seeds, irrigation systems, which significantly reduces their risk to climate hazards.	<ul style="list-style-type: none"> Lersha could explore partnerships with organizations that work closely with governments and donors to co-create subsidy programs that make sustainable farming more accessible and affordable for smallholder farmers. These collaborations can help farmers adopt climate-smart practices while easing financial barriers.
	Lersha is piloting a Collateralized Commodity Financing initiative in select regions, enabling farmers to store commodities and delay sales to secure better prices while addressing farmers' immediate need for cash.	<ul style="list-style-type: none"> Lersha could consider expanding these initiatives by leveraging digital tools for price forecasting and integrating partnerships with financial institutions to offer flexible credit solutions. Lersha has identified gaps in current insurance offerings that repays the bank loan in case of default. To enhance protection, Lersha could explore multi-hazard parametric insurance that includes coverage for drought and floods, along with other risks like extreme heat and pest outbreaks.
Gender intentionality	Lersha has 37% women agents, however their distribution varies across regions . Lersha is increasing their women customers through their credit scoring (+X score for women) and incentivising agents for onboarding women farmers .	<ul style="list-style-type: none"> Lersha could innovate on tailoring financial products for women such as flexible savings plans aligned with short cash cycles; device financing partnerships to provide cell phones for farmers. Further embedding gender key performance indicators (KPIs) in agent and company performance dashboards such as % of women adopting recommended practices, crop yields for men and women farmers across value chains.



Summary (4/4) | Lersha has successfully developed an agent model and needs an approach for retaining top agents to improve farmer performance and decrease recruitment and training costs

Area	Assessment	Recommendations for next steps
Agent Retention	<p>Lersha successfully recruits and trains many agents in their regions of operation, but many of those agents are inactive or drop off in favour of more stable income opportunities. Lersha has piloted with USD X (ETB X) as fixed income for few agents previously supported by additional commissions based on performance.</p>	<ul style="list-style-type: none"> • Lersha can implement an agent segmentation and graduation model to reward high performing agents and give newer agents performance goals to work towards. Such a model could allow Lersha to retain high-performing agents through additional support and a more stable remuneration scheme. • As agents grow and reach predetermined KPIs, Lersha can allow them to unlock access to additional trainings, borrowed equipment and technology, future-focused financial services, and more stable remuneration schemes. This could allow high performing agents to see a future with Lersha rather than viewing Lersha as a stepping stone. • Feeling ownership of their roles and processes can be a key factor in agent retention. Lersha can host semi-annual feedback sessions with the agents on the applications and processes and implement the recommended changes where possible. <ul style="list-style-type: none"> ○ For example: Agents mentioned feeling frustrated that if they upload few documents for a farmer, but some are missing, the uploaded documents disappear (not saved), and they have to re-upload everything anew once all documents are obtained. They would like to be able to partially upload documents as they come and save their progress rather than all at once.
	<p>Lersha's agents are sometimes limited by failing technology or insufficient access to transportation. This leads to frustrations in their job and can further affect retention.</p>	



An agent segmentation and graduation approach that incentivises agents is recommended to reduce attrition and increase performance



Characteristics	Part-timer	Rapid scaler	Experienced
Farmers registered	No minimum	40+	60+
Years active	No minimum	1+ years	2+ years
Farmers with 10% increased yields	No minimum	30%+	60%+
Farmers with 25% increased income	No minimum	25%+	50%+
Active loans*	No minimum	15%+	25%+

Incentives			
Training	Eligible for super-agent training		
Transportation	Access to motorcycles		
Equipment	Access to smartphones		
Remuneration	Commission-based	Commission-based with option save	Monthly, based on average of annual commissions

Agents are critical to Lersha's success, but lower agent retention rates (~25%) lead to the added expense of training additional agents, bringing them up to speed, and waiting for them to build experience and efficiency.

Needs and challenges identified by agents:

- Agents like the job but are dissatisfied with unstable nature of commission-based remuneration and are looking to develop their careers
- Agents must use their own devices but do not always have the means to repair or replace them in case of breakdown
- Lack of transportation hinders efficiency

An agent segmentation and graduation model could allow Lersha to retain high-performing agents through additional support and a more stable remuneration scheme. Top agents could gain access to:

- Training for career growth
- Borrowed transportation vehicles and smartphones, stored at regional offices
- Loans and savings programs,² to better plan their financial future
- Monthly remuneration based on annual averages from previous years

Notes: *% of farmers taking loans and other services out of the registered farmers Sources: 1) Innovation Guide, [Commission based agent networks](#).(Jun 2023) 2) Ex: during high income months, part of the income gets paid directly to the agent and part is deposited into a savings account for access during low-income months

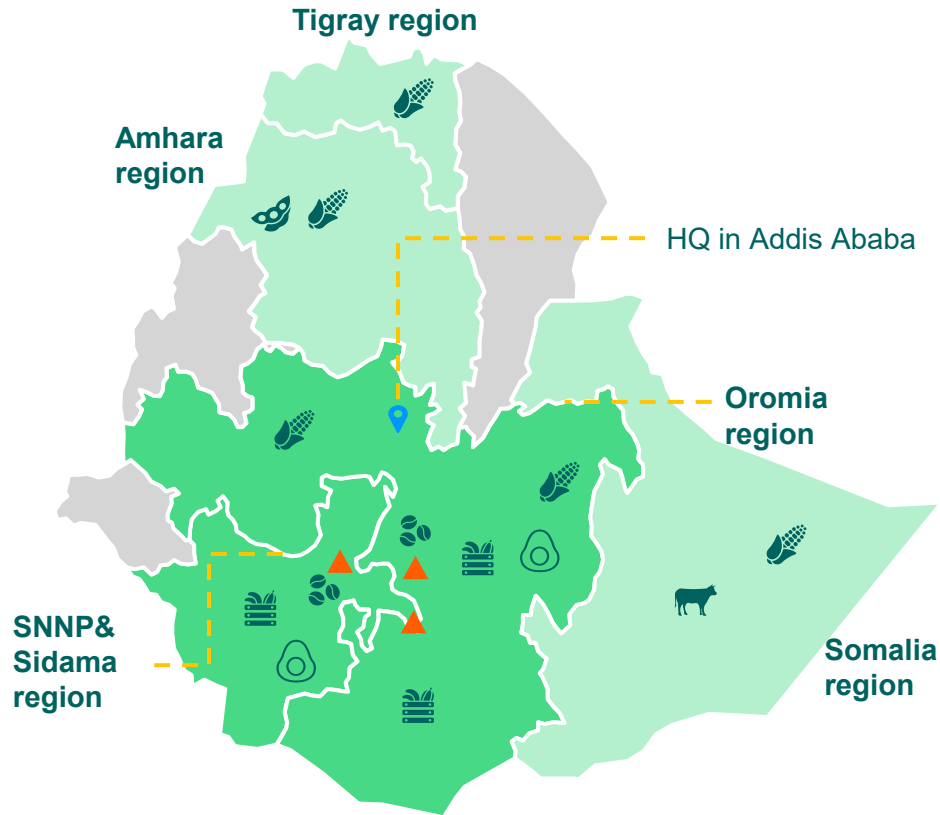


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**Business
model**



Location | Lersha is present across key regions and value chains in Ethiopia and is diversifying into the high potential vegetable value chain amid climate and productivity challenges



Legend:

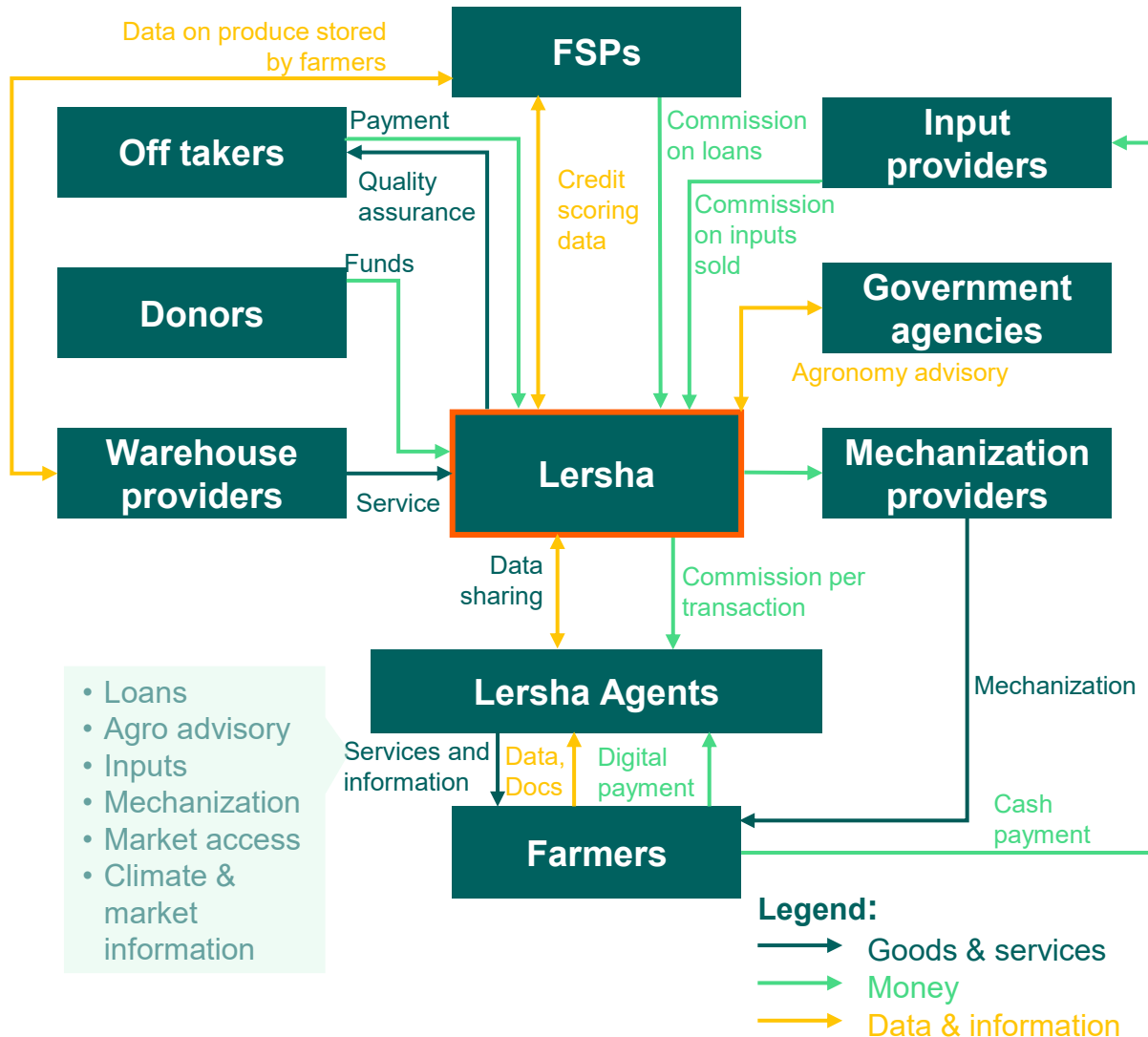
- ▲ Project focus regions
- 📍 Capital city and company HQ
- Areas of operation
- Cereals
- Vegetables
- Soybean
- Avocado
- Dairy
- Livestock
- Coffee

- Lersha is present across 6 regions* in Ethiopia and are in the early stages of expansion in Kenya and Uganda.
- Lersha is present in cereals value chain in Oromia and Sidama regions and aims to expand into the vegetable value chain in Ethiopia which engages 95% smallholder farmers.¹
- Vegetables are primarily grown for domestic consumption with only 4.5% being exported in 2021.²
- Major vegetable growing regions are Oromia (Sebeta Hawas, Arsi, East Shewa), Amhara (Gondar, Wello), and Sidama (Hawassa belt).
- Farm level productivity for vegetables such as potato, tomato and onion is 8-10 Mt/ha compared to the potential yields of 25-35 Mt/ha through improved seeds, good agricultural practices (GAP), access to credit, and reduction in post-harvest losses.²
- Farmers are constrained by disease and pest attacks, price volatility and poor market infrastructure that are further compounded by climate events such as erratic rainfall.
- Lersha aims to address these challenges through their bundled services while linking them to local off takers such as Haile Hotels.

Sources: 1) [CASA programme \(2025\)](#) 2) [East African Scholars Journal of Economics, Business and Management \(Feb 2024\)](#) *A region is further divided into zones. Each zone has multiple woredas, that further branch into kebeles. The kebele is the smallest administrative unit at the village level and consists of about ~1000-2000 households.



Business model | Lersha's phygital business model connects smallholder farmers to inputs, mechanization, post harvest and finance at scale



- Lersha operates as a phygital platform business with physical support from Lersha's agents and service providers, and digital scheduling and management of service delivery to farmers, through Lersha agent applications.
- Lersha agents support the farmers in booking services through the app. The farmers pay for inputs, mechanization services via cash (through agents) or mobile money. And receive payment for their produce through similar channels.
- Lersha's revenue is driven by platform fees from the service providers at a transaction level. It ranges from 2% for all transactions and additional 1% for financial service providers (FSPs) during loan repayment.
- At a platform level, XXX farmers are registered on Lersha's platform, XXX profiled for credit-scoring and XXX provided access to finance by partnering with X major FSPs in Ethiopia.

- Loans
- Agro advisory
- Inputs
- Mechanization
- Market access
- Climate & market information

Sources: 1) Company documents



Technology | Lersha has developed a digital ecosystem consisting of a range of applications and dashboards across service provision, market linkage, and access to finance for farmers

Service Provision	Market Linkage	Access to Finance
AGENT APP <ul style="list-style-type: none"> • User: Agents • Function: Register and provide ongoing support to farmers 	OFFATKER APP <ul style="list-style-type: none"> • User: Livestock farmers • Function: Register and track farmer produce to be sold 	DATA COLLECTION APP <ul style="list-style-type: none"> • User: Agents • Function: Gather data for credit assessment
SERVICE PROVIDER APP <ul style="list-style-type: none"> • User: Agents • Function: Aggregate services to be purchased on behalf of farmers 	CONTRACT FARMING DASHBOARD <ul style="list-style-type: none"> • User: Crop offtakers • Function: Manage contract agreements and farming operations 	DASHBOARD FOR BANKS <ul style="list-style-type: none"> • User: Banks • Function: Enable banks to track and approve prospective farmers for loans
OSS/AGRO-DEALER APP <ul style="list-style-type: none"> • User: Agro-dealers • Function: Track sales and stock at individual shops 	CCF APP <ul style="list-style-type: none"> • User: Warehouse providers/FSPs • Function: Provide commodity-based financing for farmers 	CREDIT ASSESSMENT TOOL <ul style="list-style-type: none"> User: Lersha/Banks • Function: Assess farmer credit worthiness

Key: Used by Lersha Agent

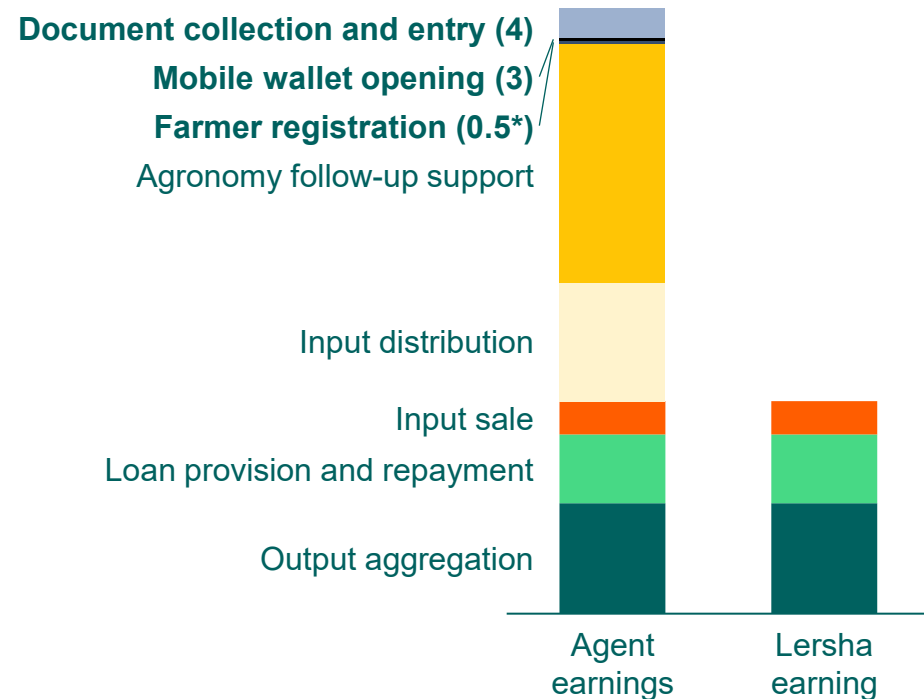
- Lersha's digital ecosystem consists of 9 mobile applications and web dashboards for a range of stakeholders: field agents, farmers (via agents), input suppliers, financial institutions, and Lersha itself
- The ecosystem integrates a few critical variables that enable accessibility:
 - Field-level applications are regionally segregated, which enable them to work offline/not require consistent syncing. For example, agents are assigned to formally-recognized geographic locations and only register and manage farmers within their pre-defined locations, and agro-dealers only see stock for their shops rather than networks of shops
 - Field-level applications work on basic Android phones – e.g., utilizing Android v4 (latest Android is v16)
 - Only key data remains on the device after syncing
 - Lersha has opted for more apps with simpler workflows than fewer, more complex apps, to avoid risk of confusing the user

Source: 1) Company documents; 2) Team discussions Nov 2025



Commission-Based Agent Model | Lersha carefully selects agents in each region to onboard farmers within specific value chains

Estimated earnings per vegetable farmer for 1 year (USD)



An agent needs to work with ~40 vegetable farmers in a year to achieve living income[^] of USD 1,932 for a family of 5-6 members

The activities in **bold** are one-time activities. The calculation assumes ~USD 650 per annum as transportation costs for agents.

*Agents receive USD 0.4 (ETB 70) for registering a woman farmer and USD 0.3 (ETB 50) for registering a man farmer. [^][Living income report](#) (Sep 2025)

Agent and company business case

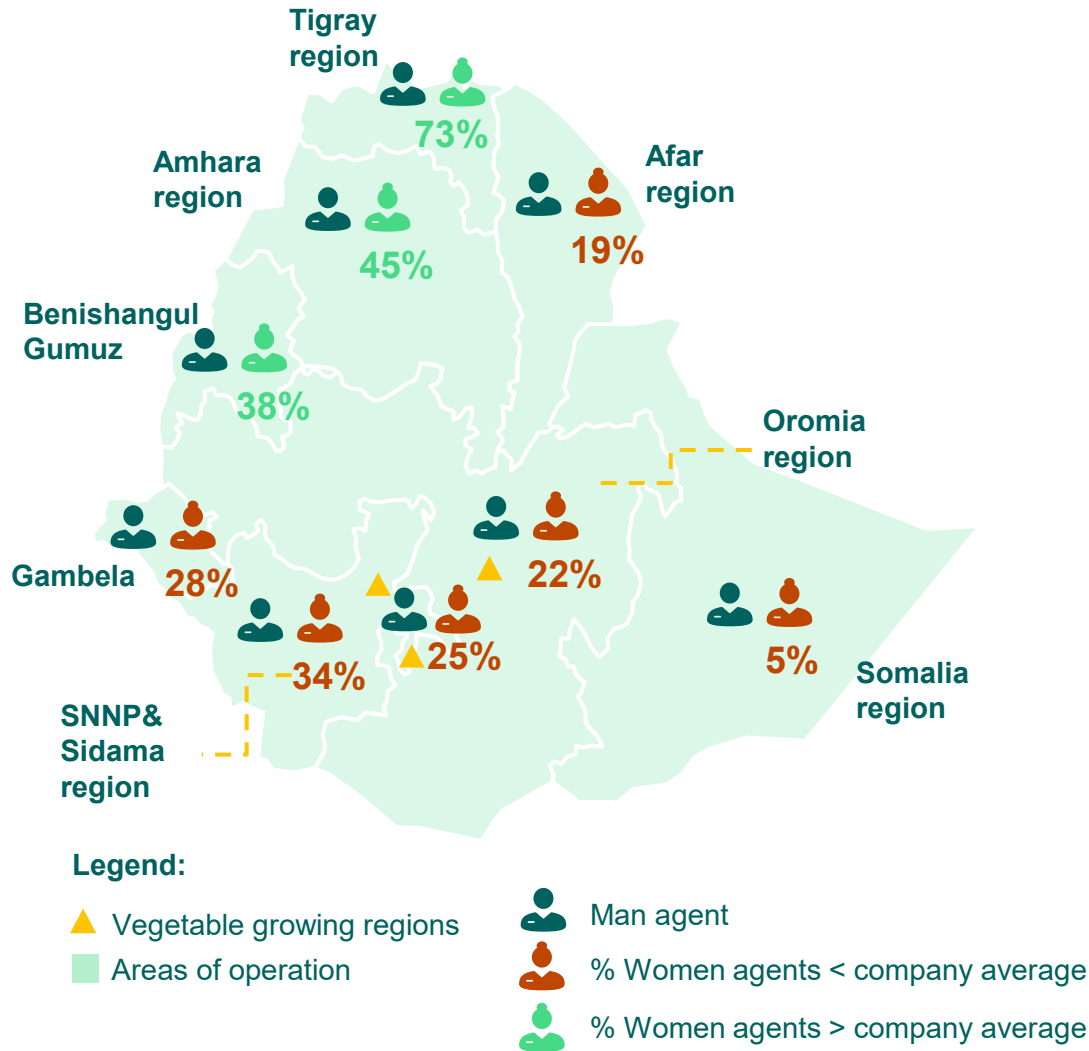
- Initial investments in recruitment and training of agents are required for each region and value chain.
- Agents leverage personal relationships, commonalities (including gender), and data to build a customer base and provide services and support.
- For each transaction with a service provider (inputs, output, mechanization and finance), agents earn **50% of the transaction fee** and the rest is Lersha's revenue.
- Data collected by agents informs credit scoring, allows yield and quality predictions to be made by offtakers, informs personalized agronomic advisory, and is used in business projections for Lersha and partners, allowing for improved strategic decision making and reducing business risk.

Farmer business case

- Farmers gain access to high quality inputs and services, **increasing yields by ~20% for vegetables.**
- Farmers gain access to finance to afford the optimal quality and quantity of inputs
- Farmers gain access to markets, increasing total net incomes 2.5 times to USD XXX (ETB XXX) per farmer.



Agent gender distribution | There is a need to increase the share of women agents in the vegetable growing regions to onboard larger share of women vegetable farmers



- Lersha has ~2,500 agents, ~900 women and ~1,500 men. 37% of their agents are women at the company level, however the distribution differs across regions and value chains.
- There are higher number of women agents in the Tigray region despite the ongoing conflict. This is because there are more women-headed households in the region. There are about 550 agents in the region and 400 of them are women. The women agents in that region are active and follow-up regularly with the regional teams on farmer loan applications.
- Gambela, Sidama, Oromia, Afar and Somalia have lower women agents. The primary reason is fewer number of women agriculture graduates in the region and even fewer who register for job search at the woreda level. There are also cultural barriers in these regions on women interacting with men (as in the case of women agents and farmers). Mobility and day-to-day travel requirements are other reasons for lesser women agents in these regions. In some parts of Oromia region, the women have non-agricultural job opportunities outside of Ethiopia (Middle East) and there is a preference for that at the household level.
- There is a need to increase the number of women agents in the vegetable growing areas to onboard primarily women vegetable farmers.

Sources: 1) [CASA programme](#) (2025) 2) [East African Scholars Journal of Economics, Business and Management](#) (Feb 2024)



Agent Model | Lersha's agent model serves as the cornerstone of its business strategy, enabling seamless last-mile delivery of agricultural solutions and comprehensive farmer support



Agent Onboarding & Verification



Agent Presence and Support Framework



Agent Key Roles and Duties

Lersha **recruits** its agents based on the following requirements:

- **Target Group:** Unemployed youth aged 18–35 with an entrepreneurial mindset.
- **Mandatory Documents:** National ID or letter of verification from the village chief.
- **Education:** Graduation in agriculture or related studies.

Other Conditions:

- Willingness to undergo training.
- Proof of unemployment.
- Access to a smartphone.

- Each agent is assigned a unique identification number.
- Regional segregation is enforced for operational efficiency.

The agent registry includes:

- **Names**
 - **Supporting documents**
 - **Photos**
- Internal systems manage agent-to-farmer mapping to avoid duplication.

- Agents maintain **physical presence** in local communities.
- Supported by **super agents**; workflow is not fully digital.

Agents receive:

- **Agricultural service training** to enhance technical expertise.
- **Digital and tech literacy programs** for efficient data handling and communication.
- **Continuous operational support** to strengthen field performance and farmer engagement.

- Agents register farmers.
- Agents conduct KYC and other data collection activities.
- Agents support farmers, acting as intermediaries for services and finance.
- Agents operate within local communities, manage requests, and communicate with farmers via phone and call centres.
- Data collection and management is both digital and manual, with strong efforts to avoid duplication and ensure unique farmer IDs.
- Each agent manages ~50–100 farmers.
- Agents serve as the primary resource; feedback and fieldwork inform ongoing improvements.
- Agents may also act as bank agents, providing additional financial support to farmers.

**% of farmers taking loans and other services out of the registered farmers*

Sources: 1) Company discussions 2) Innovation Guide, [Commission based agent networks](#) (Jun 2023)



Vegetable farmers | Lersha addresses critical gaps for vegetable farmers in Ethiopia by providing market access, agronomic support, and inclusion opportunities for women SHFs



	Baseline (Non-Lersha)	Lersha
Description	The farmers in the vegetable growing belt in the regions of Jimma, Sidama have access to irrigation all year round and grow coffee as a commercial crop along with maize for their household consumption. They have small (0.125 ha) parcels of land available for vegetable cultivation	
Challenges	<ul style="list-style-type: none"> Limited access to quality agri-inputs – seeds, fertilizers, herbicides etc. Pest attacks and diseases Insufficient public extension support for vegetable crops Lack of access to credit High post-harvest losses Poor market linkages 	<ul style="list-style-type: none"> Assured market uptake Need for continued support throughout the cultivation process Kebele (village) level administration promoting or in some cases, mandating wheat cultivation for all farmers
Scale	7,000 vegetable farmers are estimated to be present in the region	Project with CASA to onboard 3,000 vegetable farmers, 40% of them targeted to be women

Sources: 1) [East African Scholars Journal of Economics, Business and Management \(Feb 2024\)](#) 2) [Cogent Food & Agriculture \(2025\)](#)



Services (1/2) | Lersha offers a bundled service package designed to improve farmer productivity and resilience benefiting all value chain actors

Category	Service	Impact	Service provider	Revenue model	Status
Training & information	Climate smart advisory	<ul style="list-style-type: none"> • Geolocation based customized advisory • Mitigates climate risks for all value chain actors 	Lersha via SMS, voice blasts and agent network	No revenue, this is part of farmer acquisition cost, information received from research partners	Pilot 2026
	Financial literacy training (for agents and farmers)	<ul style="list-style-type: none"> • Builds agent awareness on responsible finance • Builds farmer capacity for credit • Improves repayment rates 	Lersha via their agent network	Project funders fund trainings, universities provide training venues	Pilot 2025
Inputs	Seeds¹, fertilizer provision	Improves yield and crop quality	Input providers via Lersha	X% facilitation fee from input provider	Ongoing
Financial services	Short-term loans	Enables timely access to inputs	Partner FSPs, Lersha agent network	X% facilitation fee + X% on loan repayment from FSPs	Ongoing
	Loan insurance	Reduces default risk for both farmers and FSPs	Lersha, FSPs, insurance providers	Embedded in loan amount	Ongoing

Notes: 1) Seeds provided and promoted by Lersha are drought and flood resistant varieties improving the farmer's climate resilience. They are also resistant to few pests, thus reducing the need to use herbicides. The repayment rate for Lersha farmers is ~97%. Sources: 1) Country visit 2) Meetings with Lersha team



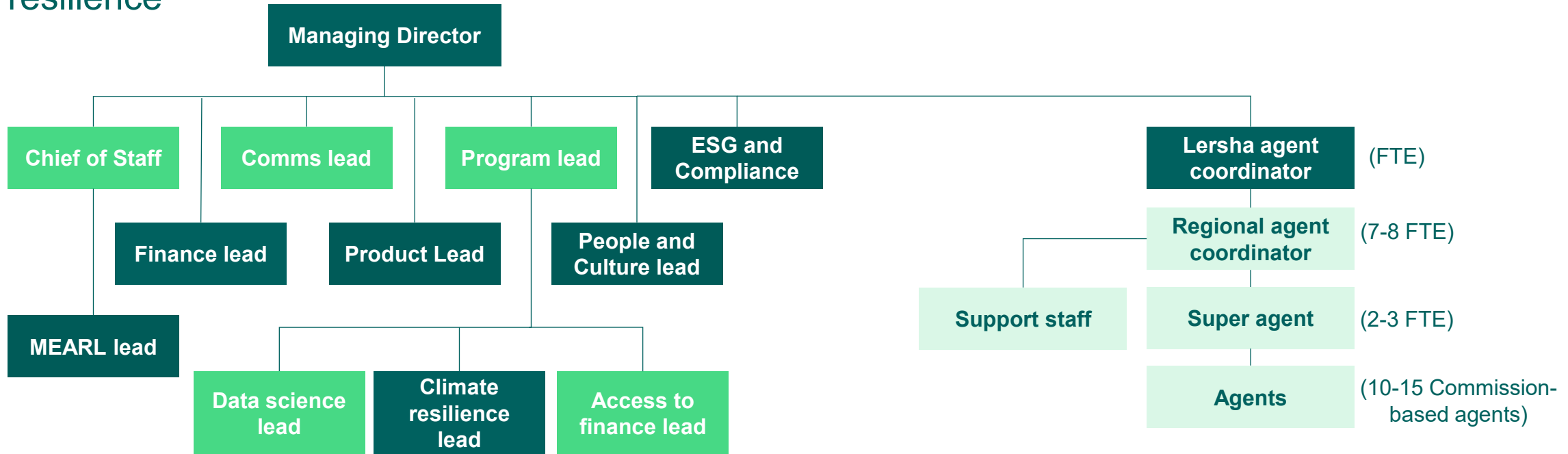
Services (2/2) | Lersha complements its core services with innovative pilots in commodity financing, climate smart advisory, and financial literacy trainings

Category	Service	Impact	Service provider	Revenue model	Status
Equipment & labour	Mechanization	Improves efficiency	Mechanization providers via Lersha	X% facilitation fee from service provider	Ongoing
Post-harvest services	Collateralized Commodity Financing (CCF)	<ul style="list-style-type: none"> Enables credit at a lower cost Promotes price hedging for farmers, aggregators and cooperatives 	Warehouse providers, Lersha and FSPs	Fee on storage and financing warehouse provider. Not applicable for vegetable farmers.	Pilot 2025-26
	Transport	<ul style="list-style-type: none"> Reduces cost to farmer Efficiency gains through aggregated transport 	Lersha, transport providers, offtakers	Offtaker or farmer depending on contract agreement	Ongoing
Market access	Offtake agreements	<ul style="list-style-type: none"> Assures market uptake Better prices Reduces PHL 	Offtakers (Haile Hotels, Luna, PepsiCo etc.)	X% facilitation fee from offtakers	Ongoing

Sources: 1) Country visit 2) Meetings with Lersha team



Organizational structure | Lersha’s organizational structure supports climate-smart and gender-transformative strategies by aligning governance, operations, and field engagement for resilience



Male	Female
Multiple	Vacant

- **Gender ratio:** At the senior management level, 44% are women. In the entire company, 40% of the 107 employees are women.
- **Agents:** Lersha currently employs 2500 extension agents, that are overseeing XXX farmers. The average agent to farmer ratio is 1:100 with some agents handling 150 farmers as well. 36% of the agents are women.

Sources: 1) Company organogram
 Notes: MEARL (Monitoring, evaluation, accountability, reporting and learning)



Gender | With introduction of strong gender inclusive policies in place, Lersha is now expected to deliver tailored solutions to women to build and measure climate resilience

Lersha is positioned as a **gender-transformative organization** due to strong workplace policies, inclusive hiring, and active farmer engagement through agents. To deepen impact, Lersha should **move from general services to tailored solutions for women farmers**, including gender-specific financial products, digital inclusion strategies, and targeted training ensuring equitable resilience against climate shocks.

Lersha demonstrates strong progress toward **gender-transformative practices** due to the following:

- ✓ **Workplace policies** are progressively driving inclusivity and gender-responsive practices across operations
- Female agent-led farmer engagement shows promising advancement toward strategic inclusion goals.
- **Tailored solutions for women** are partially in place but need strengthening to meet the target.

Key recommendations:

Develop tailored financial products for women

- Offer flexible savings plans aligned with short cash cycles

Expand digital inclusion

- Simplify onboarding for low-literacy women
- Introduce device financing partnerships to provide affordable smartphones for smallholder farmers.
- Adopt a hybrid model where agents remain key for trust-building, while digital tools handle routine tasks to reduce over-reliance on agents.
- Incentivize agents for successful digital adoption to maintain engagement and motivation

Recruit more women agronomic agents

- Strengthen trust-based community engagement

Embed gender KPIs in performance dashboards

- % of women adopting recommended practices

Source: Lersha Gender-Transformative Business Model Assessment Report (2023)



Climate risk | Erratic rainfall is severely threatening crop production in Ethiopia, reducing yields and increasing food insecurity.

Ethiopia faces large climate risks that include erratic rains in regions such as Oromia, Afar, Tigray & Northern Ethiopia and droughts in regions such as Oromia, Somalia and southern regions. These hazards threaten agriculture causing crop failure, livestock losses leading to food insecurity. Infrastructure is mostly damaged by heavy rains. Ethiopia is the 37th most vulnerable country to climate disaster globally, and simultaneously one of the least ready to deal with its impacts. Climate change impacts yield variability year-to-year.

Climate projections

Farm vulnerability



Erratic rainfall

High rainfall during short or unpredictable moments, leading to risks of flooding and erosion

High risk

Ethiopia's climate projections show increasingly **unpredictable rainfall**, with shifts in the timing and intensity of the **Belg (February–May)** and **Mehr (May–September)** seasons. Rainfall may occur in irregular, intense bursts causing floods, or be followed by longer dry spells that increase drought risk, with some regions facing significant increases in rainfall and others sharp declines.

Farmers face growing **vulnerability**, including disrupted crop calendars, higher risk of crop failure, pressure on water resources and infrastructure, and increased food insecurity and income instability for smallholder farmers.



Droughts

Prolonged spell of low or no rainfall

High risk

Climate models project **more frequent and severe droughts**, especially in lowland and semi-arid regions. Rainfall is expected to become more uneven, with **longer dry spells** between intense rains. Delayed onset and early end of the **Belg and Mehr** seasons, rising temperatures (**+3–4°C by 2050**), and higher evapotranspiration will intensify drought risk and reduce soil moisture and groundwater recharge.

Smallholder farmers relying on rain-fed agriculture face **high vulnerability**. Unreliable rains increase **crop failure**, water scarcity stresses **livestock**, and limited irrigation, credit access, and drought-resistant seeds constrain adaptation. Lowland and semi-arid regions are most exposed, threatening **food security and rural livelihoods** without targeted climate-smart interventions.



4

Impact Case



Farmer segments | Lersha farmers are expected to see higher yields, lower post harvest losses and slightly higher farm gate prices (better produce quality) through access to bundled services



Characteristics	Baseline (Non-Lersha)				Lersha			
Vegetables	Cabbage	Potato	Onion	Tomato	Cabbage	Potato	Onion	Tomato
Current yield	26 Mt/ha	21 Mt/ha	24 Mt/ha	22 Mt/ha	28 Mt/ha	25 Mt/ha	25 Mt/ha	26 Mt/ha
Maximum yield	28 Mt/ha	25 Mt/ha	27 Mt/ha	25 Mt/ha	33 Mt/ha	32 Mt/ha	32 Mt/ha	30 Mt/ha
Farm size	0.125 ha				0.125 ha			
Post harvest losses	35%	25%	25%	22%	20%	15%	10%	15%
Farm-gate price	15 ETB/kg	21 ETB/kg	25 ETB/kg	22 ETB/kg	16 ETB/kg	24 ETB/kg	26 ETB/kg	23 ETB/kg

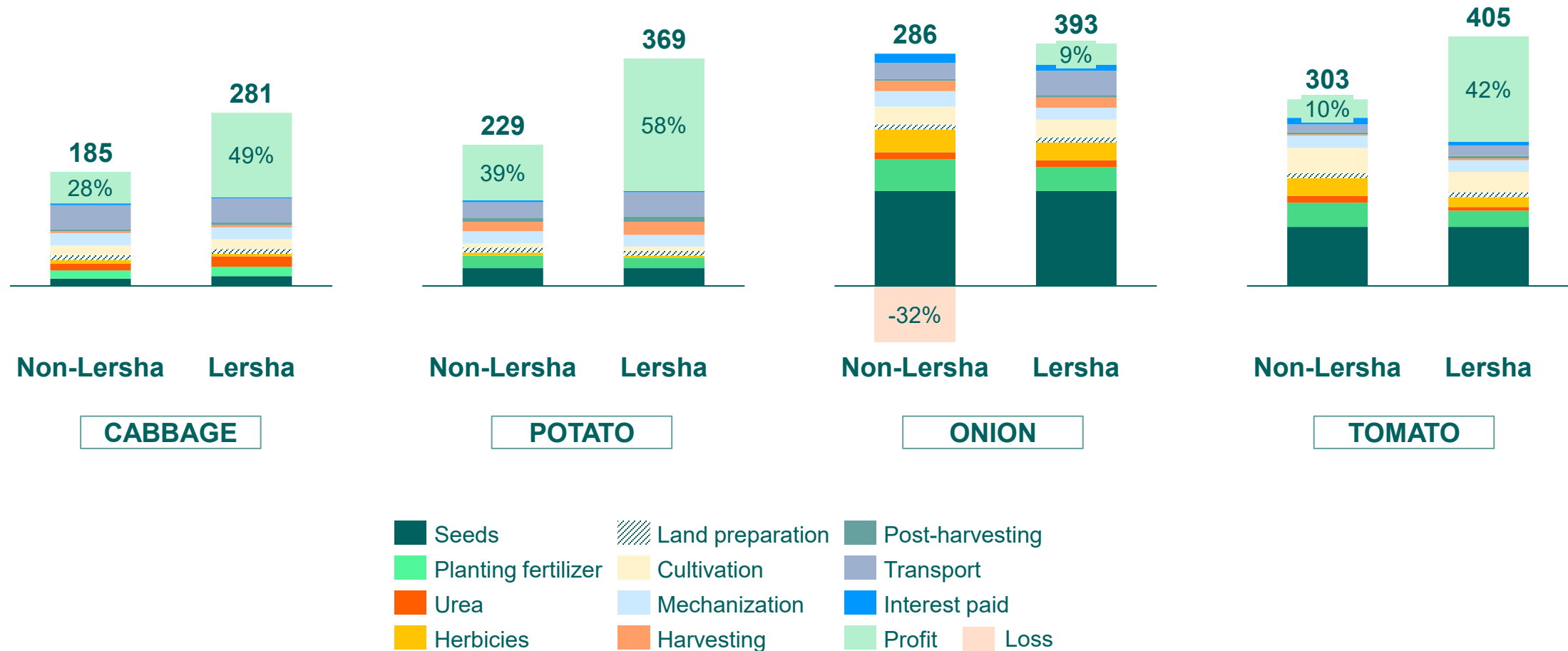
Services	
Training	Government agri-extension
Inputs	Wheat seeds and fertilizers (on credit)
Equipment & labour	Motor pumps on credit
Financial services	Microfinance, moneylenders at 36% annual interest rate
Post-harvest services	-
Market access	Local transporters

Notes: 1) The farmers are irrigated and can cultivate 3 times a year. They usually select the same 1-2 vegetables to cultivate across the year on the same land.
Sources: 1) Company documents 2) Country visit



Farmer economics | Potato shows highest profitability for farmers, whereas high costs of seeds for onion and tomato and higher perishability could make them riskier to farmers

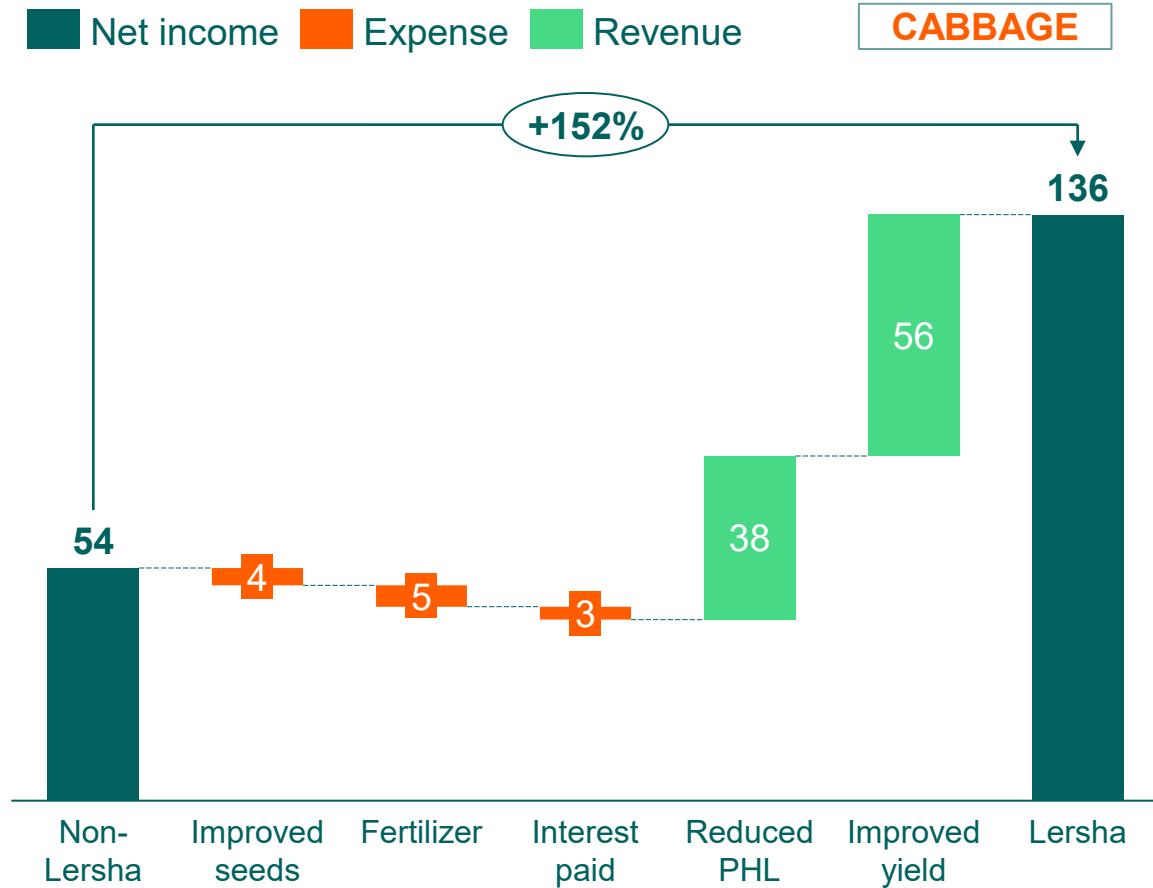
Profitability and cost of cultivation (USD/farm) of 0.125 ha of land - for a **single** growing season





Income build-up | Through Lersha's bundled services, farmers are expected to achieve ~40% higher marketable surplus resulting in 2.5 times higher net income

Drivers of income improvement (USD/farm per season)



- The inputs recommended by Lersha are 3-5% more expensive than the ones being used by non-Lersha farmers.
- The farmers receive a loan from Lersha to purchase the inputs such as seeds, fertilizers, herbicides etc. The in-kind loan prevents the utilization of funds for non-agricultural activities. Lersha also lists which varieties of seeds (climate resilient and high yielding) can be financed.
- Through Lersha's agents, farmers are distributed the inputs and provided timely agronomy advisory on planting, cultivation and harvesting.
- This could potentially reduce post harvest losses from 35% to 20% which results in a net increase in marketable surplus (produce that can be sold to market). There is also an increase of 7-8% in yield on account of best practices and optimal fertilization. This is expected to result in a cumulative increase of ~40% in marketable surplus translating to USD 82 higher net income for the farmer per production cycle for cabbage.
- Using Lersha's bundled services, farmers are expected to achieve higher yield, reduced post harvest losses translating into higher net incomes.

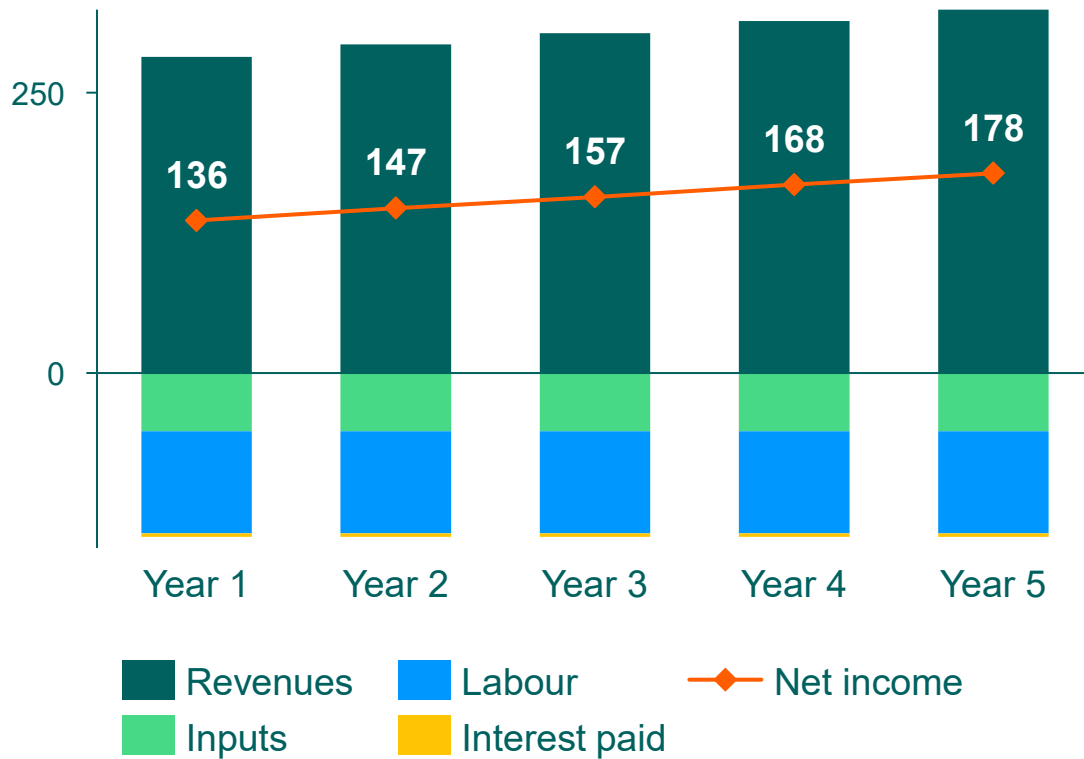
Sources: 1) IBA Tool 2) Agronomy data



Farm P&L | Farmers are expected to see steady gains over a 5-year period strengthening the business case for farmers to opt for bundled services that enhance productivity and resilience

Profit and loss for a 5-period for a farmer (USD/season)

CABBAGE



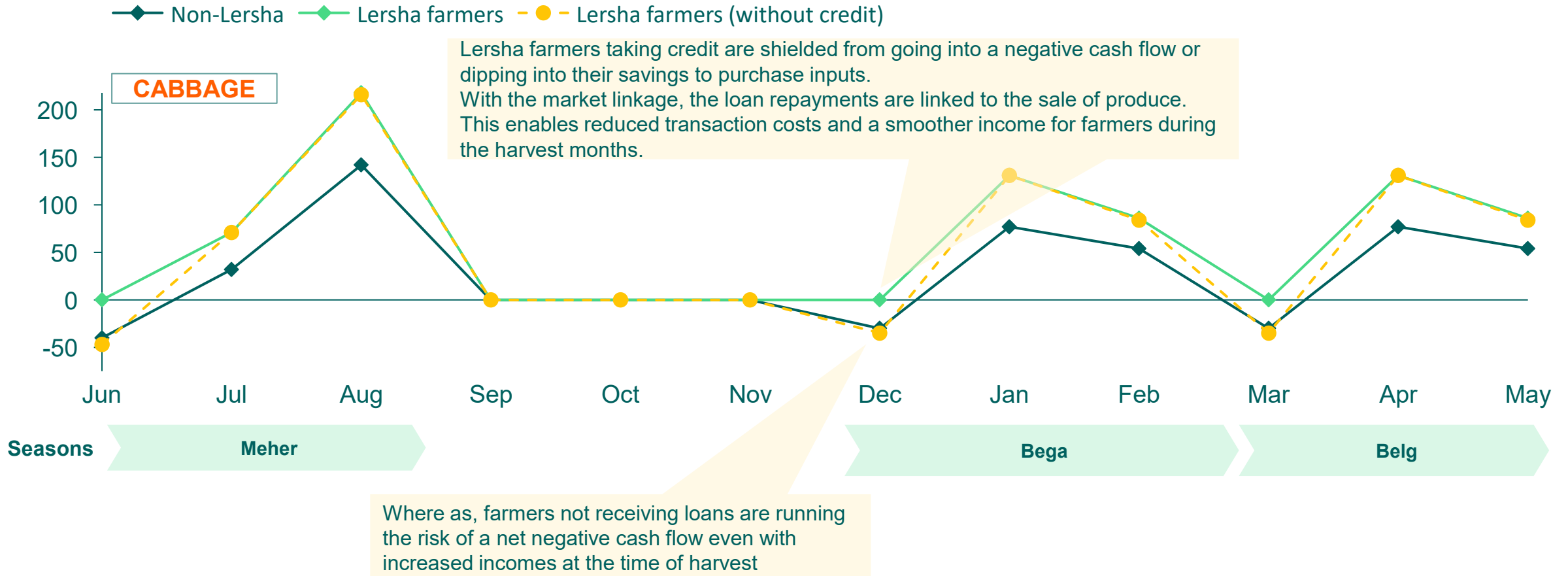
- Farmers are expected to achieve a net income of USD 178 per season of cabbage cultivation driven by yield improvements and reduction in post harvest losses.
- The interest paid per cultivation is less than 2% of the total income due to shorter crop cultivation cycle for vegetables i.e. 2 to 3 months and interest rates of 16-18% that Lersha farmers borrow at.
- The steady upward trend indicates that better agronomic practices and climate smart advisory can significantly enhance farmer profitability.
- Inputs and labour costs are expected to remain relatively stable¹, suggesting efficiency gains rather than cost reductions are the main driver of income growth. This trajectory strengthens the business case for farmers to pay for bundled services that improve productivity and resilience.

Notes: 1) Ignoring inflation



Monthly cash flow | Access to finance and market linkage are key factors enabling farmers to not dip into their savings and promoting a smoother cash flow throughout the year

Cumulative net cash flow (USD)



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[IDH Annual Report \(2024\)](#)



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Thanks

IDH would like to express its sincere thanks to Lersha for their openness and willingness to partner through this study. By providing insight into their model and critical feedback on our approach, Lersha is helping to pave the way for service delivery that is beneficial and sustainable for farmers and providers



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5

Annex



5.1

Context



Key Objectives | Aligned individual objectives call for a collaboration among farmers, Lersha, and ABERA to drive sustainable impact across Ethiopia's agri-value chains

	Farmers	Lersha	ABERA
Core objective	Increase productivity, food security and profitability	Bundle scalable innovative solutions that make agriculture easy, profitable, and sustainable	Scale commercially viable inclusive business models that increase agency and resilience for women
Secondary objectives	<i>Envisioned impact</i>		
Improve access to quality farming inputs	<ul style="list-style-type: none"> • Improve yields • Improve quality of produce to achieve higher market prices 	<ul style="list-style-type: none"> • Grow customer base through input delivery • Improve produce quality and yield consistency for partners 	<ul style="list-style-type: none"> • Improve input access for women-led farms • Increase their participation in agri-value chains • Increasing their resilience
Improve access to affordable finance	<ul style="list-style-type: none"> • Lower financial risks • Ability to invest in farms 	<ul style="list-style-type: none"> • Increase uptake of financial products • Improve business case for FSPs 	<ul style="list-style-type: none"> • Enable financial inclusion for rural women
Improve farming practices	Improve farm efficiency and resilience through climate-smart agricultural practices	<ul style="list-style-type: none"> • Promote mechanization and digital advisory services • Improve business case for partners 	<ul style="list-style-type: none"> • Support and build capacity for women farmers to improve climate resilience
Build effective market linkages	<ul style="list-style-type: none"> • Realize better prices • Reduce PHL • Improve creditworthiness 	<ul style="list-style-type: none"> • Facilitate aggregation and market access • Close the tripartite financing loop 	<ul style="list-style-type: none"> • Include women farmers in the business side of farming



Stakeholders (1/3) | Local market players form the commercial backbone in Lersha's model ensuring long-term sustainability of service provision

Actor	Legal status	Function (within this model)	Revenue model (within this model)	Incentive to participate (Within this model)
Agro-dealers (Makobu and others)	Private SMEs	<ul style="list-style-type: none"> Provide high quality, timely inputs to Lersha's farmers Promote conservation agriculture* 	Sales margin	<ul style="list-style-type: none"> Increase sales Reduced marketing costs Digital visibility
Mechanization Service Providers	Private service providers (tractor owners, cooperatives)	<ul style="list-style-type: none"> Provide on-demand ploughing, planting, harvesting, threshing services 	Service fees	<ul style="list-style-type: none"> Higher utilization of machinery, Predictable demand via platform
Aggregators (Offtakers)	Private traders, cooperatives, SMEs	<ul style="list-style-type: none"> Buy produce from individual farmers and sell to designated buyers 	Sales margin from buyers	<ul style="list-style-type: none"> Reliable sourcing, Reduced transaction costs, Access to farmer networks
Lersha Agents	Individuals	<ul style="list-style-type: none"> Farmer engagement and onboarding Last-mile delivery of inputs, mechanization booking, advisory support 	Paid by Lersha Commission per transaction	<ul style="list-style-type: none"> Income generation Local recognition

*It is a farming system focused on minimum soil disturbance (like no-till), permanent soil cover (mulch/cover crops), and crop diversification (rotations/intercropping) to improve soil health, water efficiency, biodiversity, and yields while reducing costs, emissions, and land degradation Sources: 1) Company documents



Stakeholders (2/3) | Banks and insurers provide risk solutions for the model, expanding rural financial inclusion and farmer resilience

Actor	Legal status	Function (within this model)	Revenue model (within this model)	Incentive to participate (Within this model)
Financial service providers (Dashen Bank and others)	Commercial bank	<ul style="list-style-type: none"> Review documents required for farmers Provide capital for loans to farmers 	Interest on loans	<ul style="list-style-type: none"> Access to new customers De-risked lending through Lersha data
Insurance providers (Nyala Insurance)	Private company	<ul style="list-style-type: none"> Provide crop and livestock insurance products Provide loan insurance at portfolio level for banks 	Premiums paid by farmers	<ul style="list-style-type: none"> Market expansion Reduced risk through bundled services
Farmer Organizations	Cooperatives, farmer unions	<ul style="list-style-type: none"> Farmer aggregation Service provision 	Membership fees Margins on collective sales	<ul style="list-style-type: none"> Improve bargaining power Reduce costs Support market linkages
Farmers (incl. women SHFs)	Individuals	<ul style="list-style-type: none"> Produce vegetables Adopt quality inputs and GAP 	Sale of produce	<ul style="list-style-type: none"> Access to inputs, finance, insurance, mechanization Improve yields Higher incomes

Sources: 1) Company documents



Stakeholders (3/3) | Public, research and enabling institutions provide policy support, innovation and inclusive frameworks to scale impact and drive the business case for serving rural women

Actor	Legal status	Function (within this model)	Revenue model (within this model)	Incentive to participate (Within this model)
Ministry of Agriculture (MoA)	Government ministry	<ul style="list-style-type: none"> • Policy support • Extension services • Technical guidance 	Public funds	<ul style="list-style-type: none"> • Achieve national food security • Digital agriculture adoption • Climate resilience
Bureaus of Agriculture of Regional State	Regional government agency	<ul style="list-style-type: none"> • Guides everyday operation of farmer-facing interventions 	Public funds	<ul style="list-style-type: none"> • Improved service delivery, • Farmer welfare • Align with national policy
P4G's National Platforms (NPs)	Public private partnerships	<ul style="list-style-type: none"> • Facilitate partnerships • Convene actors • Mobilize finance 	Donor funded	Demonstrate scalable green business models, support SDGs
CIAT and CIMMYT	Research bodies	<ul style="list-style-type: none"> • Provide insights, improved varieties, promote good agriculture practices (GAP) 	Grants	<ul style="list-style-type: none"> • Scale research impact • Promote farmer adoption of improved technologies
ABERA	Partnership IDH and CGAP	<ul style="list-style-type: none"> • Support agribusinesses (like Lersha) to embed gender-inclusive, climate-smart models 	Donor funded	<ul style="list-style-type: none"> • Exhibit business case for serving rural women • Scale inclusive models strengthening climate resilience of rural women

Sources: 1) Company documents




Gender context in Ethiopia

Ratio	Ethiopia	Lersha	Observations
Primary education enrolment	0.81	NA	The primary enrolment for women was 81% in 2025 compared to 88% for men. The primary education completion rate is however is lower due to external factors such as poverty. The literacy rate is at 55% across adults limiting the technology transfer.
Estimated earned income	0.55		The estimated earned income for women is lower primarily due to lower wages and less senior positions held by women, although the labour force participation by women is high at 72%. ¹
Financial account ownership	49%		Bank account or mobile money account was held by nearly half of the population. This highlights a lack of identification present in the region. ²
Financial inclusion	21%		About 21% have made or received a digital payment. Men were more likely to own a mobile phone as compared to women. However, the overall use of digital payments is low.
Women participation in workforce	0.72	44%	Ethiopia scores well on women's participation in workforce. ¹ Women are highly involved in informal sectors as workers including agricultural workforce. 44% of Lersha's employees are women, with more than 40% women agents.
Women in leadership	0.34	50%	Ethiopia scores slightly lower on overall women in leadership and senior positions. However, 50% of Lersha's leadership team is women.
Average yield	8-10 Mt/ha	25 Mt/ha	The average yield in Ethiopia for vegetables such as potato, tomato and onions is 8-10 Mt/ha. Using Lersha's services, farmers can get 20-25 Mt/ha.
Agriculture land ownership	50%	23%	Approximately, women form 50% of the agricultural landowners in Ethiopia and own about ~20% of the total land, highlighting a disparity in the land sizes. ³ 19% of Lersha's customers are women.

Sources: 1) Global Gender Gap Report 2025 2) Global Findex Database 2025 3) FAO (2018-19)



Service for Farm Resilience | Targeted support services strengthen farmer resilience and secure more reliable production

Area	Subcategory	Measures taken by Lersha	Opportunities to explore
Farm Resilience 	Sensitivity of produce to climate	<ul style="list-style-type: none"> • Lersha provide advisory to farmers based on the best suited crops for a season based on climate and agriculture data from CIAT and other sources. • Drought resistant varieties are recommended for some regions. • Windbreaks & shade trees are introduced to coffee value chain to provide a favourable microclimate. • Crop calendars are adjusted in the latest training curriculum to be more flexible dependent on seasonal forecasts 	<ul style="list-style-type: none"> • Promote wider use and multiplication of improved, climate-resilient varieties and ensure continued distribution to strengthen farmers' resilience. • Negotiate bulk purchase discounts with offtakers to source ventilated crates in large quantities, offer them to farmer groups at subsidized rates, and integrate crate costs into input financing packages via Lersha's platform.
	Farm diversity	<ul style="list-style-type: none"> • Hybrid seeds promotion: Varieties with ~75% higher yields to adapt to shifting weather. • Crop diversification support: Introducing new crops like soybean for income and export potential. 	<ul style="list-style-type: none"> • Explore incentive-based models with partners such as input discounts: to offer reduced prices on climate-smart seeds and fertilizers for farmers who adopt regenerative practices. • Performance bonuses: Provide input rewards for farmers who meet soil health or water conservation targets.



Services for farmer adaptability | Continuous field support and agent-led guidance empower farmers to adapt to climate variability, improve productivity, and access essential resources.

Area	Subcategory	Measures taken by Lersha	Opportunities to explore
Farmer adaptability	Awareness & skills on climate hazards	<ul style="list-style-type: none"> Farmers are trained to interpret weather forecasts and adjust crop calendars accordingly. Climate advisory services are provided through call centres and field agents ensuring timely and reliable information 24/7. Lersha agents deliver targeted training on the varieties of crops available and their suitability for different conditions. 	<ul style="list-style-type: none"> Promote knowledge on improved crop varieties to increase adoption of climate-resilient and high-yield crops.
	Financial capacity	<ul style="list-style-type: none"> Access to finance is critical for Lersha, which offers non-collateral small-ticket loans ranging from \$250 to \$400 per farmer. Lersha provide crop insurance which is bundled to access to finance to specific value chains. if crop fails, loan is repaid, however farmer does not receive money. 	<ul style="list-style-type: none"> Lersha can expand weather-indexed insurance beyond crop failure coverage to include weather-triggered payouts for drought or floods. Explore farmer group integration to encourage SHFs especially women to save for climate shocks via Lersha's platform and link these savings to farmers' credit history to enable access to larger loans or emergency funds.
	Ongoing support in the field	<ul style="list-style-type: none"> Farmers can request assistance from agent at any time, ensuring continuous guidance and problem-solving. Lersha call centre is accessible to farmers 24/7. 	<ul style="list-style-type: none"> Build a feedback loop to improve Customer Satisfaction Score (CSAT/NPS) and farmer trust.




Company physical resilience | Strengthening infrastructure, supply systems, and operational readiness is essential to ensure business continuity under climate and environmental stresses.

Area	Subcategory	Measures taken by Lersha	Opportunities to explore
Physical Resilience	Farmer & supply resilience	<ul style="list-style-type: none"> Lersha strengthens supply resilience by optimizing crop calendars, promoting crop diversity, while ensuring market access. Lersha also enhances farmer adaptability through climate-smart advisory via voice, SMS in local language, real-time climate information services, access to non-collateral finance and bundled insurance, continuous farm assistance via agents and call centres. 	<p>For supply resilience:</p> <ul style="list-style-type: none"> Digital logistics coordination: Use Lersha’s platform for real-time aggregation and transport scheduling to reduce delays. Climate-smart infrastructure financing: Offer asset financing for crates, shade nets, and storage facilities. Export market standards: Invest in quality grading and certification to meet international market requirements. <p>For farmer adaptability</p> <ul style="list-style-type: none"> Digital savings & credit scoring: Link savings behaviour to credit history for larger loans and emergency funds. Organic certification training: Prepare farmers for organic standards to access premium export markets.
	Storage of produce	Collateralized Commodity Financing (CCF) is an initiative in the pilot stages where farmers can avail finance while storing their non-perishable produce (grains) successfully.	Lersha can explore partnerships with community aggregation centres and offtakers to provide ventilated crates, shared storage, and cold-chain solutions, integrated with financing and digital scheduling, to reduce post-harvest losses and improve farmer resilience, especially for vegetables.
	Infrastructure resilience		<ul style="list-style-type: none"> Integrated Logistics : Combine storage, transport, and digital tracking for a seamless farmer-to-market journey. Weather-resilient storage: Invest in silos and warehouses that can withstand heavy rains and humidity.



Organizational Resilience: Adaptability & Financial Capacity for Climate Shocks

Area	Subcategory	Measures taken by Lersha	Opportunities to explore
 Organizational adaptability	Financial capacity for climate shocks	<ul style="list-style-type: none"> Lersha has access to alternative credit to cover from climate related damages. Lersha has partner with a company to insure against climate-related damages. This includes Nyala Insurance. 	<ul style="list-style-type: none"> Lersha is also exploring into investing in organic certification because coffee exporters need organically grown coffee.
	Monitoring & evaluation of impacts	<ul style="list-style-type: none"> The effects from climate change are digitally evaluated by Lersha platform and dashboard is given to its partners including banks 	<ul style="list-style-type: none"> Develop risk-based financing models for banks using climate risk insights to design adaptive loan products with flexible payments. Measure adoption and behaviour change from advisory, finance, and insurance.
	Human resources to adapt	<ul style="list-style-type: none"> Lersha has hired agronomists. Agents conduct bi-monthly farm visits to assess crop conditions and provide advice. 	<ul style="list-style-type: none"> Hire climate-smart specialists in climate resilience, soil health, and water management to support advisory services. Hire insurance and finance specialists to educate farmers on loan products, insurance terms, and risk management strategies.
	Strategy & governance on climate risks	Lersha has embedded climate risk and adaptation into its operations by leveraging agronomists and field agents to deliver bi-monthly farm visits and advisory services.	<ul style="list-style-type: none"> Tie advisory adoption to better loan terms and climate riders. Compliance & Certification: Develop governance for organic certification and export standards. To enhance more training for agents and agronomists on climate-smart practices and gender inclusion.



5.2

**Underlying
data &
information**



Learning questions (1/2)

With this IBA, we aim to answer the following questions:

Topic	Question
Business model	<ul style="list-style-type: none"> Which services provided by Lersha are most valued by rural women and why? What characteristics of climate smart input packages are key for creating value for rural women? What characteristics of climate smart input packages are key for creating value for Lersha?
Climate smart input packages	<ul style="list-style-type: none"> How does introducing climate smart input packages and advisory support to women small-holder farmers influence their productivity? How does introducing climate smart input packages and advisory support to women small-holder farmers influence their income? How does introducing climate smart input packages and advisory support to women small-holder farmers influence business risk? How does introducing climate smart input packages and advisory support to women small-holder farmers influence YoY customer growth, during the pilot phase and at scale? How does introducing climate smart input packages and advisory support to women small-holder farmers influence average revenue/customer YoY, during the pilot phase and at scale?
Access to finance	<ul style="list-style-type: none"> How does market linkage affect women's ability to access finance? How does market linkage affect women's ability to repay loans? How does improved access to finance affect women's productivity? How does improved access to finance affect women's income?



Learning questions (2/2)

With this IBA, we aim to answer the following questions:

Topic	Question
Agent network	<ul style="list-style-type: none">• How does an agent network leveraging digital tools and data influence customer attrition?• How does an agent network leveraging digital tools and data influence business risks?• How do women agents contribute to enhanced outcomes for women as compared to men agents?



Farm level assumptions

Variable	Unit	Non-Lersha Cabbage	Lersha Cabbage	Non-Lersha Potato	Lersha Potato	Non-Lersha Onion	Lersha Onion	Non-Lersha Tomato	Lersha Tomato
Farm size	Hectare	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Yield	Kg/Ha	26,000	29,000	21,000	25,000	24,000	25,000	22,000	26,000
Post-harvest losses	%	35%	20%	25%	15%	25%	10%	22%	15%
Home consumption	Kg	200	200	300	300	500	500	100	100
Marketable surplus	Kg	1,913	2,700	1,669	2,356	1,750	2,313	2,045	2,663
Farm-gate price	ETB/Kg	15	16	21	24	25	26	22	23
Cost of production	ETB/season	-20,488	-21,975	-20,845	-23,350	-55,325	-53,335	-40,420	-35,038
Seeds	ETB/season	1,875	2,500	4,500	4,500	23,500	23,500	14,750	14,750
Planting fertilizer	ETB/season	2,000	2,250	3,000	2,625	8,000	6,000	6,000	4,000
Urea	ETB/season	1,750	2,625	0	0	1,750	1,750	1,750	875
Herbicides	ETB/season	938	625	750	500	5,625	4,375	4,375	2,500
Land preparation	ETB/season	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Cultivation	ETB/season	2,500	2,500	1,000	1,000	4,375	4,375	6,250	5,000
Mechanization	ETB/season	3,125	2,875	3,125	2,875	3,750	2,875	3,125	2,875
Harvesting	ETB/season	525	675	2,240	3,200	2,625	2,625	350	450
Post-harvesting	ETB/season	525	675	980	1,400	450	585	525	675
Transport	ETB/season	6,000	6,000	4,000	6,000	4,000	6,000	2,045	2,663
Interest paid	ETB/season	394	340	495	324	2,333	1,514	1,613	940

Lersha agronomist. Farmers can cultivate vegetables up to 3 times a year when irrigation is available.