Partnerships for Profit
Toward Sustainable Clusters in Agribusiness through Learning in Entrepreneurship
Acila Enterprises is using modern ICT tools to expand and diversify its business — and providing a model that can be scaled out to other companies and other countries.

Acila works with 6,000 farmers, aggregating sorghum for Uganda’s largest buyer, Nile Breweries. It has three other lines of business: selling agro-inputs, trading in foodgrains, and managing an outgrower program to produce certified seed on behalf of large seed companies. Acila has invested heavily in expansion, tripling warehouse space and acquiring new drying and cleaning equipment. Starting next season, it will offer grain cleaning facilities to producer groups.

**TARGET:** by December 2017, 10,000 farmers (3,000 women) contracted, supplying 8,000 tons of sorghum per season.

The partnership is helping Acila to automate its operations: record keeping, farmer payments, quality monitoring and other functions, using software developed in the Netherlands by another 2SCALE partner.

In September 2015, Acila began trialing different software modules. One module automatically calculates quality-based bonuses based on multiple (flexible) criteria. Another manages loans and credit recoveries for more than 3,000 farmers. This will allow Acila to introduce input loans, advancing farmers cash to buy seeds and fertilizers for the planting season and recovering the loans at harvest.

Traditional weighing scales are being replaced by digital scales linked to the software platform. Acila pays cash on delivery, but is moving to electronic payment, with payments calculated automatically (linked to the weighing scales) and paid via mobile phone.

The company trades about 3,800 tons of grains per season: mostly sorghum but also maize, soybeans and other crops. The use of ICT has cut transaction costs substantially, allowing Acila to make profits even from small transactions... and even more important, ensuring that even ‘small’ smallholders can participate in the market.