



## **INCATA: Linked Farms and Enterprises for Inclusive Agricultural Transformation in Africa and Asia**

### **INCATA Project: Preliminary results**

November, 2025

**INCATA's objective** is to study the relationship between commercial small-scale producers (cSSPs) and micro, small, and medium enterprises (MSMEs) in the hidden middle of agrifood value chains, explaining how it underpins and contributes to an inclusive agricultural transformation.

## Four research questions to answer:

- 1) What are the prevailing patterns of commercialization among small-scale producers (SSPs) and the key policy- and non-policy-related factors that shape their engagement with “hidden-middle” MSMEs?
- 2) Which cSSPs and MSMEs succeed in raising incomes, investing, adopting new technologies, and accessing larger or higher-value markets during the transformation process—and why do others lag?
- 3) To what extent does greater commercialization of SSPs and the expansion of MSMEs translate into poverty reduction and advances in women's economic empowerment (WEE)?
- 4) Which investments and policies have the greatest potential to accelerate the symbiotic co-development of cSSPs and MSMEs?

## Through two workstreams:

- LSMS-ISA data analyses for six countries: Ethiopia, Malawi, Tanzania, Uganda, Nigeria, and Ghana
- Horticulture and aquaculture value chain extensive surveys in two countries: Kenya, led by Tegemeo Institute, and Odisha, India, led by IFPRI.

## INCATA team:

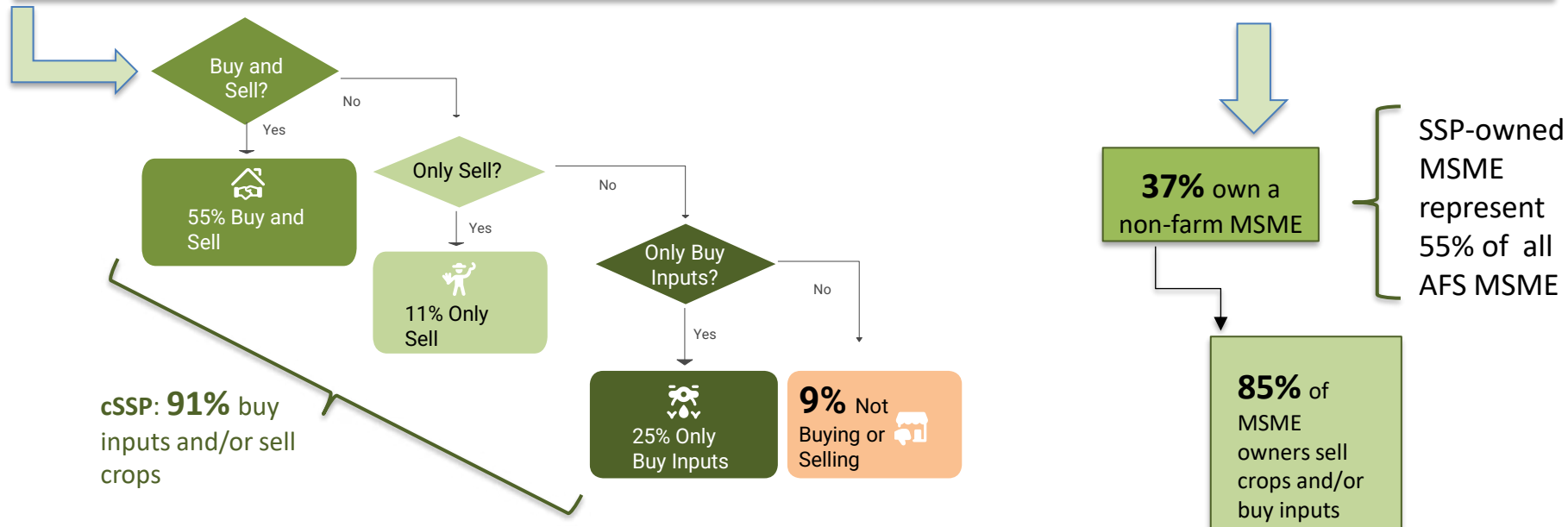
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**Phase 1:** Literature review on the role of commercial SSPs in the inclusive agricultural transformation (2022-23)

**Phase 2:** INCATA Project (Feb. 2024-Feb 2026)

# INCATA: SSP are highly commercial

SSP accounts for between 65% (Ghana) and 96% (Malawi) of food producers in LSMS-ISA; they represent between 62% (Ghana) and 86% (Uganda) of food crops produced.



Being a cSSP and/or owning an MSME in highly clustered areas is linked to greater well-being and inclusion opportunities.

**Key message #1: Wholesale markets (WMs) are critical to value chain and cluster performance and growth; WMs are dynamic & inclusive.**

From  
INCATA's  
wholesale  
markets  
surveys

1. Large volumes via WMs (and 1000s of actors per market)
2. Rapid growth in volumes: central to national food security
3. Rapid growth in employment: wholesalers; retailers; transporters; ancillary (farm input and equipment suppliers; cold storages; packaging suppliers; bank branches & ATMs)
4. WMs are inclusive: great majority of actors are nano/small MSMEs; many are women; many are youths.
5. Despite their huge importance, WMs face big infrastructure challenges (toilets, electricity, water)

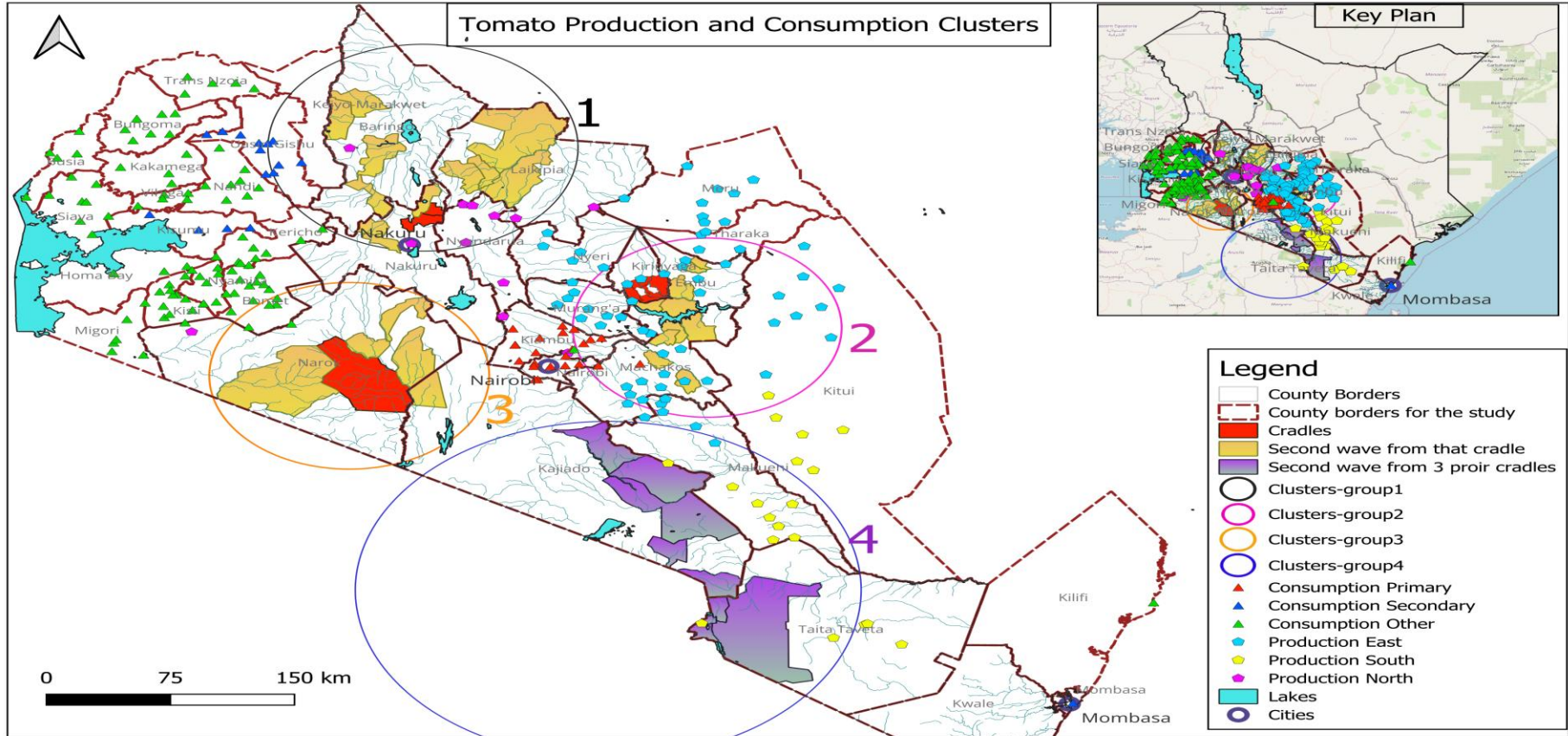
## Key message #2: **Clusters of cSSPs & Hidden-Middle MSMEs (traders, logistics, agro-dealers, seedlings) developing rapidly; crucial factor an inclusive transformation**

Based on  
INCATA's  
meso-  
inventory  
survey

1. Meso surveys show rapid spread of clusters over 1-2 decades
2. Spontaneous clusters are important in Kenya & Odisha
  - ...spreading in waves of “cradles” of farmers, wholesale markets, and hidden-middle MSMEs (wholesalers, retailers, transporters, input suppliers, packaging, storage, financial services);
  - ...out from birth cradle (near big cities) to other areas with available land to rent, water, and highway access.
3. Government-sponsored (APC) clusters are also present (in Odisha, not Kenya) more in initially-hinterland areas.



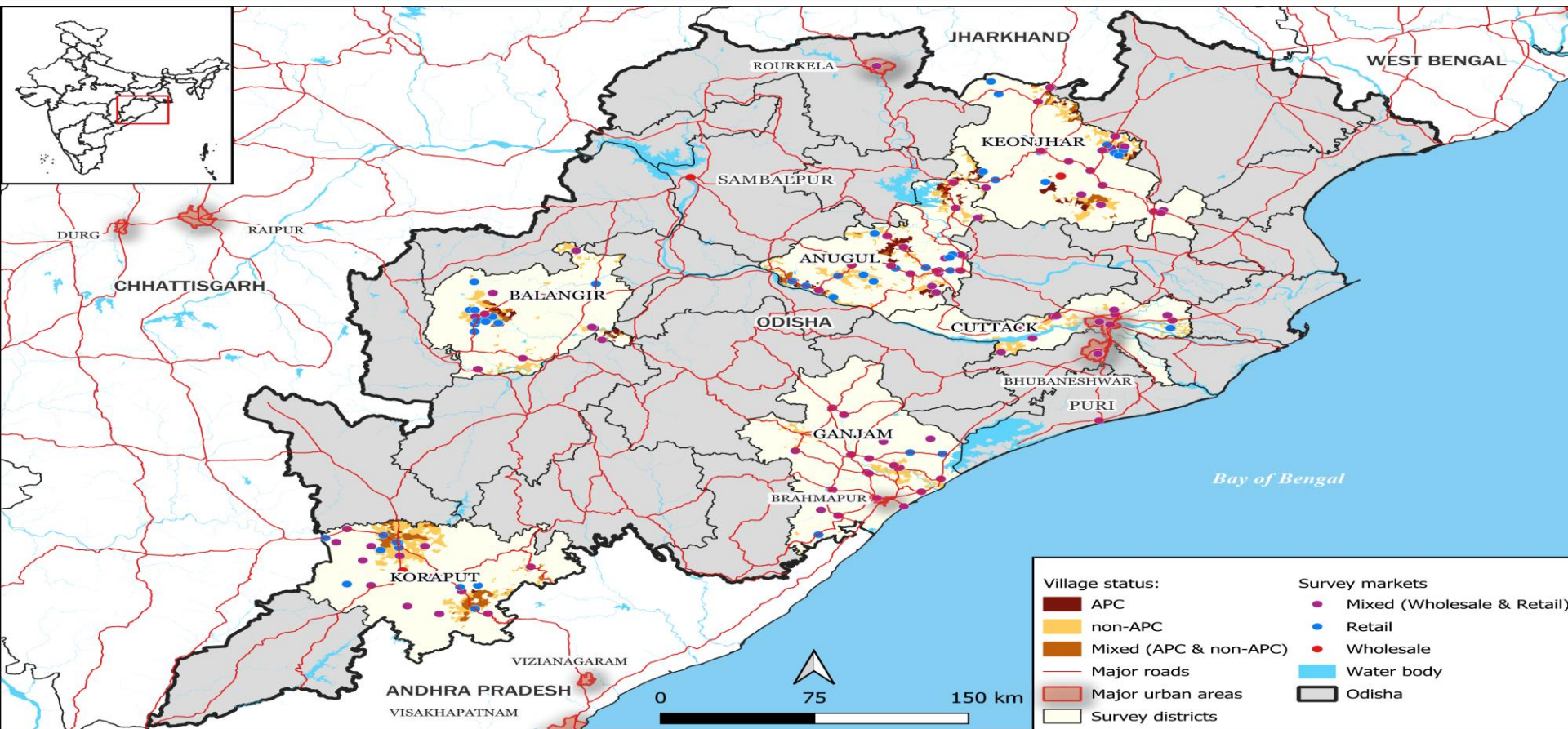
# Kenya clusters



# Odisha clusters



Working with:



## Key message #3: **Beyond the direct services of intermediation, traders provide other services to farmers in “symbiosis”**

1. Contrary to the traditional image, the vast majority of traders pay in advance or on time to farmers.
2. Trader is not tying transaction with farmers with advances of farm inputs
3. By contrast, do other things:
  - **Arrange transport through burgeoning 3PLS**
  - **Regular relations (as risk management tool for both)**
4. Disintermediation by traders is already common among urban wholesalers in Kenya; just emerging in Odisha

From  
INCATA's  
urban and  
rural  
traders  
surveys



# INCATA`s next meetings and results presentation



Working with:



**Late  
January/  
February**

- INCATA final team meeting to publicly present the results of the project in Nairobi, Kenya (with the Gates Foundation office in Kenya) (Feb 2<sup>nd</sup> – 6<sup>th</sup>)
- Presentation of results to the government of Odisha
- Meetings with GF offices in Nairobi and New Delhi.



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