

# WAREHOUSE RECEIPTS SYSTEM



A warehouse receipts system (WRS) allows farmers and small-scale traders to store grain in accredited warehouses, receive bridge financing to plant new crops, and sell their harvest when market prices are more favorable.



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## SMALLHOLDER FARMERS

Across much of Africa, small-scale or family farming represents the vast majority of agriculture producers. Yet, smallholder farmers lose between 10-40% of their crops due to post-harvest losses from disease, pest infestation, or rot.



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## CROPS

At the end of every harvest season, grain markets are flooded with crops such as maize, soy, and peanuts sold at peak production levels resulting in low prices and reduced profit.



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## LOW PRICES

Without access to secure warehouse storage and needing to buy inputs for the upcoming growing season and household goods, smallholder farmers are often forced to sell their crops when prices are lowest.



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## WAREHOUSE

Reliable storage paired with a warehouse receipts system allows smallholder farmers to deposit grain and receive a bank loan against the market value of the stored crops. This system reduces post-harvest losses and provides an opportunity for better prices.



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## WAREHOUSE RECEIPTS SYSTEM

At the warehouse, an online portal utilizing customized software provides a secure platform to record each farmer's grain deposit on-site and then issues an electronic receipt on-the-spot.



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## BANKING

The electronic warehouse receipt issued by the system can then be applied immediately or at a later date by the smallholder farmer to receive a local bank loan for inputs to plant new crops or buy other household goods.



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## INCOME

By having access to safe warehouse storage and affordable financing, smallholder farmers reduce post-harvest losses and have the option to sell their crops when market prices are higher, increasing profit.



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## BENEFITS

A warehouse receipts system benefits smallholder farmers, their families, and communities by fostering better food security, increasing household income, and improving livelihoods.

