



DIMO's Outgrower Model: Addressing Food Security, Elevating Agripreneurship



DIMO Agribusinesses is building sustainable agricultural ecosystems that uplift farmer communities and the economy



Food security is no longer a challenge confined to the margins of policymaking. As climate change, economic pressures, and shifting demographics strain traditional food systems, countries like Sri Lanka must reimagine agriculture as both a means of ensuring national food security and a financial opportunity. Against this backdrop, companies such as DIMO are charting new territory. Through its Outgrower Model and broader agribusiness strategy, DIMO offers an integrated approach connecting smallholder farmers to markets, technologies, and sustainable practices, reshaping Sri Lanka's agricultural landscape. This aligns with the group's purpose of "Fuelling the dreams and aspirations of the communities it serves".

The agriculture sector plays a crucial role in DIMO's corporate strategy, with the company's agriculture arm, DIMO Agribusinesses, building a presence across the entire agricultural value chain. DIMO Agribusinesses' initiatives span across outgrower network, agri inputs, Implements, R&D, agri production, agri-tech, agri services and agri market exposure. Each component is positioned not as an isolated intervention but as part of a deliberate effort to modernize Sri Lanka's historically low-tech, low-value farming sector. DIMO Agribusinesses' approach suggests that the twin goals of boosting food security and fostering agripreneurship are achievable, provided that agriculture is treated as a system requiring coherent innovation, investment, and management.

Here's a closer look at DIMO's outgrower model in practice.

Today, DIMO Agribusinesses' outgrower network includes over 2,000 farmers spread across the country, comprising a mix of organic and inorganic cultivators. Expansion of the network is coordinated with the Ministry of Agriculture through field inspectors, ensuring that new entrants meet quality and cultivation standards. DIMO Agribusinesses conducts the initial screening of farmers, and organic farmers are subject to an additional independent evaluation by third-party auditors.

The farmers in this network grow a wide range of crops, including coconut, pineapple, mango, papaya, jackfruit, lime, passion fruit, king coconut, rambutan, lotus root, and soursop. Field officers from DIMO Agribusinesses are assigned to individual farmers or cultivation plots, providing continuous guidance and support with farming input, the latest farming technologies, while linking farmers to the broader capabilities of DIMO Agribusinesses' various divisions.

This field officer model is critical to maintaining consistency and quality across the network. It ensures that farmers are not merely suppliers but are actively integrated into a managed agricultural ecosystem. The model also provides a mechanism for continuously upgrading skills, practices, and technologies at the grassroots level. DIMO Agribusinesses is also facilitating its outgrower network's acquisition of international certifications such as EU Organic, USDA/NOP, BIOSUISSE, JAS, and Fairtrade, thereby elevating the standards of their produce.

Integrating technology and sustainability is a core precept for DIMO Agribusinesses.

Modernization of agriculture cannot succeed without the adoption of technology. DIMO Agribusinesses has introduced innovative farming solutions to transition

farmers from traditional methods to more data-driven, high-efficiency practices. These solutions include micro-irrigation systems, greenhouse farming infrastructure, IOT-enabled monitoring tools and etc.

By optimizing inputs such as water, nutrients, and pest management through precise technologies, DIMO Agribusinesses' smart agriculture initiatives contribute to resource conservation while enhancing yield and farm profitability. Environmental sustainability is reinforced through practices that minimize chemical inputs and promote soil health, aligning with broader global imperatives around sustainable agriculture. Technology adoption and modernization efforts often face financial hurdles at the farmer level. DIMO Agribusinesses has introduced microfinancing mechanisms to ease access to critical technologies, particularly micro-irrigation.

An essential element of the model is the integration of R&D initiatives directly with farming operations. DIMO Agribusinesses' Agri Technology Parks in Nikaweratiya, Dambulla, and Lindula complement these efforts. These facilities serve as innovation hubs and experience centres where farmers and university undergraduates can use the latest technologies and techniques. Such infrastructure is pivotal to closing the gap between traditional farming knowledge and the demands of modern agriculture.

Building an ecosystem equipped with quality agricultural inputs and implements supply and farmer training/advisory services are critical for DIMO Agribusinesses' outgrower model to be impactful.

Beyond field-level interventions, DIMO Agribusinesses provides a comprehensive range of agricultural inputs, including seeds, fertilizers, crop care solutions, soil enhancers and more. In the implements segment, the company brings a variety of agricultural machinery and power tools as

the local distributor for world-renowned agri machinery brands. Further, DIMO Agribusinesses is working to provide power tools at concessionary rates to its outgrower network, enhancing productivity while supporting the shift toward mechanization and sustainable farming practices.

Farmers are exposed to new cultivation techniques, through agri services including training and advisory initiatives. The goal is to enable farmers to produce higher-quality crops at lower costs, thus enhancing the competitiveness of Sri Lanka's agricultural produce.

The support extended to organic farmers is particularly extensive. Field officers provide training on producing and applying organic fertilizers on-site, using insect-proof nets, and adopting mulching techniques to control weeds. In addition, DIMO Agribusinesses helps organic farmers source high-quality organic planting materials, ensuring that standards are maintained throughout the supply chain.

Next comes a critical element: post-harvest management and supply chain integration.

One often neglected aspect of food security is the post-harvest phase, where significant losses occur due to poor handling and transportation. DIMO Agribusinesses has addressed this gap by adopting protected packaging mechanisms and deploying a fleet of dedicated vehicles with GPS tracking systems to transport harvests from farm gates to processing facilities. This system minimizes spoilage and ensures crops reach processing plants in optimal condition, preserving quality and market value.

Within its processing operations, DIMO Agribusinesses has embedded principles of innovation and sustainability. Every stage, from sourcing to packaging, is designed to retain product integrity while ensuring traceability, a growing demand among global consumers.

DIMO Agribusinesses' processing plants produce a diverse range of products under its Flava and Miditer brands from the crops sourced by the company's outgrower network. Flava offers processed agri-based foods for the local market, including fruit chunks, beverages, dehydrated fruits, and virgin coconut oil. The Miditer brand offers an expansive range of organic products for international markets that meet rigorous international standards. Coconut-based foods, fruit products, plant-based meat alternatives, ready-to-drink beverages, baby foods, and nutraceuticals form the core of this portfolio. The commitment to maintaining nutritional integrity through low-temperature processing methods and avoiding artificial additives positions DIMO Agribusinesses' products well in response to the growing global demand for clean-label foods.

In parallel, DIMO Agribusinesses has invested in product innovation, introducing dairy-free spreads, plant-based meat substitutes, and innovative baby foods. These initiatives open new market opportunities and reinforce DIMO Agribusinesses' underlying strategy of connecting sustainable farming with contemporary consumer trends.

At the heart of DIMO Agribusinesses' outgrower model is connecting farmers to broader economic development.

The Outgrower Model does more than ensure supply chains for DIMO Agribusinesses' brands. It integrates smallholder farmers into formal economic

structures, equipping them with the tools, knowledge, and market access needed to transition from subsistence growers into agripreneurs.

By providing training, technological support, financial access, and assured market linkages, DIMO Agribusinesses' approach creates pathways for rural economic development that extend beyond agriculture. Farmers become active participants in higher-value supply chains, developing business acumen and building assets contributing to long-term community resilience.

DIMO Agribusinesses is also reframing food security and agripreneurship.

The case of DIMO Agribusinesses' Outgrower Model suggests that addressing food security in Sri Lanka is inseparable from the need to modernize agriculture and promote agripreneurship. Food security is not merely about producing more food; it is about making it sustainably, processing it efficiently, and distributing it equitably. It's about building systems that are resilient to external shocks, whether economic, climatic, or social.

The task ahead for Sri Lanka is straightforward. Agri-entrepreneurship drives sustainable agriculture by fostering innovation and market-based solutions. Entrepreneurs develop and scale eco-friendly technologies (e.g., Smart Farming) and business models that prioritize environmental and social responsibility. Scaling models like DIMO's, with collaboration between the public and private sectors, could help secure the nation's food supply, elevate the role of agriculture in the economy, and unlock the potential of a new generation of agripreneurs. In this context, DIMO's initiatives offer a template: integrating smallholder farmers into modern value chains, leveraging technology smartly, embedding sustainability principles throughout the system, and building brands that connect local production to both domestic and global markets. ●