Learning Journeys of Smallholder Finance and Innovation Adoption

13 NOVEMBER 2019

TAJ PALACE HOTEL, NEW DELHI, INDIA
Agenda

Welcome and introduction – Clara Yoon

Setting the stage: key lessons of INNOVATE – Calvin Miller

Partner case innovations

- Nepal: Balkrishna Thapa Magr (iDE Nepal) and Vijay Kumar Gurung (Muktinath Bikas Bank Limited)
- Bangladesh: Maruf Azam (Krishi Utsho, CARE Bangladesh)
- Q&A

- Featured speaker – Suryamani Roul (TechnoServe India)
- Discussion

- Wrap-up and closing – Larissa Schneider
- High tea and refreshments
What is the ‘secret ingredient’ to delivering inclusive and farmer-centric financial products and services?
• Assess the potential of non-traditional financial services to enable large scale adoption of agricultural innovations among men and women smallholder farmers in South Asia, South America and East Africa

• and use the lessons to inform policymaking and programing on agricultural development.
project overview

- March 2017 – March 2020
- Funded by International Development Research Centre (IDRC)
- 10 projects/partners
10 PARTNERS ACROSS 8 COUNTRIES

MALAWI:
1. AGRONOMY TECHNOLOGY LIMITED

KENYA:
2. BIDHAA SASA
3. COIN22

RWANDA:
4. WORLD RELIEF

NEPAL:
5. IDE

BANGLADESH:
6. CARE BANGLADESH

PAKISTAN:
7. PAKISTAN MICROFINANCE NETWORK

PERU:
8. I-DEV INTERNATIONAL
9. GLOBAL CANOPY

BOLIVIA:
10. CIDRE IFD
project innovation stages

1. Opportunities & Challenges

PMN – Warehouse Receipt Financing case study

2. Generating Ideas

Global Canopy – Peru green agri credit landscape

3. Developing & Testing

CIDRE – NCC registry system

I-DEV – drip irrigation scheme w/ tara coop

4. Making the Case

Bidhaa Sasa – testing suite of agtech/tools

Krishi Utsho - last mile finance

WRR – savings groups and ag training

ATL – Chithumba Case Study

5. Delivering & Implementing

iDE Nepal – last mile farmer finance and ag-innovation

Dodore – agri-wallet / DFS

6. Growing & Scaling

7. Changing Systems
**Customer Centricity**

How does customer centricity enable firms/organizations design and offer products and services that meet smallholder customer needs and demand?

**Smallholder Products & Services**

What key features and terms of financial products/services smallholder require to adopt new innovations or technologies? // What are the key features of new innovations/technologies smallholders require (or prefer) to try and buy?

**Smallholder Household Norms**

How do smallholder households prioritize business decisions, purchases and investments for upcoming crop cycles alongside competing household needs?

**Policy and Ecosystems Change**

What are the policy implications to enable firms/organizations and governments to better serve and align products (extension, finance and technologies) to meet smallholders needs?
today’s speakers

Calvin Miller
Agricultural and Rural Finance Expert
MEDA Consultant

Balkrishna Thapa
Regional Program Manager
iDE Nepal

Vijay Kumar Gurung
Head-Small and Micro Banking
Muktinath Bikas Bank Limited

Maruf Azam
Coordinator – Krishi Utsho
CARE Bangladesh
Finance fits within an interconnected system

**Infrastructure and Policy:**
Policies, ICT, roads, water and other infrastructure that influence and facilitate trade and access

**Community and Society:**
Cultural norms, beliefs and worldviews that influence decisions, behaviours and relationships

**Agriculture and Market Systems:**
Access, availability and suitability of market actors, goods, services, knowledge and technology

**Household:**
Creative, diverse economic entity with dynamics and complex cash flows, multiple income sources and expenses
INCLUSIVE SOLUTIONS

Inclusive Livelihoods Model

**Sell produce:** Market context exists to generate net revenue for male, female and youth smallholders
- Consistent market sales
- Receive and understand downstream market specifications
- Reliable value chain (path to market)
- Reduce post-harvest / post-production waste

**Generate Produce:** Ability to generate yield from production, improve efficiencies and manage losses (e.g. crop loss to weather)

**Household Decisions:** Propensity by men, women and youth to grow and adopt innovations
- Re-invest in the business
- Increase household savings & goods

Non-Financial Products & Services

Availability and Uptake by Women, Men and Youth:
- Input supplies
- Knowledge and skills
- Post-harvest handling
- Information
- Horizontal and vertical linkages
- Productive technology
- Assets and know-how
- Information, Communications Technology (ICT) etc.

Financial Services & Support

Availability and Uptake by Women, Men and Youth:
- Value Chain Finance
- Savings: Store of Value
- SOCCAs/VSLAs
- Payment Systems
- Insurance
- Credit
- Blended Finance
- Guarantee Systems
- Financial Literacy Services etc.

Analysis: “What would need to be true?”

Enabling Environment
## Market Segments and Characteristics

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>Characteristics</th>
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</table>
| Smallholder farmers – Subsistence | ➢ Family consumption, traditional food crops and animals  
➢ Little to sell; largely disconnected from inputs, markets and services |
| Smallholder farmers – Subsistence + diversified incomes | ➢ Semi-commercial farming, selling surplus  
➢ Storage and cash constraints and high post-harvest losses  
➢ Multiple, diverse income sources |
| Commercial farmers – “Loose” value chains in low value markets | ➢ Commercial, traditional markets with inconsistent and fluctuating prices  
➢ Limited input suppliers, buyers and cash  
➢ Low profits and use of improved inputs and technologies |
| Commercial farmers – “Loose” value chains in higher value markets | ➢ Commercial local buyers or open markets with fluctuating prices  
➢ Connected to input suppliers; potential to access extension services |
| Commercial farmers – “Tight” or coordinated value chains | ➢ Reliable markets, grown to specifications, with hedging opportunities  
➢ Connected to input suppliers and specialized agronomy services  
➢ Value chain linkage integration |
INNOVATE PROGRAMME RESEARCH AND PARTNER LESSONS

Lessons from literature review

• Agricultural households are complex
  • Diverse, multifaceted incomes and cash flows
  • Client centric financial and non-financial design interventions are required

• Appropriate, accessible finance is a proven catalyst
  • Is part of an smallholder ecosystem of markets, services and context
  • Segmented focus works for agricultural development and finance, e.g. Morocco
  • Microfinance and supply-driven banking services are not designed accordingly
LESSONS (2)

• Agricultural value chain finance is often an appropriate approach
  • Partner relationships
  • Market information and linkages
  • Identification of effective points of finance

• A majority of smallholders are not in organized value chains
  • Producer-driven or buyer contract driven?
  • Most development initiatives are facilitated or subsidized

• Men and women face difference circumstances, interest and needs
  • Savings, often for family events, are particularly important for women
  • Lack of collateral is particularly limiting for women, and youth
In India, Anil Kumar from Samunnati shared that when it revised its approach from a “silo” finance to a “longitudinal” participative approach it found that for smallholder inclusion, financial intermediation needs to cut across all interventions and incorporate all stakeholders.
### ACTION AREAS FOR SMALLHOLDER FINANCING

<table>
<thead>
<tr>
<th>ACTION AREAS</th>
<th>FINANCIAL PRODUCTS AND ACTIVITIES</th>
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</table>
| **Smallholder farming systems and resource management** | • Input financing  
• Technology upgrading with long-term and blended finance  
• Cash flow financing  
• Asset-based financing – leasing, non-traditional collateral |
| **Smallholder risks**                             | • Insurance  
• Guarantee schemes  
• Savings  
• Forward contracts and futures  
• Term investment (irrigation, water control, storage)  
• Improved loan assessment |
| **Profitability and cash flow**                    | • Cash flow-based, flexible loan products  
• Value chain financing  
• Warehouse receipts  
• Technology upgrades  
• Improved back-office MIS |
<table>
<thead>
<tr>
<th>ACTION AREAS</th>
<th>EXAMPLE FINANCIAL PRODUCTS AND ACTIVITIES</th>
</tr>
</thead>
</table>
| Economic and social inclusion of smallholder households | • Digital and ICT applications  
• Payment systems, input vouchers and blended finance incentives |
| Capacity development for smallholders and service providers | • Smallholder organization and training  
• Youth entrepreneurship and management training and mentoring  
• Women’s financial product development (flexible, savings and loans and micro-insurance) |
| Transaction costs and financial delivery | • Agent banking (via input suppliers and buyers)  
• Digital and ICT applications  
• Remittances |
| Appropriate finance                      | • Flexible, custom designed financial services  
• Impact investment funds and joint ventures  
• Value chain finance  
• Financial incentives (shared risk guarantees) |
1. Replicate and scale social lending mechanisms and investment funds
2. Support finance and capacity for outgrower schemes
3. Finance though points of aggregation – organized producer organizations, buyers and suppliers or warehouse operators
4. Finance direct to farmers through adapted MF approaches
5. Innovate and develop new financial products for smallholders
6. Develop digital and other technology linkage models
7. Mitigate lending risk and cost through improved loan assessment tools and training
8. Mitigate or share risk of lenders and borrowers – guarantees, insurance and hedging options
FINANCING INNOVATIONS EXAMPLES FROM CASE STUDIES

Technologies for service delivery

- **iDE Nepal Commercial Pocket Approach** – aggregation, last mile agri inputs VCs, private-public partnerships with innovative “agent” banking
- **Krishi Utsho, CARE Bangladesh** – one-stop shop for farmers’ input supply and banking agents
- Dodore agri-wallet - digital and mobile applications
- Bidaa Sasa – agri tech tools and business models
- I-Dev International – mobile money and pay-as-you-go (changed to cooperative revolving irrigation fund)

Cost effective, client-focused loan assessment and engagement

- Progreso Savings and Loan Cooperative, Bolivia – time-proven, cash flow-based agricultural risk and loan planning
- Chithumba model, Malawi – input finance, WHRs, GAP training, MIS & trade facilitation
FINANCING INNOVATIONS EXAMPLES (2)

Non-conventional collateral – use of substitutes or guarantees
- CIDRE rural MFI, Bolivia – secured transaction law development and use irrigation shares and forestry wood as collateral
- Pakistan Microfinance Network – warehouse receipts for smallholders
- ATL “Chitumba”, Malawi – inputs on credit, warehouse receipts and GAP training
- Global Canopy, Peru – green agricultural credit with guarantees

Capacity development
- World Relief Rwanda – training and savings/credit groups
  - All interventions involved some forms of capacity development
NCC Registry (MVP): a snapshot

NCC registration system (MVP)

NCC registration certificate
“Adoption of Agricultural Innovation through Non-Traditional Financial Services (NTFS) Project in Nepal”

NEPAL EXPERIENCE SHARING

Balkrishna Thapa, iDE Nepal & Vijay Kumar Gurung, MNBBL

MEDA INNOVATE Side Event in the 6th World Congress on RAF

New Delhi, India

November 13, 2019, Wednesday
PROJECT OVERVIEW

Pilot Program on “Adoption of Agricultural Innovation through Non-Traditional Financial Services (NTFS) Project in Nepal”

Project Period: 20 months from April 1, 2018 to November 30, 2019

Two Project District: Kaski & Syangja district of Gandaki Province # 4 in Nepal

Working Area:
- Syangja district: 3 Locations (a) Galyan-7&9, (b) Waling-4 and (c) Putali bazar-7 municipality, Syangja
- Kaski district: 3 Locations (a) Pokhara-22, (b) Annapurna-2 and (c) Machapuchre-6, Kaski district
OVERALL PROJECT HYPOTHESIS

Utilizing community managed collection centers to act as *intermediaries* on behalf of a commercial bank will profitably increase smallholder access to rural finance and crop insurance and enable adoption of innovative technologies and technical support to improve productivity and returns.
Sub Hypothesis:

1. Male and female farmers with loans will have higher adoption rates of improved agriculture technologies including high quality seed, drip irrigation, IPM technologies, high tunnels, and water pumps compare to farmers without loans.

2. Women farmers will have higher adoption rates of the improved technologies when they work with a women sales agent.

3. Male and female farmers will have higher adoption rates of improved technologies when risk is mitigated through the provision of crop insurance.
**RESULTS TO DATE**

- **1,014 smallholders** received loans
- **82%** of loan recipients were women
- **38 training events** held on loan facilitation/utilization
- **7 last mile supply chain sales agents and 48 Collection center staff trained** for loan facilitation and utilization
- **All 1,014 loan farmers** received technical support and backstopping on high value vegetable production utilizing safe IPM and best climate smart practices
- **12% sales** increased in the Collection center
- **Now 2 of 6 the collection centers** are serving as formal business correspondents of the bank
CUSTOMER SEGMENTS AND SMALLHOLDER BEHAVIOR (DESIRE, NEEDS, CHALLENGES, OPPORTUNITIES)

- Positive attitude
- Increased income
- Time lag in uptake of loans
- Some reluctance in taking commercial loans
- Bank more comfortable with female customers
**NTFS Loan Product:** The project has been able to support and provide loan to 1,014 HHs amounting NPR. 22,667,000 (CAD 273,096). The average loan size is NPR 22,354 (CAD 269).

<table>
<thead>
<tr>
<th>Total Loan Customers</th>
<th>1,014</th>
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<tbody>
<tr>
<td><strong>Total Loan amount</strong></td>
<td>NPR 22,667,000</td>
</tr>
<tr>
<td><strong>Max Loan size</strong></td>
<td>NPR 300,000</td>
</tr>
<tr>
<td><strong>Min Loan size</strong></td>
<td>NPR 5,000</td>
</tr>
<tr>
<td><strong>Average Loan Size</strong></td>
<td>NPR 22,354</td>
</tr>
<tr>
<td><strong>Average interest Rate</strong></td>
<td>15.7%</td>
</tr>
<tr>
<td><strong>Average Processing Days</strong></td>
<td>7.5 days</td>
</tr>
</tbody>
</table>
LOAN WHOLESALE LENDING MODALITY

1. Demand collection
2. Cooperative/MPC Management (CC)
3. Wholesale loan investment/repay
4. Retail lending/Crop insurance/repayment
5. Agro vets
6. Market Management (CC)

MEDA/NTFS-support to program implementation/Linkage coordination/capacity building

Input supply

Last mile sales agent

Farmers Groups

MNBBL-Muktinath Bikas Bank
iDE creates income and livelihood opportunities to the rural households and working in Nepal since 1992

Over last 15 years iDE has developed the **Commercial Pocket development Approach (CPA)** facilitating to create sufficient volume to (1) establish a collection center for market access and services and (2) last mile supply chains sales agent;

Working with the MEDA INNOVATE on Non-traditional Financial services (NTFS) pilot project in collaboration with Muktinath Development bank, 1,014 smallholders accessed improved agriculture loans and earned incomes of around USD 700;

Recent learning shows smallholders require **access to finance at local level** for commercialization and scaling up of vegetable production in Nepal;

Also smallholders with **access to finance with crop insurance and access to market at local level** higher rate of adoption of improved technology and services.
LEARNING JOURNEY – MNBBL

- Technical support on agriculture is necessary to enhance low income farmer’s income;
- Technology and Technical skills make confident for lending;
- Ongoing projects creates bases for partnerships for next project/s;
- Agric-finance can be expand rapidly through ICT in Agriculture;
- Agric-financing goes on even after the project phase out in November 2019
- Conducting trainings in presence of Bank and project staff, has created uniformity in understanding and cohesion between stakeholders involved
• Nepal is one of the most vulnerable countries in terms of climate change risk (The climate Change Risk Atlas 2010)

• More than a million people of Nepal are directly affected by the climate change impacts such as drought, landslides, floods etc.

• The frequencies of uneven climate events (i.e erratic rainfall, raising temperature, hailstone, drought, storms) have vividly increased in recent years and led to increased vulnerability of farmers livelihood.

• Farmers mostly depend on the traditional climate calendar for their farming system with no protection against increasing climate variability and adverse conditions.
• To address the adverse impact of climate change the Muktinath Bank has developed a "Improved Agriculture Loan" with support from the project and IDE Nepal to help smallholder farmers to obtain climate smart technologies and techniques.

• Through the loan product we had been able to finance and promote various type of technologies like poly-house, drip irrigation, varieties of improved seed, Integrated Pest Management (IPM) technologies etc. to the beneficiaries.

• For a bank this type of financing is little difficult in the early stage but later on due to these intervention the Bank was able to increase the income level of the clients and it has help to maintain 100% repayment track record.
Customer centricity design and products and services that meet smallholder customer needs and demand:

- Smallholders more confident and rely on local organizations
- Business correspondent model
- Farmer capacity building training
- Developing vegetable business plan
- Smallholder household norms on business decisions, purchases and investments for upcoming crop cycles
Adoption factors: key features on (a) financial products/services (b) new innovations/technologies

- Adoption factor for New innovations/technologies:
  1. technical knowhow support,
  2. access to market for the produce
  3. access finance at local level
  4. access to irrigation
  5. last mile supply chain for inputs and technology
  6. easy to install and locally available inputs/technologies;

- Adoption factor for financial product/services:
  1. easy loan processing with less documentation
  2. less time consumption
  3. loan products locally available through local organization-collection centers
  4. affordable interest rate
  5. backup/support on loan processing through local service provider-collection center/last mile sales agents.

Policy and ecosystems change:

- Local level planning and implementation through local collection center/cooperatives are better options for farmer accessing finance and improved technologies for scaling up of adoption and commercialization of vegetable production.
1. Male and female farmers with loan have 57% higher adoption rates of improved agriculture technologies including high quality seed, drip irrigation, IPM technologies, high tunnels, and water pumps compare to farmers without loans.

2. Women farmers working with female sale agents adopted more technologies (2,589) compare to working with male sales agents (1,433 technologies).

3. Male and female farmers with loan have 23% higher adoption rates of improved technologies when risk is mitigated through the provision of crop insurance compare to the project HHs without crop insurance.
PHOTOS

High Tunnel for Monsoon Tomato Production

MEDA’s Clara Visits Agrovet (Agro input supplier)
PHOTOS

Community Business Facilitator (CBF) sells seeds and gives technical support (Left). Below MEDA innovate team plans
Contact

Balkrishna Thapa
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website: www.idenepal.org

Vijay Kumar Gurung
email: vijay.gurung@muktinathbank.com.np
website: www.muktinathbank.com.np

Photos by Bimala Rai Colavito, iDE Volunteer

Thank You !!
Secure Farming for Rural Smallholder Farmers

Non-traditional Financing

13 November 2019
Krishi Utsho is an emerging social enterprise that facilitates access to quality agricultural resources for smallholder farmers with a focus on women farmers in rural Bangladesh.

KU has introduced a non-traditional financing scheme incorporating loan and insurance facility to the rural farmers to increase their productivity.
KU NON-TRADITIONAL FINANCING MODEL

Collaboration
- Bank
- Insurance Company
- Krishi Utsho

Access
- Agro Loan
- Insurance Services
- Quality Input
- Information

Capacity Building Training
- ICT Services

Literacy

Monitoring
- Practice
- Production
- Income
HYPOTHESIS

Nesting both commercial banking and insurance services can improve the financial stability and livelihoods of smallholder farmers.
# RESULTS TO DATE

<table>
<thead>
<tr>
<th>Key Achievements</th>
<th>Total Number</th>
<th>Total Number of Female</th>
</tr>
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<tbody>
<tr>
<td>Access to Formal Bank Account</td>
<td>162</td>
<td>53</td>
</tr>
<tr>
<td>Farmers Availing Loan</td>
<td>83</td>
<td>26</td>
</tr>
<tr>
<td>Farmers Availing Insurance Services</td>
<td>50</td>
<td>10</td>
</tr>
<tr>
<td>Financial Literacy Training</td>
<td>114</td>
<td>35</td>
</tr>
<tr>
<td>Designed Loan Product</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designed Insurance Product</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Last mile Agent</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Collaboration with Formal Financial Institutions</td>
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</tbody>
</table>

- **Designed Loan Product**
  - Agro Loan
- **Designed Insurance Product**
  - Crop Insurance
Learning & Testing

• Customer Satisfaction Survey through software based Data Collection Platform

• Product Demand Survey

• Farmers’ Hub Approach
LEARNING JOURNEY

Travel Time of A Farmer to get Loan from Financial Institution

1. Need Loan
   - Need Advice
   - Source of Loan

2. Access to Financial Institution
   - Farmer will open a bank account in nearest outlet
   - Farmer has to provide required 5 types of documents and wait

3. Apply for Loan
   - Farmer will submit filled up loan application form
   - Farmer has to give required 5 types of documents to the bank for loan

4. Document Verification
   - Financial institution will verify all the provided documents

5. Eligibility Check from Management
   - Financial institution will decide and finalize whether the farmer is eligible for loan or not

6. Farmers’ Farm Verification
   - Representaive from financial institution will visit farmers’ farm and investigate all the farming activities

7. Applicant Profiling & Online Data Verification
   - Upload the collected data in system
   - Financial institution will do applicant profiling
   - Then system will auto analyse them to sanction the loan as possible as the shortest period of time

8. Loan Disbursement
   - Finally sanctioned loan amount will be deposited in farmers’ bank account

9. Loan Sanction
   - Financial institution will sanction the loan and move towards loan disbursement process

36 DAYS
LEARNING JOURNEY

Organization’s Journey Map

1. Agent Selection
   KU representative has selected an agri-input seller as agent. These agents are supporting farmers to get access to financial services.

2. Product Design
   Krishi Utsho has designed an affordable loan product & climate resilient insurance product in conjunction with Bank & Insurance company. Process of financial product design.

3. Farmer get Access to Loan & Insurance Services
   Finaly farmer will get loan amount with insurance package.

4. Farmers’ Need Assessment & Selection
   KU in house team has selected farmers based on their most pressing needs.

5. Tripartite Collaboration
   Krishi Utsho has signed MoU with both Private Bank and Insurance Company.

6. Financial Literacy Workshop
   KU has conducted two literacy training on Non-traditional Financing for farmers and financiers in Tripartite collaboration approach.

7. Introduce Farmers with Non-traditional Financial Institutions
   KU supported farmers to get accessed to financial institution. Also supported financial institution in documentation process.

8. Monitoring of the Farmer’s Activities
   KU in house team will ensure the right use of financial product.

Looking for Partnership
To introduce non-traditional financing scheme to the rural farmers, KU looked for partnership with Bank and Insurance company.
LEARNING JOURNEY

Surprising Learnings

Rural Farmers
- Looking for freedom of choice on usage of loan
- Expects payback from insurance once matured
- Expects faster processing without documentation
- Women farmers face challenge in expense decision

Private Bank
- Cross industry competition between the Bank and Insurance
- Bureaucratic complexity in loan processing system
- Lack of mechanism for on time service delivery to the last mile
- Collateral & trust issue

Insurance Company
- Limited Product options
- Financial Feasibility of the product
- Less experienced in working with last mile farmers
- Commercial attitude towards smallholder farmers
INNOVATE LEARNING THEMES

**Customer Centricity**
- One stop solution
- Reputation in community

**Smallholder Household Norms**
- Male member takes decision
- The easier, the better

**Adoption Factors**
- Price and Flexibility
- On time delivery

**Policy & Ecosystems Change**
- No monitoring on policy
- Private Sector is demotivated
FEATURED GUEST SPEAKER:

Suryamani Roul

DEPUTY DIRECTOR, TECHNOSERVE INDIA
Farmer Producer Organisations
A model for improving Access to Finance

Presented by:
Suryamani Roul
@MEDA’s INNOVATE project Learning program
November 13, 2019, New Delhi
Smallholder farmers (SHFs) in India

86%

1.08 Ha

land holdings are less than 2 Ha in size

average holding size

Indian agriculture is dominated by smallholder farmers.

Indian agriculture produces sufficient food, feed, and fiber for India’s large population, and in addition generates some net export surplus.

Key Challenges for SHFs

- Low productivity
- Low incomes

Limited access to
- Finance
- Markets
- Extension
- Technology

Government

Vision

Doubling Farmers Income

Central

1. Welfare schemes
2. Empowerment of farmers

State

Initiatives

- PM Kisan
- State Bhavantar Bhugtan Yojana
- Rythu Bandhu Scheme
- Krisak Bandhu
- KALIA scheme

Business Solutions to Poverty
Farmer Producer Organisation (FPO) Model

- Collectives of farmers, with predominantly small/marginal landholdings
- To achieve economies of scale for collectivization, value-addition, & marketing
- Have become cornerstone of policy initiatives in the agricultural development sector in India
- With the support of local Resource Institutions (RIs), Apex Institutions have promoted FPOs in terms of infrastructure, capacity building & credit facilities

FPOs have been established in India the last decade

7000+ Business Solutions

7000+
Challenges & Gaps in the Present Landscape

1. Lack of systemic approach for institutional strengthening
2. Lack of financial capital & technical capabilities
3. Lack of FPO business planning
4. Lack of effective capacity building
5. Insufficient initial support by Apex institutions
TechnoServe India

Engagement with FPOs

- Institutional Strengthening
- Marketing Facilitation
- Access to Finance

Commodities (through current programs)
- Maize
- Paddy
- Wheat
- Cotton
- Chia
- Coffee
- Cashew
- Litchi
- Guar
- Mushroom
- Potato
- Pearl Millet
- Mentha
- Coconut
- Mango

Commodities (through past programs)
- Turmeric
- Moong
- Soyabean
- Kiwi
- Hill broom
- Tamarind
- Mustard
- Coconut
Access to Finance: TechnoServe’s Approach

**Financing**
Facilitating value chain financing for the FPOs through institutional players like SFAC, FWWB, Samunnati, NABKISAN & Ananya Finance etc.

**Cashless Transaction**
Demonstrating cashless / digital payment systems for the FPOs

**Insurance**
Piloting support services like insurance as financial risk mitigation

**Business Plans**
Developing business plans for the FPOs and facilitating for bank linkage
Key Breakthroughs for FPOs: TechnoServe India

- Worked on over **24 agri value chains**, generating additional financial benefits worth **$8.46M**
- Developed market led approaches to empower **~15,000 smallholder women farmers** in Bihar through FPOs. Used electronic platforms, digital weighing scale and digital moisture meter for quality assurance. **$4.3 M finance was mobilized across 8 FPOs.**
- Provided technical assistance to National Rural Livelihood Mission to support **6 State Rural Livelihood Missions** in order to strengthen FPOs and develop value chains.
- Enhanced **~5,500 women’s economic and financial participation in the cotton value chain**, by improving their access to finance and markets, through **3 Farmer Producer Companies.**
- Successfully implemented **block chain technology** for traceability and sustainable sourcing of guar in Rajasthan. The program enhanced livelihood opportunities for **~7000 guar farmers** in Rajasthan by linking them to institutional buyers and creating a competitive guar market.
- Trained over **12,000 smallholder farmers** in Madhya Pradesh in climate-smart practices to increase climate resilience and yield resulting in **20% increase in farmer revenues.**
- Currently engaging with **25,000 farmers** in UP and AP to strengthen institutional platform of **25 FPOs** and transforming them into viable business entities, to **increase income of farmers by 25%.**

**REACH IN INDIA**

- **~93,000 Farmers**
- **~768 Producer Groups** (Bihar, Karnataka, Rajasthan)
- **~100 FPOs**
Thank you
THANK YOU

meda.org/innovate

innovate@meda.org

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