

# Agriculture Finance: Growing and Earning More

Your Program Impact Report—Fall 2023

## 2023–2025 AGRICULTURE FINANCE STRATEGIC VISION

To reach **788,000 farmers** annually with **\$106M** in agriculture loans disbursed annually through **27 financial service partners** and a network of **2,512 Farmer Support Agents** in **9 countries**.

## OUR GRATITUDE



Fuseina and her family, farmer, Ghana

*Ghana's worsening floods and droughts have made growing fruit and vegetables harder, and when the maize and rice crops are hit as well, families like Fuseina's are left with meagre yields of grains that lack essential nutrients and vitamins.*

*Fuseina joined a free crop insurance project that aims to protect smallholder farmers from falling into poverty by ravages of extreme weather, pest infestations, and crop disease outbreaks that are becoming increasingly destructive as global temperatures rise.*

*Now when long dry spells destroy a share of the crops on Fuseina's 6.5-acre farm, her family can maintain stability. "I am excited to plant new crops on my farm because I know I will get returns whether there is bad weather or they are attacked by pests and diseases, thanks to crop insurance. Before the program, I never felt excited." – Fuseina*

**Thank you for enabling Fuseina and her family to build a sustainable livelihood through farming.**

## THE NEED

Since our founding, Opportunity International has served people who have been overlooked by their countries, by other organizations, and by the world. Smallholder farmers make up over 80% of Africa's farms; yet three out of four people living in extreme poverty are farmers who survive on one or two meals a day. Smallholder farmers only produce 20-30% of their potential yields. Generations of rural families living in poverty have been left out of earning a sustainable living.

## THE SOLUTIONS

Opportunity's AgFinance Program is driven by a singular focus on scaling rural prosperity. Our end goal is to enable farmers to increase production, income, and employment to build thriving and resilient households in rural communities; **we want farmers to grow more and earn more**. We are committed to strengthening quality farming and increasing the flow of capital to farmers.

Our solution-based model comes to life via:

- ▶ **Training:** Technology-enabled training in agriculture best practices allows us to reach the most marginalized (54% of clients live on less than \$2.15/day and 92% live under \$3.20/day). We can connect with prospective clients and design responses and interventions based on their needs.
- ▶ **Access to financial services:** Tailored agricultural loans enable farmers to maximize quality and

quantity of their harvests, with repayment schedules that match the harvest cycle.

- ▶ **Support:** Sharing best practices and market linkages among farmer groups encourages maximum harvest and profit. Savings groups provide an opportunity for learning—financial literacy, good agricultural practices, equitable farming, climate resilience training—and accountability.

## WHO WE SERVE

Since Opportunity launched Agriculture Finance in 2008, we have:

- Provided loans to 680,700 loans to smallholder farmers and agribusinesses
- Put more than \$338M in capital to work in the unserved agriculture sector
- Worked with nearly 839,000 rural households

## OUR IMPACT 2023 YEAR-TO-DATE

### AgFinance Dashboard

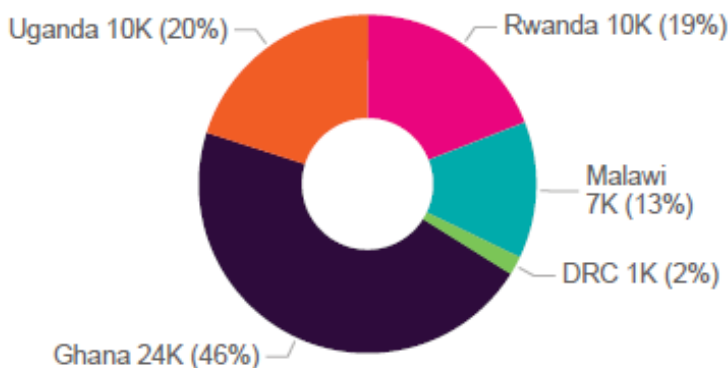
Sept. '22-July '23

Financial service providers	13
Loans disbursed	51,635
Capital released	\$60.2M
Farmer Support Agents (FSAs)	1,123
Farmers supported by FSAs	157,224
Households reached	209,984
Percentage of female clients	61%



Abdullai Sule, yam farmer, Ghana

### Number of Farmer Loans by Country (Oct '22-Jun '23)



## ONE KEY TO OUR BEST-IN-CLASS IMPACT: FARMER SUPPORT AGENTS (FSAs)

For farmers in extreme poverty, we have built localized networks of Farmer Support Agents (FSAs)—local leaders who deliver digital training and facilitate access to markets and support services to improve the health of their land, enabling farmers to effectively cultivate their crops and increase their harvests. On average, an FSA supports 150 farmers. As of July 2023, we have 1,123 active Farmer Support Agents in five countries.



(as of July 2023)

	Active Farmer Support Agents	Farmers Served
<b>DRC</b>	90	7,260
<b>Ghana</b>	40	727
<b>Malawi</b>	503	103,206
<b>Rwanda</b>	128	24,290
<b>Uganda</b>	362	21,741
<b>TOTAL</b>	<b>1,123</b>	<b>157,224</b>

## SAVINGS AND LOANS GROUPS

Savings and loans groups (sometimes known as Village Savings and Loan Associations) are universally the most effective models for farmers', and especially women's, financial inclusion. **Over half of the farmers supported by Farmer Support Agents are members of savings groups.** Rural savings groups struggle with a liquidity crisis during peak agricultural seasons: all farmers need resources during specific times such as planting and harvesting. We are exploring ways to work with financial institution partners on ag specific loan products for savings groups, allowing more effective, equitable, and timely access to financial resources. Another positive outcome of stabilizing these savings groups: thanks to the group loan interaction with financial partners—underscored by financial literacy training and group accountability—many savings groups can “graduate” to cooperatives and even “graduate” to credit unions. In Uganda, we have **piloted digital savings groups** and have planned expansion to include agriculture finance clients.



## DIGITAL SOLUTIONS

A high-touch, high-tech, high impact approach to agriculture finance empowers people facing poverty, gender, and age barriers to connect with financial services. We adhere to human-centered design—a technique that puts real people at the center of the product design process.

Farmer Support Agents continue to use smart phones and tablets to train farmers in successful, sustainable farming—including regenerative ag practices and “Farming as a Family Business” that encourages collaboration with all family, including women and youth which leads to financial inclusion and stability.

In response to the needs of smallholder farmers in Malawi, we piloted an AI ChatGPT tool that farmers can use to answer questions they have about farming practices. The system is populated solely with content



the Malawi government's agriculture manual of best practices and our training material—together with ChatGPT-like conversational interface in WhatsApp, implemented through cloud services and application programming interface that enables scalability. This innovation allows more timely access to critical information, in a familiar interface that lowers the learning curve for smallholder farmers.

## **CLIMATE RESILIENCE STRATEGY**

There is increasing recognition that low-income communities are disproportionately affected by climate change while being least able to build resilience. Opportunity's AgFinance team is launching a revised, comprehensive strategy focused on climate resiliency and adaptation, targeting the intersection of smallholder farmers, regenerative agriculture practices, and gender.

Five core principles of regenerative agriculture include:

1. Minimize soil disturbance
2. Maximize crop diversity
3. Keep the soil covered
4. Maintain living root year-round
5. Integrate livestock

In August 2023, Opportunity launched a pilot project offering training, support, and financial services to 2,500 rural families in southern Malawi helping them to adapt, build resilience, and reduce vulnerability to climate change. The farmers are from communities surrounding Illovo Sugar Estate (AB Foods) in Nchalo, Chikwawa district; an agreement allows farmers to use land along the estate.

**We are humbled by the sheer force of will, depth of faith, and extraordinary commitment of the farming families we encounter—people who show us every day what it means to embrace opportunity with vigor, heart, and grace.**

**Thank you for making our work possible; thank you for investing in truly life-changing work.**

### **What excites us the most right now?**

- ▶ **AgFinance Summit:** In August, global experts in agriculture and finance met at Opportunity's annual AgFinance summit in Nairobi, Kenya. A critical call-out: the need to invest in tech, climate adaptability, and gender equity.
- ▶ **Kenya and Nigeria:** We are gathering partners and resources to launch Agriculture Finance in Kenya and Nigeria, two areas of great need and potential.
- ▶ **Farming as a Family Business:** Part of the educational support provided by Farmer Support Agents to their farmers and families, this training promotes ag production as a family business. Working as a cohesive family with equitable division of labor and decision-making, farms show greater profitability and yield.