

Agriculture Finance: From Poverty to Sustainability

Your Impact Report, Fall 2024

What Is Our Opportunity?

2023–2025 AGRICULTURE FINANCE STRATEGIC VISION

To reach **661,000 farmers** annually with **\$109M** in agriculture loans disbursed annually through **25 financial service partners** and a network of **2,877 Farmer Support Agents** in **9 countries**.¹

Investing in agriculture is one of the most powerful ways to improve rural livelihoods and move out of poverty.

Three out of four people living in extreme poverty are smallholder farmers, surviving on one or two meals a day. Smallholder farmers make up over 80% of Africa's farmers; most of those farmers produce only 20-30% of their potential yields.

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 get more**. Since Opportunity's program launched in 2009, with your support we have reached more than **1 million farming households** and put **\$432M in agriculture loan capital** into rural communities. We currently work in **seven countries** in Africa: DRC, Ghana, Malawi, Mozambique, Nigeria, Rwanda, and Uganda in partnership with **20 financial service partners**.

- ▶ **Farmer Support Agents (FSAs):** Farmer Support Agents are local high-performing farmers who are chosen to deliver training and facilitate access to markets and support services to improve the health of their fellow farmers' land. On average, an FSA supports 150 farmers. These local leaders are pivotal in providing tailored training and services to reach more rural households.
- ▶ **Climate Resilience:** Smallholder farmers are among the most vulnerable people living in poverty; even small changes in climate patterns—not to mention flooding, drought, heat waves, natural disasters—are likely to have a major impact on agricultural production and economic growth. We have added training climate resilience across our ag curriculum. Inputs like climate-resistant seed and drip/solar irrigation, diversification of crops, and managing natural resources—these are key lessons that farmers are applying to be better prepared for the next climate shock.



Bhahati Zimba, Opportunity's Senior Farmer Support Agent Coordinator, with crops purchased from the Tsang'oma village on the outskirts of Lilongwe, Malawi

¹ Updated September 2024

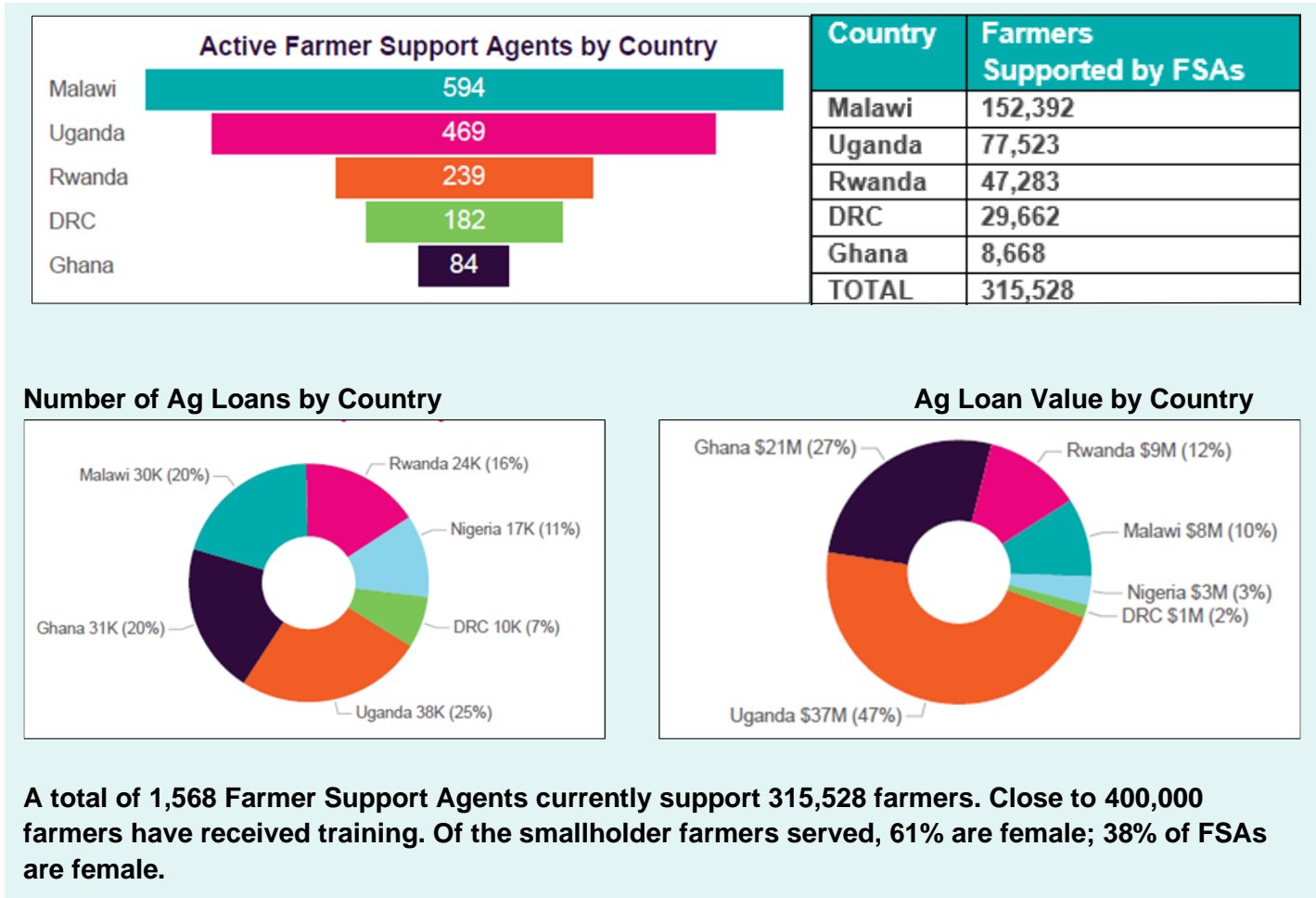
- ▶ **Digital Innovations:** Opportunity staff, field teams, farmers, and financial institutions continue to advance their work efficiently and effectively through digital resources like tablets and mobile phones. Farmer Support Agents can train their farmers and share learning resources; farmers can have financial access through digital accounts; farmers’ savings group can save and lend with greater accuracy. In all our work streams, we are inspired by the potential scale and impact that low-cost, open-source technology brings.

ENABLING IMPACT and OUTCOMES

Opportunity’s proven three-pronged model of supporting people in poverty with **training, access to financial services, and support** enables our teams in the field to tackle the rural finance gap by increasing the flow of capital into agriculture and providing support to achieve quality farming.

By strengthening quality farming and increasing access to finance for smallholder farmers, Opportunity’s Agriculture Finance work ultimately leads to **resilience**—the ability to manage risk and flourish—and **opportunity**—for farmers and their families to have the agency and confidence to capture their potential.

As of July 2024, we work in seven countries. We have Farmer Support Agent networks—a primary engine of our work—in five countries. Metrics below reflect work between October 2023-July 2024:



PROGRESS ON OUR WORK IN AGRICULTURE FINANCE

- ▶ Fiscal year-to-date (October 2023-June 2024) capital released to smallholder farmers and agribusiness has reached **\$98.3M**, exceeding our target of \$78M and showing an 87% growth compared to the same period last year.
- ▶ We have surpassed the FY24 target of 1,500 Farmer Support Agents (FSAs). Currently, **1,520 FSAs support 298,408 farmers, and 63% of farmers served are women.**
- ▶ Digital solutions:
 - In **Ghana**, 30 savings groups were trained on the *DreamSave* digital savings group app, increasing efficiency and accuracy compared to paper logs.
 - In the **DRC**, 32 Farmer Support Agents (FSAs) received smartphones and learned a data collection tool that improves support for client groups in Karawa. Each FSA supports an average of 150 local farmers.
 - Our **high-tech solutions are backed up by local FSAs** supporting their peers and neighbors in financial literacy and understanding bank products.
- ▶ In **Malawi**, we mobilized irrigation cooperatives to implement regenerative agriculture plans which will target improved soil health and crop diversity.
- ▶ In **Uganda**, we gave refresher trainings on savings group methodology and group dynamics. We led the formalization of savings groups by leveraging our Farmer Support Agents to champion savings group registration, making those savings groups eligible for access to formal financial services.
- ▶ We continue to engage **new financial institution partners** who share our mission of providing access to financial resources to smallholder farmers—resources strengthened by financial literacy training, a banking staff that understands and communicates with its agricultural clients, and group/peer support for encouragement and accountability.

INDUSTRY LEADERS

In addition to serving thousands of farmers and their families daily, Opportunity International's Agriculture Finance team shares our learning and insights across the agriculture and philanthropic industries. In partnership with our Digital Innovation Team, we are thrilled to share that a pilot using AI for smallholder farmers in Malawi was received enthusiastically; we plan to scale this solution in other countries and languages—an opportunity to impact smallholder farmers' ability to increase their yields and earn more income. For more information on that exciting digital solution, and other recent examples of being part of the international conversation:

- ▶ **In its first test in Malawi, an AI app helps farmers treat pigs and kill crop-destroying weevils** (Bloomberg): [The AI Revolution Comes for Farmers Growing a Third of Our Food](#)
- ▶ **Rodger Voorhies, Bill & Melinda Gates Foundation, highlights the AI app for smallholder farmers** (Devex): [How the Farmers Without Smartphones are Using AI](#)
- ▶ **Tim Strong, head of Opportunity Agriculture Finance, notes the critical importance of empowering women farmers across Africa and around the world** in [Let's Talk Agriculture podcast on Impact of Gender Financing](#)

- ▶ **Agriculture Finance senior leaders presented** at the 4th Annual Agrifinance Conference in Malawi by invitation of the Bankers Association of Malawi

MEET DORKA, A FARMER IN MALAWI

Dorka is 42 years old and lives in Mulanje with her husband and two children. She cultivates sweet potatoes, maize, and fruit trees for both her family's consumption and crop sales.

Cyclone Freddy washed out her crops. Devasted but committed to being more prepared for future weather shocks, Dorka learned sustainable farming methods to conserve soil and water—how to plant vetiver grass and more trees, how to incorporate intercropping.



Dorka, farmer in Malawi

Thanks to guidance from her Opportunity Farmer Support Agent, she joined a local savings group that meets weekly. She has learned financial literacy and has access to financial assistance; Dorka notes that *“lessons learned are applied straight to my business operations.”* Already she has purchased six goats and received a loan to invest in her farm. Down the line, she would like to upgrade her house with cement.

Dorka participates in a mentorship program for women: *“It is important that women like me have access to mentorship, as we face many challenges at home and need to learn how to handle them by running our own businesses where profits can be used to buy basic household necessities. I hope to eventually achieve my vision for the future: to run a big and stable business that provides for me and my family, while continuing my charitable work with the savings group [as a future mentor].”*

What Is Your Opportunity?

Thank you for walking alongside us as we work with smallholder farmers to increase their harvests and earn more income to create sustainable livelihoods for their families and communities.

Thank you for turning your hope for a brighter future into action to ensure it. **For every dollar invested in our agriculture work, \$10 is loaned out locally**, which means that donors' investments make a significant impact on farmers.

We are advancing the fight to eradicate poverty through investing in agriculture.