

REFLECTING ON 2023

"From Coffee to Chillies: Cultivating Resilience in Smallholder Agriculture – A Year of Growth and Sustainability"

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▶ Highlights–2023

As we bid farewell to 2023, we would like to reflect on how pivotal a year it has been in our mission to de-risk smallholders and SME agribusinesses. We are excited to share some of the highlights with you.

Expanding horizons across East Africa

We increased our operations in East Africa to 3 countries (Sudan, Tanzania, and Uganda). While projects in Sudan and Tanzania were about providing pastoralists with livestock index insurance, we developed a price intelligence and decision-support tool for Coffee co-operatives in Uganda.

Securing underwriting capacity

We onboarded Agriculture Insurance Company of India (AIC) in partnership with Zoom insurance brokers to offer a unique price insurance product. This was a significant milestone both from a regulatory as well as scaling perspective. Read more about our red chillies project on page 3.

Growing Client Base and Forging Local Alliances

In tandem with steadfast support from Rabobank Foundation and Syngenta Foundation, our initiatives have garnered new momentum through strategic partnerships with ADC in Uganda, Human Ventures in India, Acre Africa in Kenya, and Samunnati in India.



Interacting with a coffee cooperative in Uganda

Participating in noteworthy events

- Future of Finance – Organized by FMO, Amsterdam
- 7th General Assembly of Global Environment Facility, Vancouver, Canada
- Coffee Prices & Technology Summit (Online) – Organized by Digital Coffee Future

Additions to our growing team

Geentashika Garg
Linu Liz Ebi
Soumyadeep Nandi





Supporting Ugandan Coffee Farmers: Introducing a Price Support Tool



Brief

In Q3, we launched "Bean Book" — a cutting-edge web tool designed exclusively for Coffee Co-operatives and SMEs. It empowers users with local and international market Intelligence and decision support analytics, redefining how pricing decisions are made.

The project is supported by Rabo Foundation and implemented in partnership with ADC Uganda

Key features

Market Insights: Real-time price and weather data
Decision analytics with recommendations on ideal selling prices considering market conditions and operating margins

Risk positions: Tracking open positions to give the user an accurate view of price exposure

"Bean Book is incredibly user-friendly, putting all my info in one place so I can build and monitor my business from anywhere. From what to purchase to how to purchase, Bean Book takes care of all"

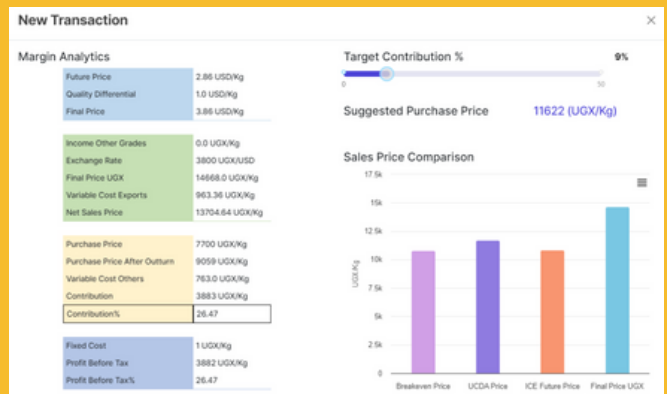
Barbara Mugeni, Kwezi Coffee



In a survey run by Agtually, **80%** of respondents admitted to lacking essential access to market information, a critical component in navigating the dynamic coffee industry.

Organizing training sessions

In October, ADC hosted a training session in Kampala, Uganda, where 50 representatives from diverse cooperatives and SMEs were trained in utilizing BeanBook. This session, combined with ongoing Price Risk Management training, received positive feedback from the Ugandan Coffee Development Authority.



Beanbook screenshot

▶ Price Insurance for Chilli farmers in India



Brief

In Maharashtra, Madhya Pradesh, and Orissa, 250 red chilli farmers are part of a program offering them price protection combined with input loans. This initiative benefits farmers by providing financial support and safeguarding against price fluctuations. Simultaneously, lenders benefit from increased reliability and reduced risk, fostering a mutually advantageous partnership

This Project is implemented by Human Ventures Pvt Ltd



Red Chilli, a crop of high value yet marked by considerable volatility, witnesses annual fluctuations exceeding 20%, often experiencing a drastic 50% decline in harvest prices. This year, delayed monsoons and erratic pre-sowing rainfall have led to significantly reduced production forecasts. To counter these challenges, our Price Protection Policy steps in, offering coverage to farmers should the harvest prices fall below Rs 150/kg.

In collaboration with our implementation partner, Human Ventures, who not only provides seeds but also input credit, we've introduced bundled climate and price insurance solutions. The response from farmers has been overwhelmingly positive, reflecting the tangible impact of our comprehensive approach. With an established touchpoint of over 7500 chili farmers, the upcoming program in July 2024 is poised to extend its reach to approximately 2000 farmers, contributing to the resilience and prosperity of the chili farming community.

"Zoom is excited to be a part of this partnership. Introduction of price insurance along with lending is an industry first. In the long run we expect price/revenue insurance to replace production risk insurance. For the government it may also emerge as a lean alternate to MSP"

Umesh Mongia-Head Agri Insurance at Zoom Brokers-one of India's leading agri-insurance brokers

Red Chilli- Teja variety

India is the world leader in producing, consuming and exporting Red Chilli, holding a global market share of 37%. In 2023, the **annual production of Red Chilli in India was 2 million tons or BUSD 4**, with 60% of it coming from the states of Andhra Pradesh and Telangana.

The pungent fruit is not only known for its culinary purpose but also as a main ingredient in making pepper spray. The huge demand for Oleoresin, a natural Chilli extract, is driving the export of the Teja variety to China. About 25% of the BUSD 1.3 Chilli exports from India are contributed by the Teja variety.

Behind the Scenes: Spotlight on Nayana Mahajan



1. How did you become interested in your line of work?

As a finance professional (MBA, CFA, FRM), I started my career with the Structured Commodity finance team of UNCTAD in Geneva. Post other stints in Agri-Development Finance, I worked at a commodity exchange, Bank's treasury risk (derivatives) and led financial control at a multinational. The coming together of commodities, risk, finance, and data science at Agtuall is a sweet fit to my professional experience.

2. What is an experience that is unique to your profession?

While we leverage software and technology to solve problems, we are equally connected with our ground partners who are laying 'real physical blocks' with farmer groups. They are almost like extended teams who bring us sharp insights on what is working or not working. Every project is but a lesson learnt on the way to an increased understanding of the market segment.

3. What energizes you about your work?

While working with UCTAD, FAO, IFAD, I did many projects which focused on finding innovation around challenges of smallholder's credit and price risk management. Coming full circle, I am now part of a dynamic team which is creating and implementing solutions that are finding much acceptance!

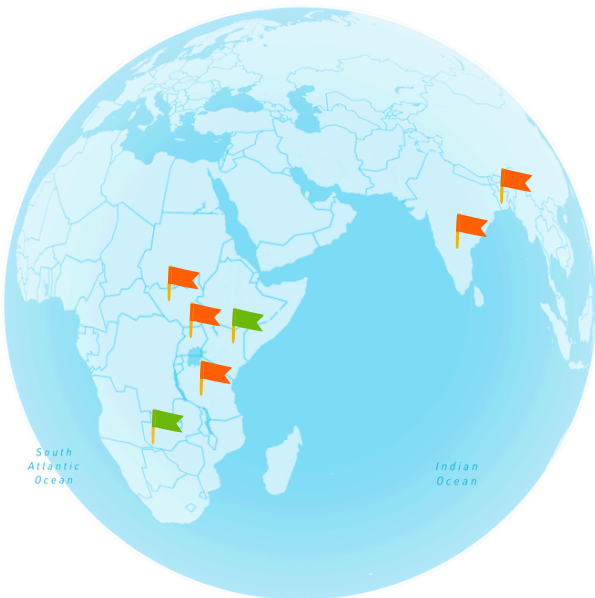
Working in a startup environment is wonderful! While demanding, there is much space to freely run experiments. I also appreciate that I get to manage a healthy balanced life

Looking forward-2024

We will be expanding our presence from 2 ▶ 6 value chains

(Incl. Coffee, Chilli, Soyabean, Cumin, Tea)

across 7 Countries



- Increase embedding insurance with crop loans. We aim to increase the number of Financial institutions (Banks and NBFIs) that provide price protection in combination with both input-loans as well as post-harvest (warehouse receipt financing) loans.
- Further scaling of the Livestock index product in countries in the Horn of Africa region. The product protects pastoralists against erratic rainfall and consequent shortfall in grazing area.
- Increasing the scope and adding new functionalities to the crop insurance underwriting platform. The platform would cover the majority of East Africa and in Asia, it would include India and Bangladesh.
- Forming strategic long-term partnerships with agribusinesses and financial institutions to deliver insurance products to smallholders.

Thank you !!

The entire Agtuall team extends our sincere gratitude for the invaluable partnerships we've shared. Looking forward, we are excited about the prospects of the upcoming year and the continued impact we can make together. Here's to another year of collaboration and positive change. Thank you for your unwavering support!