

Invested in your Growth

Institutional Development and Capacity Building



Our Journey

Upto FY16

- Incorporated in Jun' 14, based in Chennai
- Started operations as an off-balance Sheet business entity
- Raised USD 3 Mn from Elevar, Edelweiss & domestic individuals as Series "A"
- Received Non-Bank License in Feb 2016

FY16-17

- May '16: Commenced NBFC operations
- Sep '16: Set up Samunnati Agro, to provide non-financial and Market Linkages
- Dec '16: Insulated from Demonetisation, Disbursements rose 37% in next Quarter
- Jan '17: Series B funding, USD 4.5 Mn, from Elevar, Accel & Edelweiss
- Started engaging in the Farmer Producer Organisation (FPO) business

FY17-18

- Dec '17: Series C funding, USD 22 Mn from responsAbility, Elevar & Accel
- Mar '18: Pioneered the first ever securitization of FPOs receivables
- Mar '18: Outreach to over 250 FPOs
- Scaled up the Market Linkages and eco-system wide initiatives for the FPOs

FY18-19

- Raised NCDs worth USD 24 Mn from Incofin, Triodos, FMO, Symbiotics & Triple Jump
- Raised USD 5Mn portfolio guarantee from USAID for Agro-Forestry
- Mar'19: Outreach to over 500 FPOs
- Nov '18: Service contract with BMGF to establish FPOs as an Asset Class

FY19-20

- **May '19:** Series D funding of USD 55 Mn from **Elevar, Accel, responsAbility & TIAA.**
- **Oct '19:** Organised first inaugural version of FPO Summit & Awards
- **Focus on Climate Smart Agriculture & SDGs**
- **Focus on Institution building of FPOs**

Snapshot – As on Dec 2019

USD 500 Mn*

Total Disbursement till Dec 2019

USD 111 Mn*

GLP as of Dec 2019

USD 72 Mn

of Net worth

500+ Farmer Collectives

having **4 Mn** farmer base

500+

Years of banking experience in the Team

100%

Paperless & Cashless operations

Present in

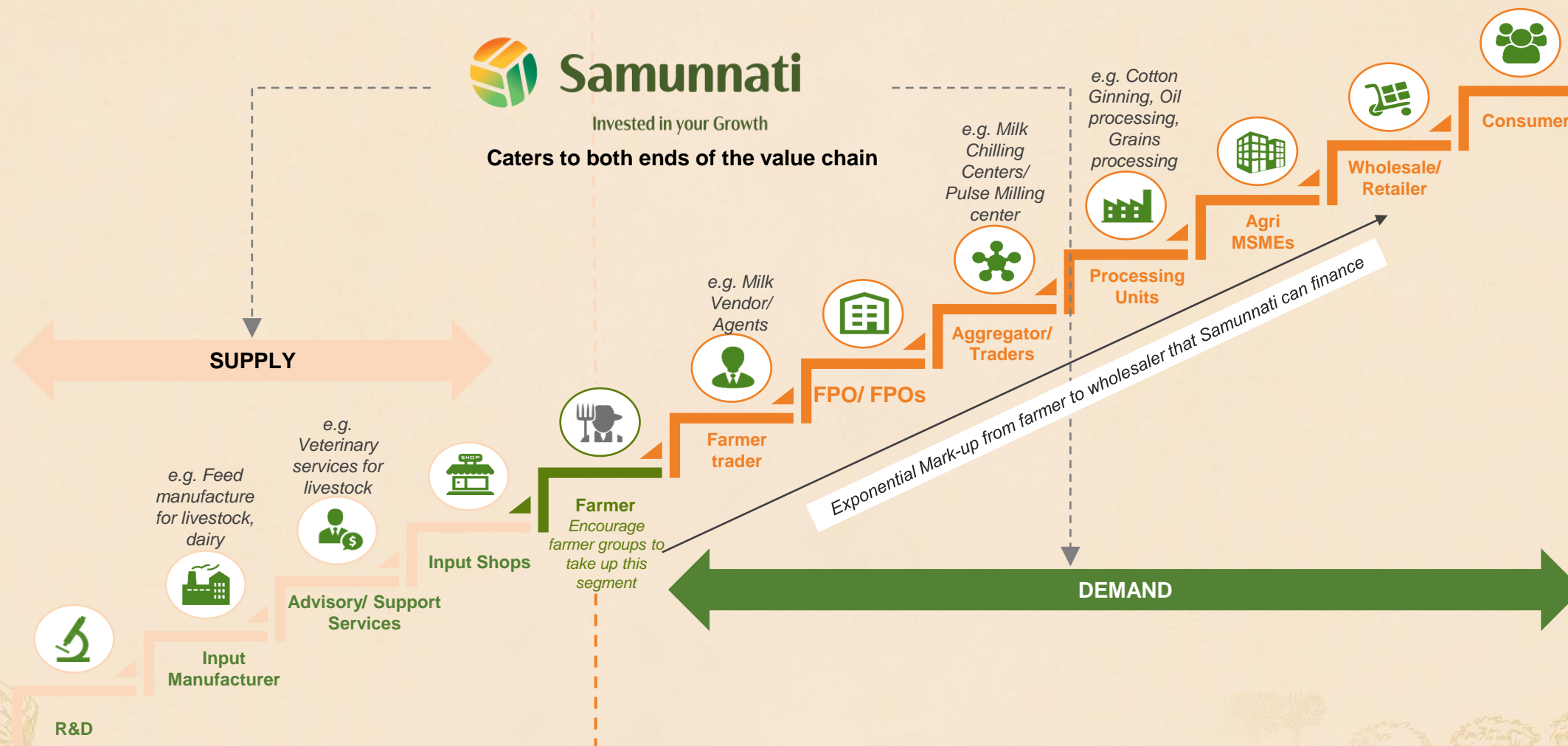
16 states

300+

Agri Enterprises on demand side

*Including Trading

Working Across the Value Chain – AMLA Framework

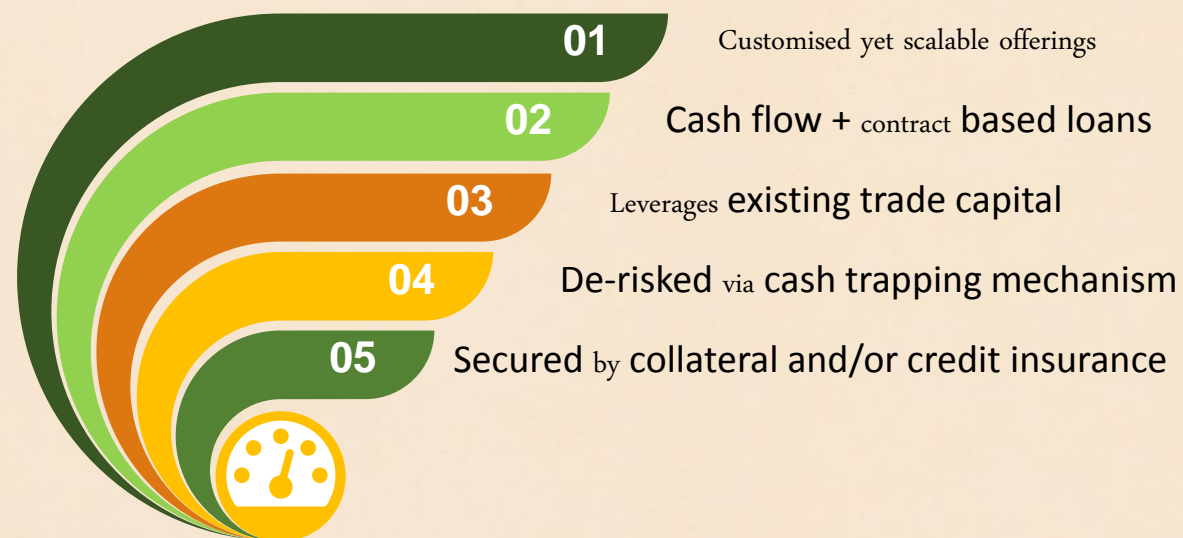


We work on the demand side to create a pull for the supply side

Traditional lending approach

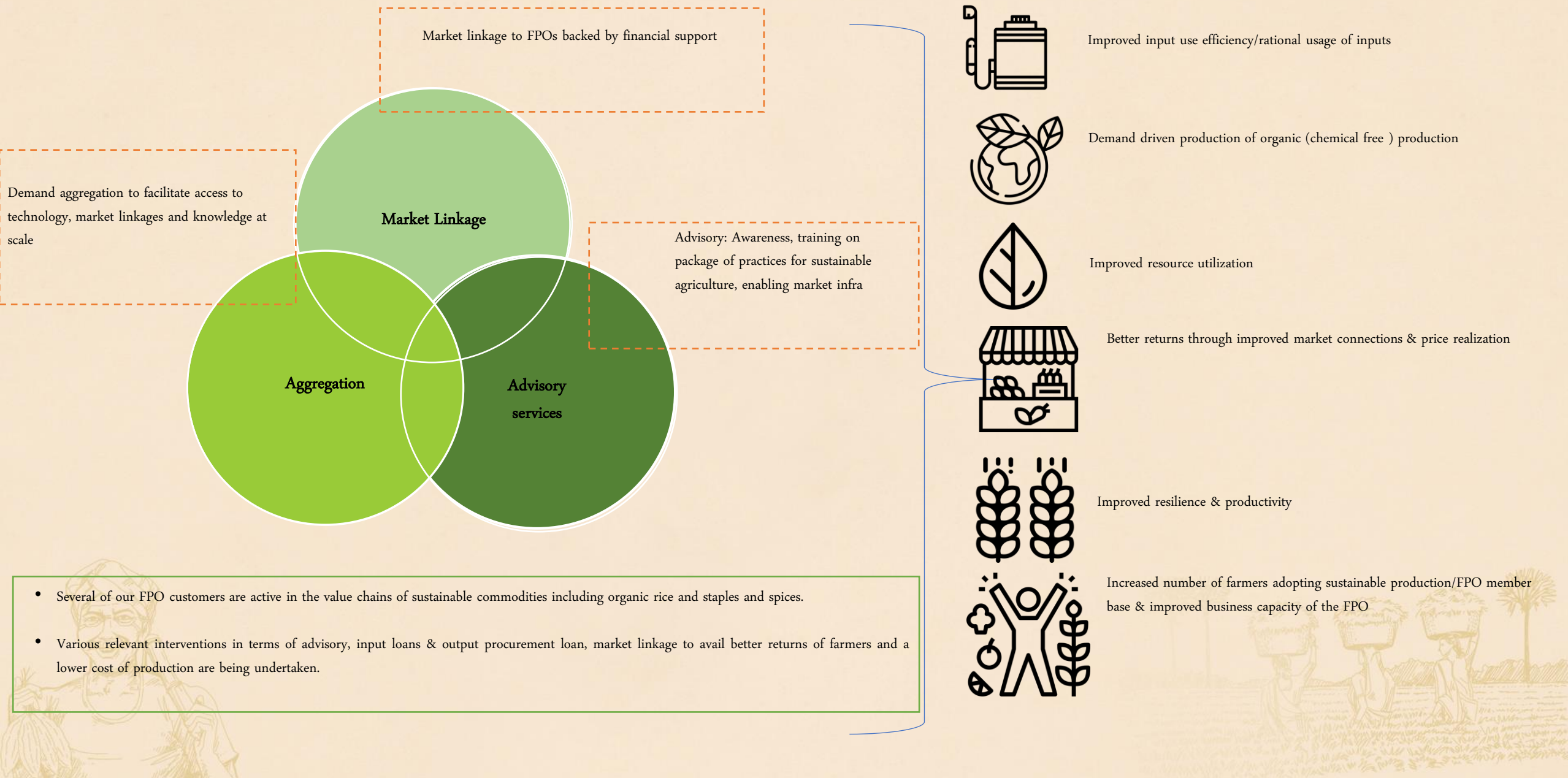
- ✓ Asset backed
- ✓ Traditional credit assessment & parameterised products
- ✓ Risk mitigation through careful client selection, insurance
- ✓ Large farmers – land as collateral

Samunnati's value chain approach

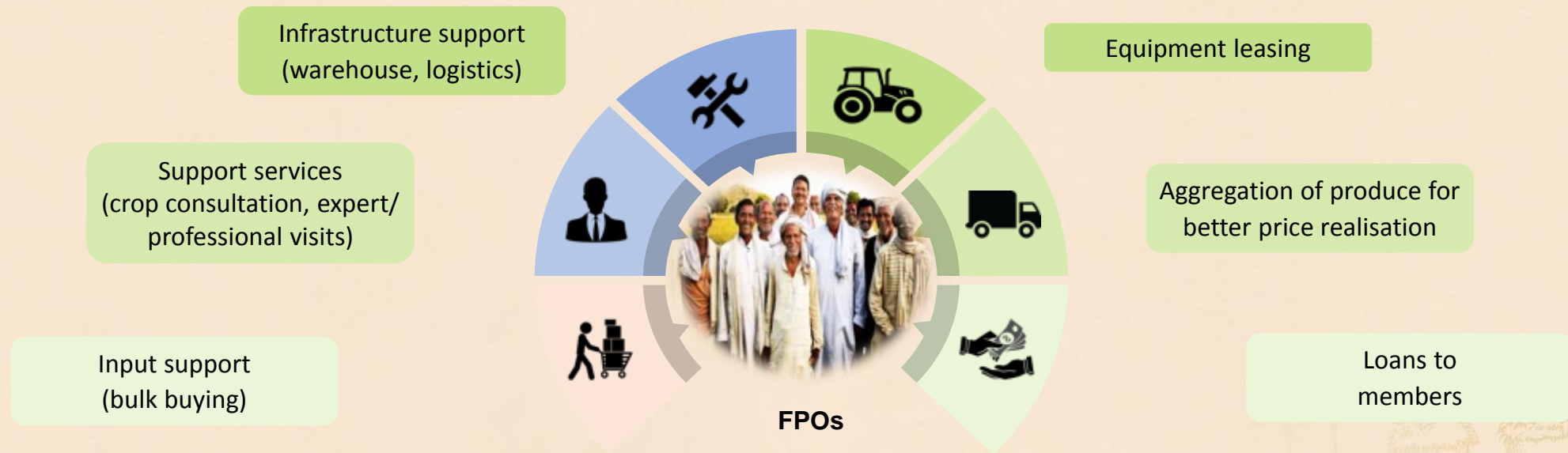
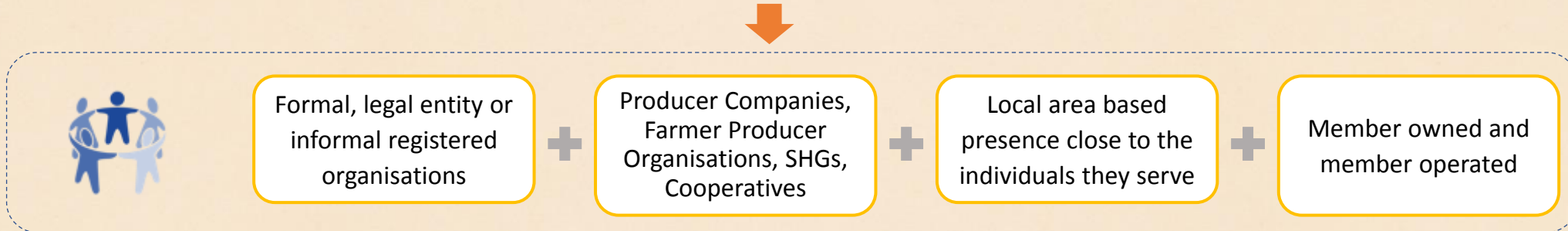
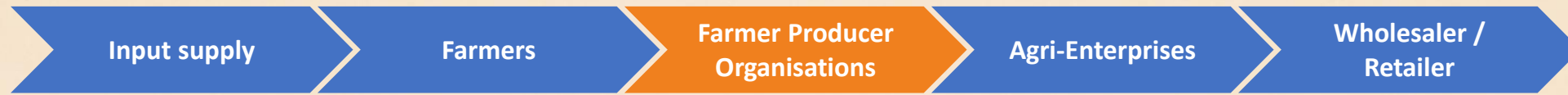


Samunnati is the only financial institution to use value chain based approach for agri lending

Samunnati's AMLA Intervention –value chain approach for promotion of sustainable agriculture

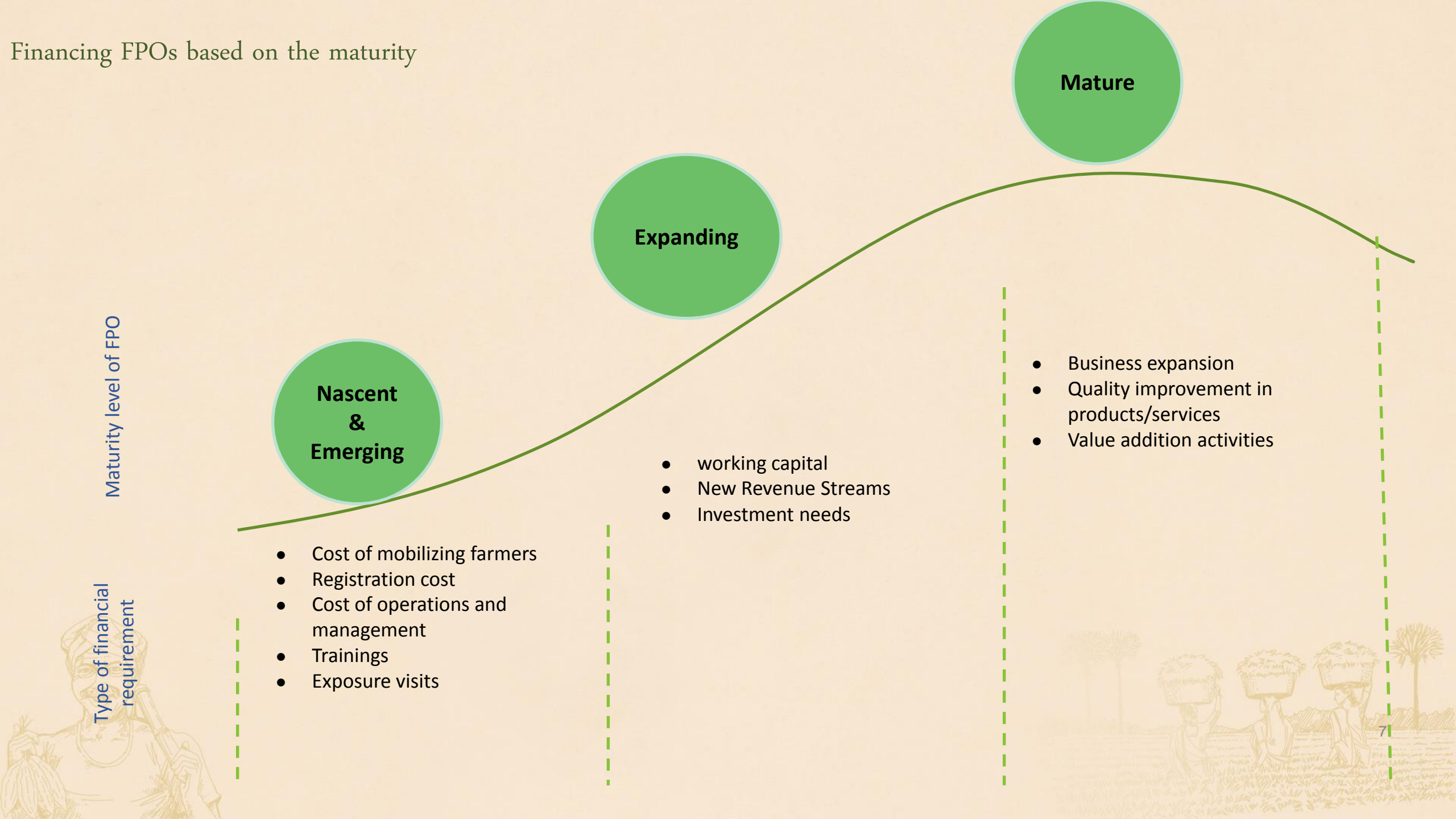


FARMER PRODUCER ORGANISATIONS (FPOs)



High level of FPO engagement with farmers provides multiple avenues for agri financing

Financing FPOs based on the maturity



Why Access to finance is difficult?



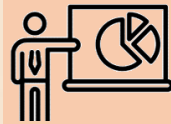
Ecosystem Support & Sustainability

- Lack of credit rating tool available for FPOs
- Less number of active FPOs
- Withdrawal of support by the RI/POPI before FPO is self-sustainable

Financial Capabilities



- Inadequate cash flow details
- Poor assets management
- Lack of credit History of FPOs
- FPO incurring continuous loss for the previous financial years



Marketing & Business Capabilities

- FPOs lack viable business plan and market linkage with good players(majority are local traders)
- Lack of market knowledge and information
- Lack of marketing and branding

Governance Capabilities



- Low active membership base
- Minimal participation of member farmers in decision making and FPO operations
- Poor documentation of business records and transactions
- No proper plan by the board on Financial requirements

Management Capabilities

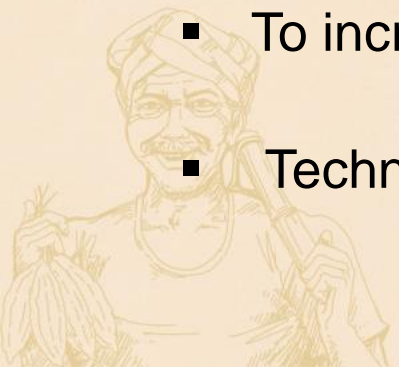


- Lack of Management capacity to run FPO business profitably
- Traditional management approach, resulting in poor resource utilization



Need for Capacity Building

- To bring clarity about the objective and the potential of FPO among BoDs, CEO and member farmers.
- Improve FPO Governance and Management
- Acquire necessary skills and capacities to perform their roles within the FPO.
- Help the FPO management identify/ articulate the priority areas, and take the members into confidence
- To help develop business plans integrated to commodity value chains
- To increase the active participation of members
- Technology solutions for improving efficiency of the FPO



Impact of capacity building program



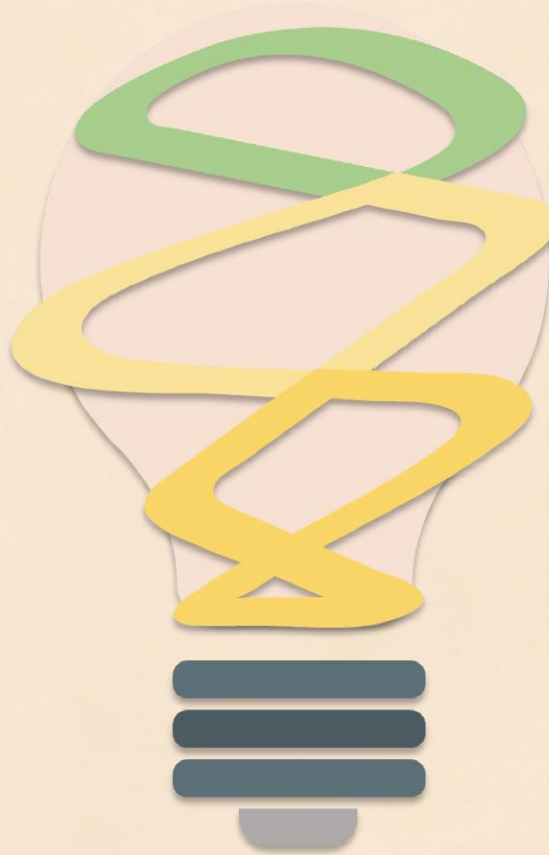
Strengthen the organisation performance



Improve the governance and leadership



Increase the active participation by witnessing positive change in member base



Adoption of scalable technology-based solutions for efficient management



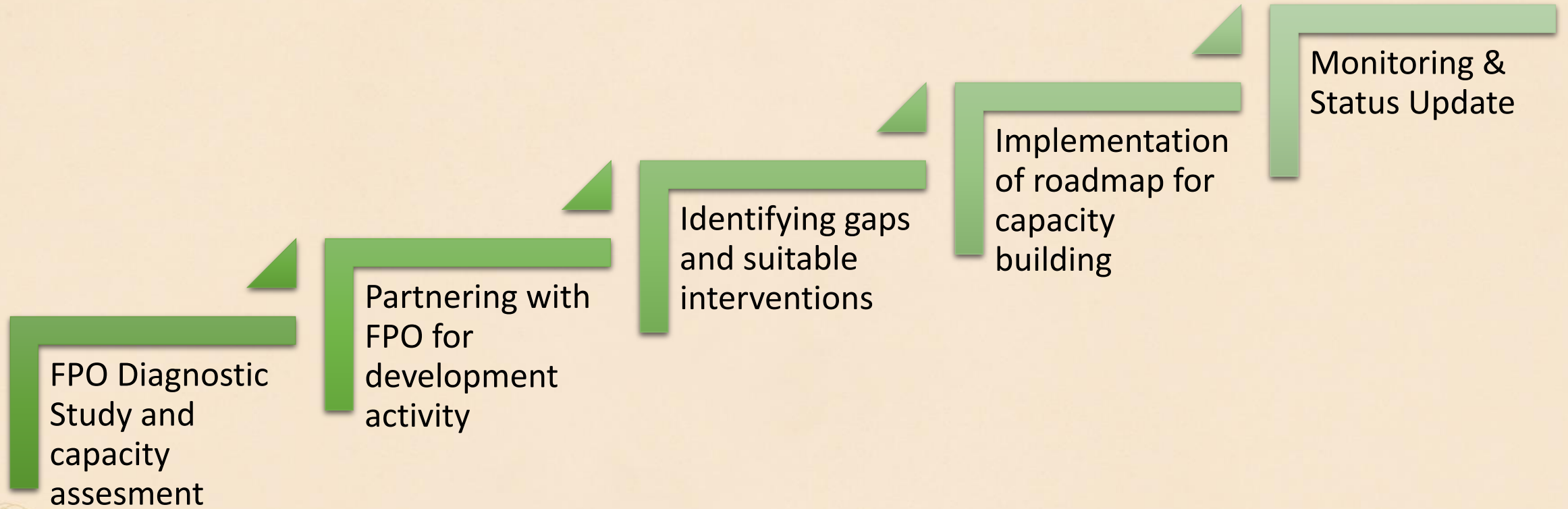
Turnover/increase in Profits



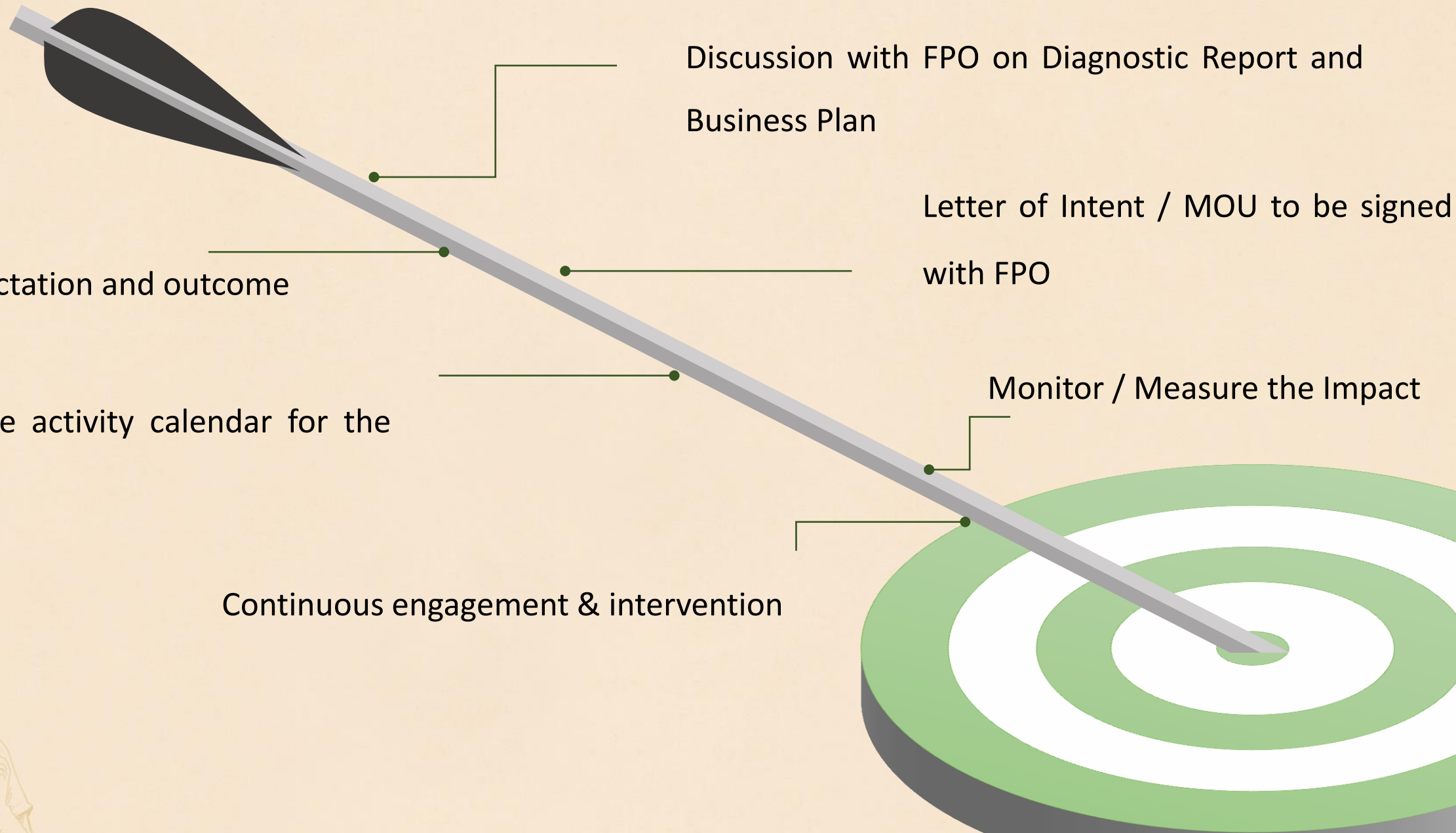
Business opportunities – Contract Farming, Market linkage, Custom Hiring Centers



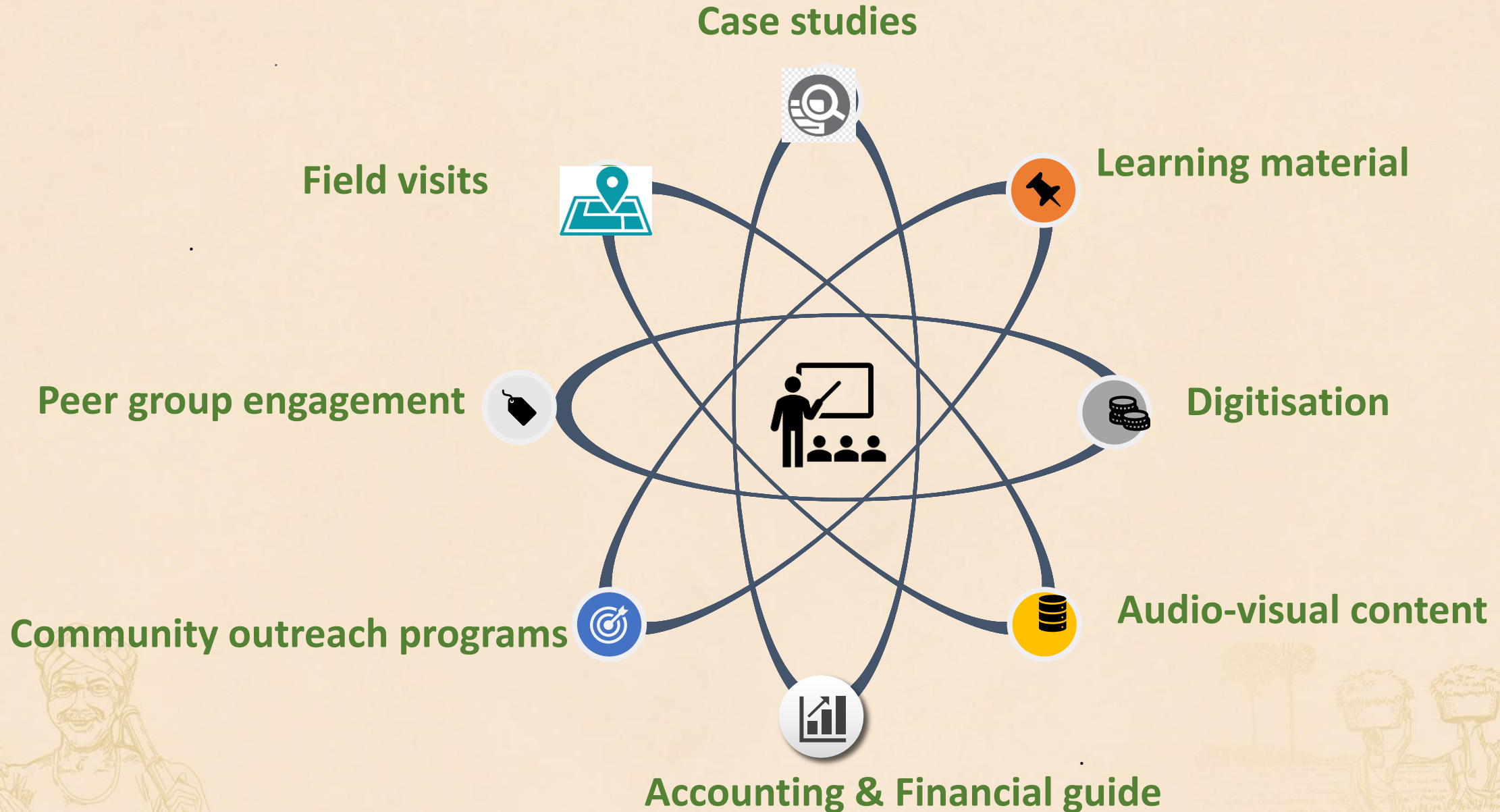
Implementation Roadmap



Implementation Process



Training tools and techniques



Holistic Approach for the Engagement Ensuring Institutional Building and Self Sustainability of FPOs



Developing Assessment Framework & Tools

- Developing a robust framework for assessing the maturity stage of the FPO (*from the perspective of a Model FPO*)
- Developing the Tools and Scoring Mechanism basis the Assessment Framework



Conducting FPO Diagnostics

- Interviews with key stakeholders (*CEO, BoD, FIG leaders, Shareholders, Farmers, Promoting Agency, Buyers, KVK etc.*)
- Focussed group discussion with Farmer Members and FIG leaders
- Document Review



Data Analysis and Developing FPO Diagnostic Report

- Triangulation of data basis the qualitative insights from the different stakeholders
- Mapping the quantitative data and Centralised Scoring for consistency
- Assessing the Maturity Stage of FPOs basis the Scoring



Interventions

- Developing an intervention plan focusing on
 - Access to finance
 - Access to markets
 - Access to technology
 - Capacity building & trainings
- Priority Area Mapping and Insights



Co Creating the FPO Roadmap

- Developing the Business Plan - i.e. the Strategy Document of the FPO
- Developing the Financial Model - Balance Sheet, Cash Flows and P&L



Digitization: Farmer Collectives



DATA SNAPSHOT

6 FPCs	8000+ ACREAGE	7500+ FARMERS	75+ Villages
3000+ LIVESTOCKS	12 CROPS	₹75L+ Assets	6 INPUT SHOPS
8+ LICENSES	500+ Products Listed	10+ companies INVENTORY	15 HUMAN RESOURCES

Samunnati is collaborating with various ecosystem players to digitize the farm and farmer data (static and dynamic data) to build a farmer/production data stack, which can improve the visibility of the farmers/FPOs in the market and eventually can expand the market for farmers' produce.

THANK YOU

