



myAGRO

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2017 ANNUAL REPORT



ABOUT MYAGRO

Smallholder farmers are feeding the world, but the vast majority live in poverty. At myAgro, we believe that farmers can finance themselves out of poverty.

myAgro has pioneered a mobile savings model that enables farmers to pay little by little using their mobile phone. Farmers purchase myAgro scratch cards from local shopkeepers and lay away small amounts of their own money for 6 months using their mobile phones. This is similar to buying top-up minutes for prepaid phones. Farmers use their savings to purchase high-quality seed, fertilizer, tools, and training that significantly increases their harvests and incomes.

OUR NORTH STAR

Our North Star is to work with one million smallholder farmers – supporting 10 million family members – in 2025 to increase their income by \$1.50 per farmer per day to move out of poverty.



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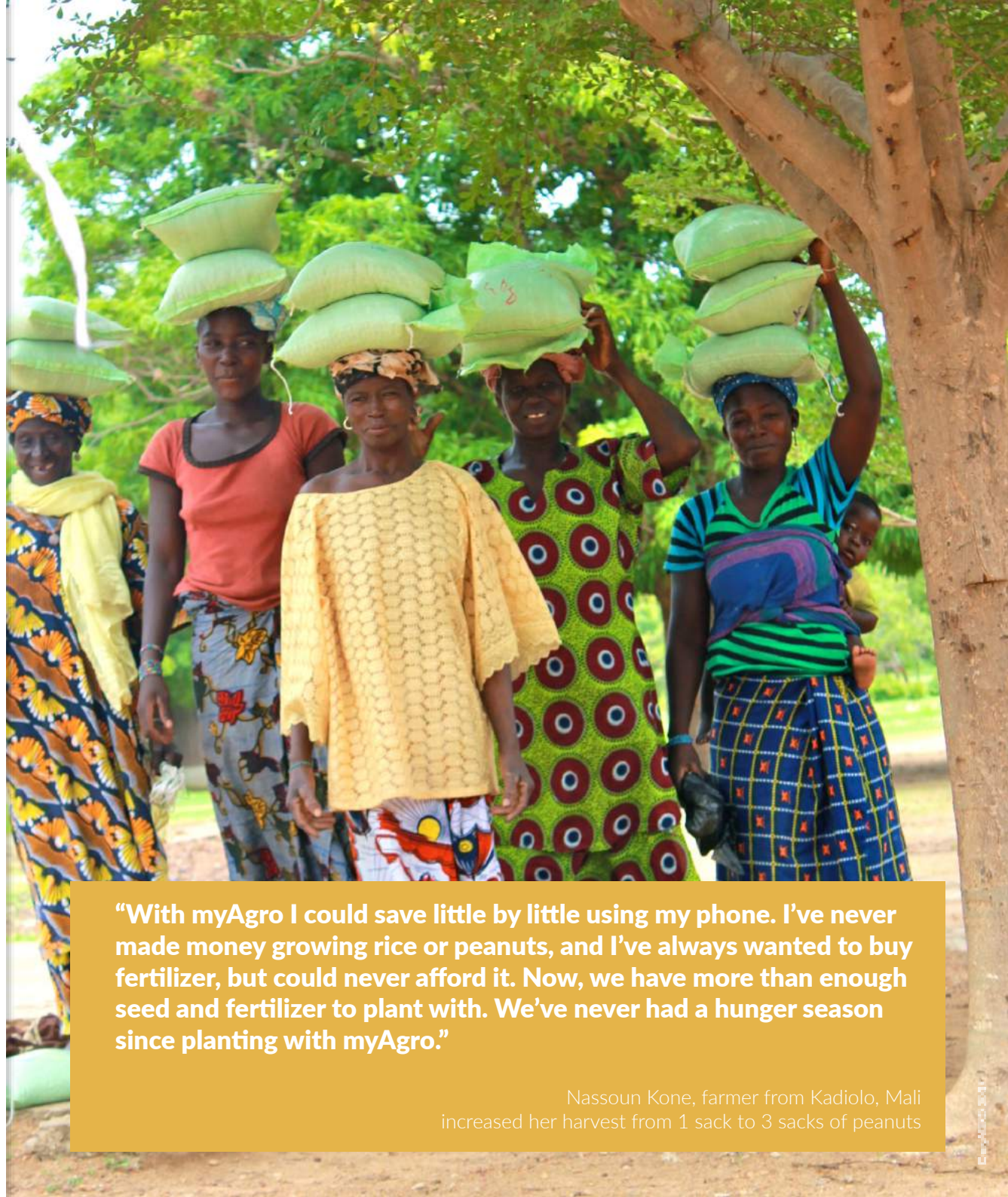
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Empowering farmers to save, little by little.

Nassoun Kone joined a savings group in order to save money to invest in her farm. Despite this, Nassoun struggled to have money to buy fertilizer. Sometimes she and her family would not have enough to eat and would have to borrow from relatives or unreliable credit schemes to make ends meet.

One day, Nassoun and seven other women in her savings group received a visit from a myAgro field agent. The agent explained that saving with myAgro is like buying top-up minutes for prepaid phones. He assured Nassoun and her friends that it was a safe and secure way to save for farm inputs. This approach to savings is similar to how people buy top-up minutes for prepaid phones and is a reliable and secure way to save for farm inputs.

After training and planting with myAgro, Nassoun's farm is now brimming with abundant harvests. Her first planting season with myAgro, she harvested three sacks of peanuts despite poor rainfall; a huge improvement from the one sack harvest (with good rainfall) she got prior to joining myAgro.



“With myAgro I could save little by little using my phone. I’ve never made money growing rice or peanuts, and I’ve always wanted to buy fertilizer, but could never afford it. Now, we have more than enough seed and fertilizer to plant with. We’ve never had a hunger season since planting with myAgro.”

Nassoun Kone, farmer from Kadiolo, Mali
increased her harvest from 1 sack to 3 sacks of peanuts



DEAR FRIENDS,

In 2017, myAgro worked with 34,000 farmers increasing their harvest yields by an average of 50-100%, and net farm income by an additional USD 145. We have come a long way since we launched myAgro in 2012 with 240 farmers. Throughout that journey, we sought to answer two key questions: are smallholder farmers too poor to save their way out of poverty? Can a simple mobile savings program be the answer?

We spent the first three years proving both that farmers can save their way out of poverty, and that our model can be financially sustainable over time. Now, myAgro is rapidly expanding to new geographies and serving more farmers in hard-to-reach areas, proving that mobile savings is a key component to financial inclusion.

First, 2017 was myAgro's year to invest in our network of village vendors and field agents. We expanded to more than 600 village vendors (local mom & pop shops that sell myAgro cards to farmers) and trained our more than 150 field agents on using smartphones to strengthen their sales, marketing and agricultural training skills to reach farmers more cost-effectively. Most importantly, 34,000 smallholder farmers saved an average of USD 145 in additional income toward myAgro packages.

2017 was also a year of increased impact for women smallholder farmers, who comprise 65% of our clients. Even though women grow 80% of the world's food, women are often on the sidelines and locked out of government subsidies and microloan programs. In 2017 we ensured that more women had access to our mobile layaway system to get them the financing they need to invest in their fields.

Lastly, 2017 was a year of building the case for mobile layaway as a critical piece to solving global poverty. We reached out and built partnerships with savings groups, research institutions, and other non-government organizations that play a key role in influencing the sector at large. Together with these partners we were able to use savings to empower the world's smallholder farmers to rise out of poverty.

Anushka Ratnayake
CEO and Founder

THE GLOBAL CHALLENGE



93% of smallholder farmers worldwide are locked out of the financing they need to invest in their farms.

Smallholders are feeding the world, yet the vast majority struggle to make ends meet and put food on the table. There are as many as 1.6 billion smallholder farmers worldwide living in poverty. Most of these farmers are women, who are excluded from traditional financing.

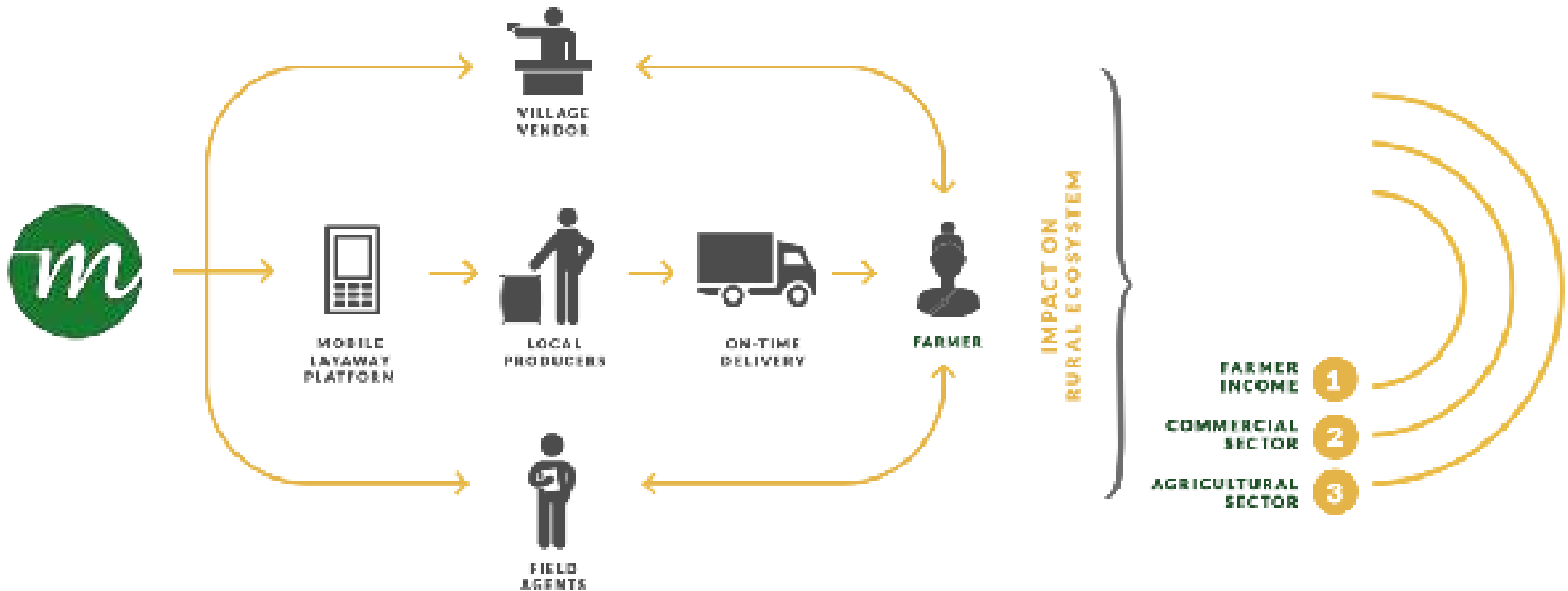
Annually these farmers need USD 450 billion in financing to grow the productivity and income of their farms, but only 3% of this need is met. Only 7% of farmers can even access the banks and microfinance institutions that do provide loans. At the core of the global challenge is that the financing system assumes that smallholder farmers are incapable of saving and planning. For many farmers there is no secure way to save or to turn savings into investments for their farms.



STRENGTHENING THE RURAL ECOSYSTEM

By increasing farmer income, myAgro creates a ripple effect that advances both the commercial and agricultural sectors.

- 1 Increased income for smallholder farmers**
myAgro provides farmers the resources and tools to save—rather than borrow—their way out of poverty. Farmers use their own savings to invest in their farms to increase productivity and income, translating to food security for their families and climate resilience.
- 2 Wealth and job creation across the rural value chain**
myAgro works with local shopkeepers and mobile vendors to serve smallholder farmers. These key players in the value chain gain a stable source of income. On average vendors are earning USD 80-160 in commission per planting season from selling myAgro scratch cards to farmers. In 2017, each of the 620 vendors earned at least USD 1,50 from every farmer.
- 3 Ripple effect on the agriculture sector**
Increased farm productivity and income enables smallholder farmers to invest more seeds, equipment, and other farming inputs. As farmers gain purchasing power, regional agribusinesses gain more potential customers, leading to the emergence of new viable markets. As farmers move themselves out of poverty, the entire ecosystem thrives.





“ Because of myAgro, I am more confident that I will reach my goals. The fertilizer, new seed planting techniques, and strong support from field agents really made a difference. My peanut bags might not even fit in my little barn anymore. Wouldn't that be great? ”

Couly Diouf

Farmer in Keur Lamane, Senegal

2017 AT A GLANCE

EMPOWERING FARMERS

34,000 farmers increased their yields by 50-100%, and farm income increased by an average of \$145*

INTEGRATING TECHNOLOGY

Field Team's data gathering process moved from paper-based to smartphone-enabled, ensuring processes are fully-digital.

WORKING TOWARDS ENDING EXTREME POVERTY

Bill Gates put myAgro's work on the spotlight.

ADAPTING TO CLIMATE CHANGE

Rolled out new climate-resilient sorghum packages for farmers.

COMMITMENT TO R&D

Tested new high-yield seed varieties, made farmer products & services more affordable, and rolled out a new planting machine to save on labor costs & time.

myAgro finished strong in 2017 and exceeded targets in several key areas. Our drive, dedication and focus in supporting farmers to move out of poverty is at the heart of myAgro's success to date and continues to steer towards myAgro's North Star by 2025.

34,000



FARMERS SERVED ACROSS MALI AND SENEGAL

37%



FIELD COST SUSTAINABILITY
(FIELD COST COVERED BY EARNED REVENUE)

50-100%



HARVEST YIELDS GENERATED BY myAGRO FARMERS

*yield increase and income increase are based on 3-year average.



2017 HIGHLIGHTS

1 Empowering farmers to lift themselves out of poverty

myAgro planted with over 34,000 farmers across Mali and Senegal. This achievement surpasses our original target of 30,000 farmers and is an 88% increase over the previous year. Collectively, 330,000 people in small-holder households are reaping the benefits of farmers' increased capacity to self-finance.

2 Using mobile technology to empower our vendor network

We made significant progress in improving program delivery and reducing cost per farmer served. Last year, we launched a pilot to equip 58 'mobile vendors' located in two Senegalese districts with smartphones that allow them to better conduct customer marketing, training, farmer enrollment, and financial planning. This mobile vendor pilot was instrumental in achieving a high rate of farmer success, resulting in 87% of farmers completing payment for packages (versus 74% for the overall program in Senegal). Enabling local vendors to take on increasing levels of responsibility in marketing to new customers, frees up valuable time for our field agents to serve more farmers.

3 Increasing the depth of our leadership team

In 2017, myAgro deepened its leadership team by building a robust finance team, hiring Shon Morris as VP of Global People Operations to ensure coordination across different geographies, Kay Chau as VP Product to lead myAgro's mobile technology development work, and Liezl Van Ripper as myAgro's first VP of Development to lead the fundraising effort.

4 Making great strides in Research and Development

Our commitment to R&D is rooted in our goal to constantly find innovative ways to improve the productivity of smallholders. This year, myAgro tested and refined new products and services to increase farmer income to USD 550 per planting season. We conducted trials of several strategies which included:

- Implementing incentives to encourage farmers to buy larger farm packages and plant more in their idle land (ongoing until 2018);
- Lowering the cost of the myAgro semoir, a precision planting device that decreases the amount of labor needed to plant; and
- Testing newer varieties of crop packages such as sorghum, maize, millet. A particular seed variety of maize called Kabamanj produced taller and healthier stalks and packed a high yield of 3.5 tons per hectare of maize.

5 Building farmers' climate resilience through improved seeds and precision farming

myAgro is constantly innovating in the field to improve farmers' resilience against climate change. This year, myAgro distributed improved sorghum packages to over 1,500 farmers, allowing them to grow crops that can resist extremely dry weather and can be cultivated beyond ideal planting periods. In addition, myAgro trained farmers to apply micro-dosing techniques across their fields. Micro-dosing is an environment-friendly method that improves soil health and maximizes harvest yields in under-cultivated land, where the effects of climate change are most felt for rural farmers.

GATESNOTES

The blog of **Bill Gates** on *myAgro*



Bill Gates featured myAgro on his blog, **The GatesNotes**, as one of five organizations making a significant impact against extreme poverty. Mr. Gates sent a media team in Senegal to record a short virtual reality film, showing a farmer saving money through myAgro's mobile layaway platform.

“It’s a safe, easy, and debt-free way for farmers to invest in their crops and lift themselves from poverty.”

SCALING THE MODEL THROUGH SAVINGS GROUPS



myAgro farmers generated a 4x return on investment compared to 0x for non-myAgro farmers in savings group-only models.

This year has been a milestone year working with NGOs and other institutions to leverage their savings group networks as distribution channels for myAgro's mobile savings program.

Globally, there are over 12 million rural savings group members, many of them smallholder farmers in Sub Saharan Africa. Savings groups were designed to reach rural households excluded from microfinance (80% of which serves urban and semi urban areas). These groups are successful in smoothing out cash flow, but not in increasing income (Innovation for Poverty Action, 2011).

myAgro introduced its mobile layaway approach to savings groups through partnerships with Oxfam, Stromme Foundation, and Catholic Relief Services. These organizations collectively manage over 4 million rural savings group members. We introduced savings group members to myAgro's program and 96%

of the farmers opted to participate. Farmers saw immediate gains when they were able to direct their savings toward their farms:

- 100% of myAgro farmers attended agricultural training programs and used fertilizer on their field, compared to 1% and 44% of control farmers respectively;
- myAgro farmers' investments resulted in a 115% increase in harvests and a nearly 100% increase in net farm income; and
- myAgro farmers generated a 4x return on investment compared to 0x for non-myAgro farmers in savings group-only models.

Moving forward, myAgro is preparing to partner with more organizations that oversee savings groups. We are currently engaged in early discussions with half of all the large NGOs that collectively manage millions of smallholders participating in savings groups.



Manual Planting

VS

Planting with myAgro Precision Planter

10 adults

90 seconds

1 day

-

2 adult + 1 livestock to plant

45 seconds to plant 25
meter

6 hours per hectare

\$787 increase in income
per planting season

Expanding access to planting tools that increase farmer productivity

Many farmers cite labor as a major obstacle to increasing their harvest yields. myAgro developed a mechanized precision planter or “semoir”, that addresses the shortage of labor and time needed to fully plant and cultivate farmland.

The precision planter helps farmers plant on-time and efficiently microdoses fertilizer. The precision planter not only enables farmers to cultivate 100% of their land during a short planting period, but it also encourages them to invest in bigger farm packages. This mechanized approach to planting not only helps farmers save valuable time and resources, but it also ensures productivity and stable income in the face of volatile climate conditions.

myAgro distributed 458 precision planters this year to farmers in Mali. Bringing a single myAgro semoir into a village drives more than USD 3,500 in community impact over its first five years of usage.





“

There is a big reduction in unemployment because myAgro pushes the youth to work for their communities, and pushes West Africa to harness the power of agriculture. I am very proud to work with myAgro.

”

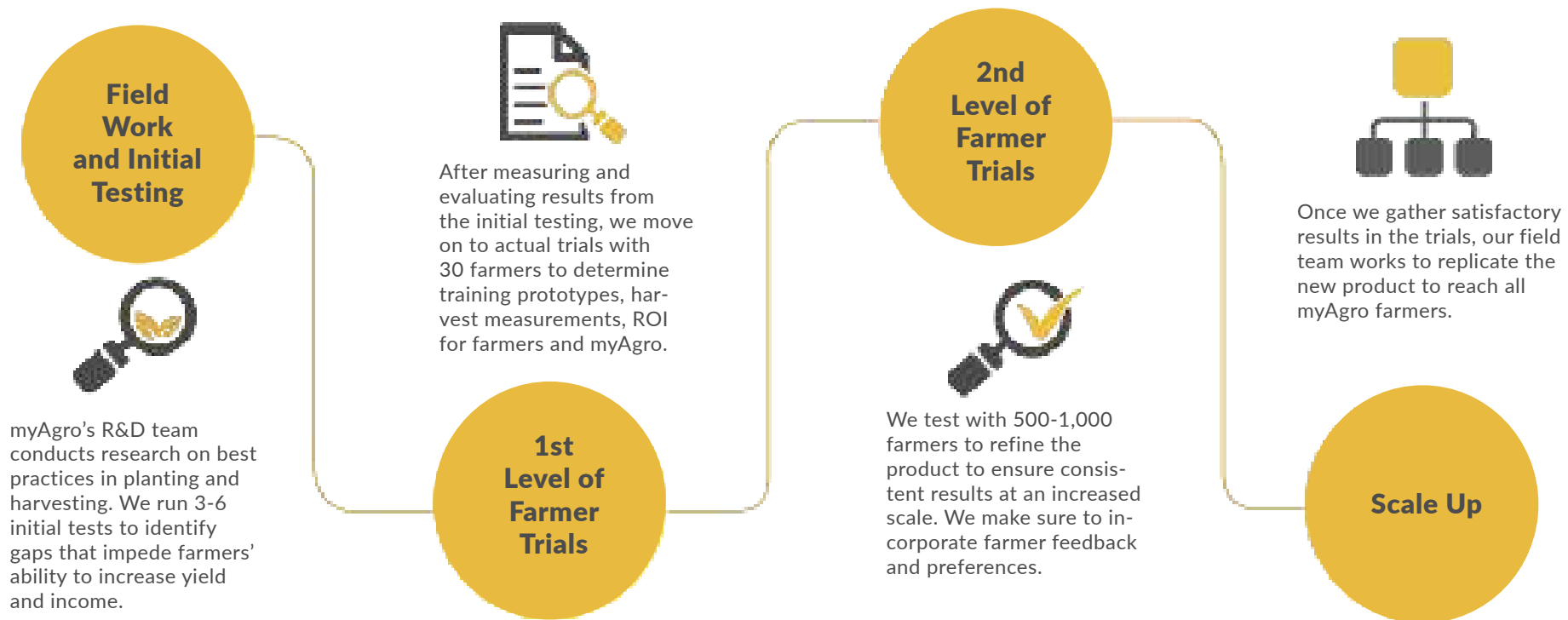
Fatoumata Diallo

Field Agent in Tambacounda, Senegal

myAGRO's RIGOROUS APPROACH TO R&D

We are constantly innovating in the field, testing new ways to improve our products and services.

Our Agricultural and M&E team is led by 2 agronomists, who supervise 2 M&E leads with 2 assistants that lead the local team of evaluation agents. One program associate is working on trials with the support of 6 agriculture assistants.



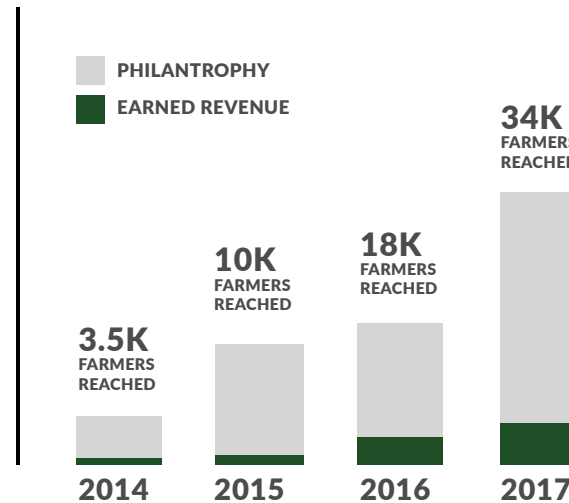
2017 FINANCIALS

myAgro's financial performance in 2017 put the organization in a strong position to continue efforts toward scaling. We exceeded our fundraising target and acquired our first working capital loan of USD 500,000, which enabled us to bulk purchase seed and fertilizer at a discount.

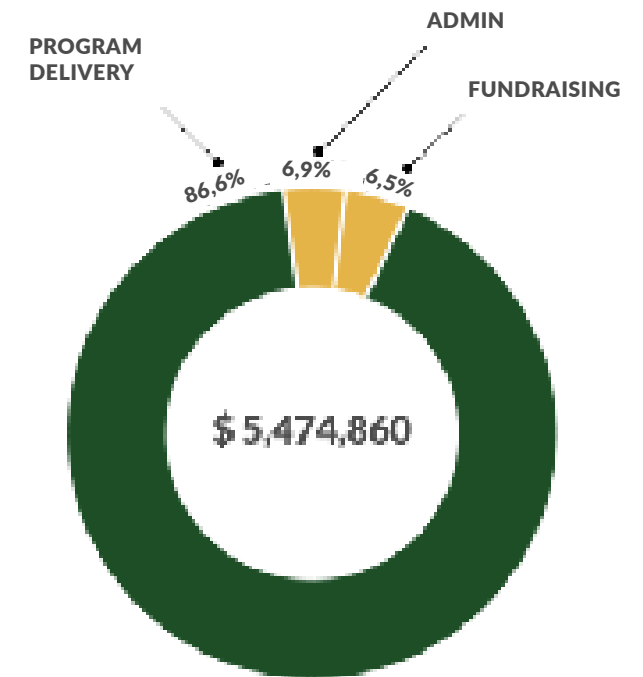
In 2017, myAgro reduced its costs by to reach its farmers by:

- Increasing the number of farmers serves by each field agent
- Transitioning field operations from paper to digitals and
- Working through savings groups

FINANCIAL GROWTH



EXPENSES





PLANS FOR 2018 AND BEYOND

myAgro is at a crucial moment in its growth. Tapping into youth potential, increasing the ROI for farmers, and partnering with savings groups will play important roles for 2018 and beyond.

Empowering rural youth

myAgro is one of the fastest growing employers of rural youth (18-35 years old) in West Africa, employing more than 200 youth to serve as Field Agents across Senegal and Mali in 2017. As we expand to new geographies, we will provide more employment opportunities for youth. In 2018, myAgro will officially launch its Rural Youth Training Academy in Mali as part of our commitment to preparing youth for leadership roles.

Collaborating with more savings groups

Our work with savings groups is a key piece in our scaling strategy. We firmly believe that myAgro is the missing link that will help savings group organizations translate farmer savings into field investments. With three years of impact data and results from our work with Oxfam, Stromme Foundation, and Catholic Relief Services, myAgro is ramping up efforts to combine its mobile layaway approach with existing savings group networks.

Expansion to a new country, Tanzania

Working with the Aga Khan Foundation, myAgro is piloting a fully digital mobile layaway model with an initial 1,000 farmers. This pilot will remove the need for physical scratch cards and ensure that saving and paying for farm packages becomes even easier through mobile money transactions in farmers' phones. The booming uptake in mobile money and the region's need for smallholder financing is fueling this expansion. If the pilot is successful, myAgro will invest in a longer-term goal of reaching 200,000 farmers in Tanzania.

As we close a successful year, we will strive to keep the focus on our North Star – empower one million smallholder farmers to increase their income by \$1.50 per day to move out of poverty by 2025. We believe that reaching this milestone it will be a tipping point that inspires widespread replication of mobile layaway savings.

myAGRO LEADERSHIP TEAM



ANUSHKA RATNAYAKE
CEO AND FOUNDER



JEAN BAPTISTE DEMBELE
REGIONAL FIELD MANAGER, MALI



MAQUI NDIAYE
REGIONAL FIELD MANAGER, SENEGAL



JACLENE ROSHAN
SENIOR DIRECTOR OF BUSINESS INTELLIGENCE



MICHELLE KIRBY
COUNTRY DIRECTOR SENEGAL



LIEZL VAN RIPER
VP DEVELOPMENT



SHON MORRIS
VP OF GLOBAL PEOPLE OPERATIONS



KAY CHAU
VP OF PRODUCT



JANE CHOI
CHIEF FINANCIAL OFFICER

THANK YOU FOR YOUR SUPPORT!

KEY PARTNERS



NOTEWORTHY AWARDS AND SUPPORTERS



myAgro has achieved the Gold Seal of Transparency Rating on GuideStar.





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For more information, please contact:

myAgro

344 Thomas L Berkley Way,

Suite 310 Oakland, CA 94612

Phone: 415 658 1234 | admin@myagro.org

This document along with further information on our organization is available on myAgro's website: <http://www.myagro.org>.

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