



Impact Assessment Report 2020

iFarmer aims to improve the livelihoods of the last-mile farmers across the country by providing access to finance, access to input & access to market.

iFarmer intends to understand the farmers' needs and wants better - in an effort to do which, iFarmer adopted a human-centred design approach while tailoring the services we provide. Currently, iFarmer onboards farmers using its proprietary application, "Sofol", via field agents and agriculture input dealers. The farmers can also avail advisory services, access to better quality inputs that increases their awareness about the outcome of inputs on farm productivity and lastly, facilitation for better access to and direct linkage with the market.

iFarmer not only offers these smallholder farmers with financial solutions that are tailored to cater to the needs of the farmers, but also provides value chain services that ensure a higher quality of production, more informed decision making, and a rise in income which subsequently improves the livelihoods of the farmers. We aim to become a sustainable agriculture finance and supply chain company, while improving the lives of our farmers, encouraging and facilitating them to continue growing food for us.

The ongoing pandemic hampered regular growth for iFarmer, like every other businesses in terms of farmer onboarding, training, farm financing and supply chain. However, we were able to weather the crisis by increasing our digital footprint and moving away from manual operations.

We're currently working with over 40,000 smallholder farmers, of which 40% are women farmers across the country, focusing on the Northern parts of Bangladesh.



iFarmer enables individual micro-investors to contribute in the agricultural development of the country, connects agri-machinery service providers to farmers, formal financial services from banks and other relevant institutions, gathers information and advisory from agriculture experts, collects fertilisers, pesticides, feed for livestock and other necessary inputs from partner input dealers; bundles them together in order to provide a one-stop solution for farmers through field agents.

iFarmer's impact alignment with Sustainable Development Goals (SDGs)

1 NO
POVERTY



iFarmer can contribute more to reducing poverty by empowering them with access to key resources.

8 DECENT WORK AND
ECONOMIC GROWTH



iFarmer aims to promote full and productive employment and decent work through access to finance. In addition, iFarmer aims to create a market for local specialized workforce and the youth that will assist farmers in increasing the value of their crops.

5 GENDER EQUALITY



iFarmer has a particular focus on women household members and farmers to improve their access to capital, knowledge and market.

15 LIFE
ON LAND

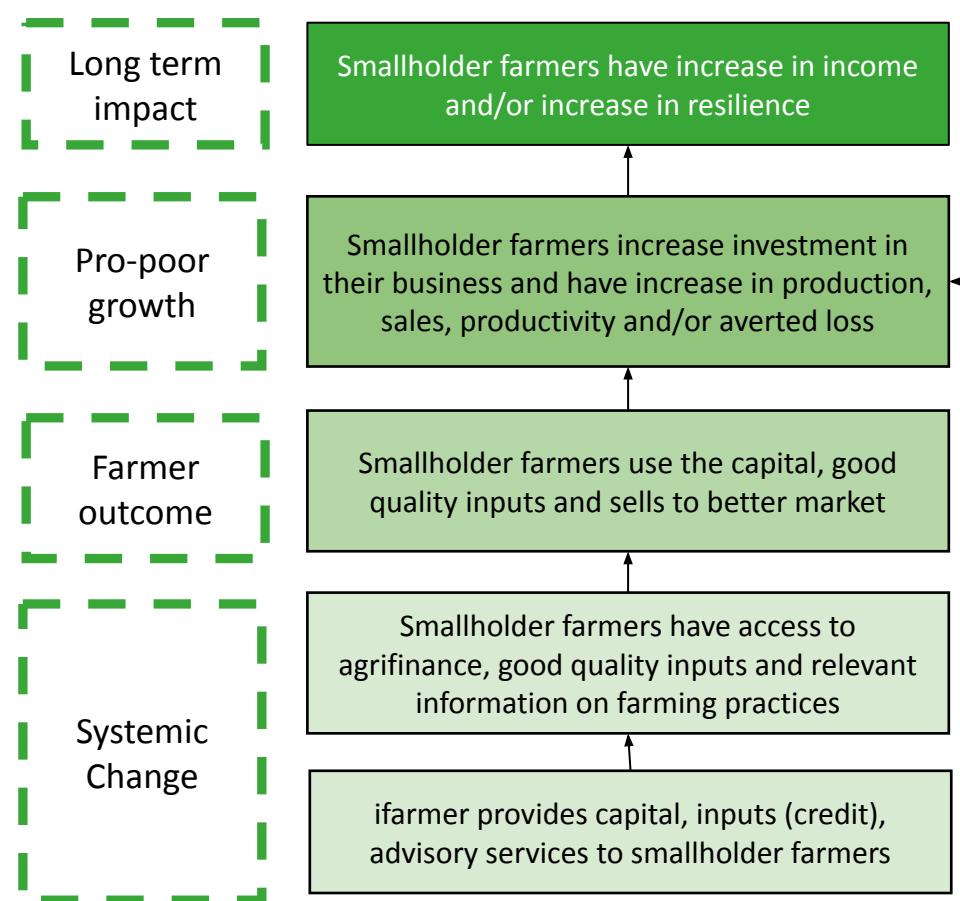


iFarmer aims to use data and technology to Improve the efficiency of farmland to help meet the demand for food and curtail the conversion of natural habitats and forests for additional cultivation.

17 PARTNERSHIPS
FOR THE GOALS



iFarmer's business model depends largely on its ability to work and develop strategic partnerships with all food and agriculture actors. Improving access to resources, technology and knowledge is an important way to foster productivity and growth in agriculture.



- Farmers have increased income or who can maintain existing income in response to shocks and stresses
- How rural men and women (including farmers) have improved well-being or reduced vulnerability? What is the evidence of change?

No of smallholder farmers who experience one or more of these:

- Increased sale revenue
- Better price
- Increased production capacity
- Increased productivity

- No of smallholder clients who receive products/services offered by iFarmer (categorized by size and bundle of products/services received)
- Total value of loan disbursed (cash/in-kind)

iFarmer offers to buy produce from farmers at market price

- Products and services offered by iFarmer for smallholder farmers
- No of smallholder farmers who apply for products and services offered by iFarmer

Bangladesh Bureau of Statistics (BBS) - Farmers who own **less than 2.48 acres** of land

Food and Agriculture Organisation (FAO) - Farmers who have **no more than 2 heads** of livestock

Smallholder farmers are very rural, difficult to reach, and produce small quantities which do not allow them to access the market directly and rely on multiple layers of middlemen to sell the produce thus losing up to 50% of their revenue (ADB, 2020). As a result, they lack the means to access and participate in markets (for finance, inputs & advisory, and selling their produce). They also rely on outdated methods of farming due to lack of market knowledge and access to resources. They have little cash in hand for which they cannot make high-return investments on farming.

Accessing finance from banks is particularly difficult for smallholder farmers for the comprehensive paperwork and unsuitable loan repayment structure. Banks, on the other end, are usually reluctant to provide loans to smallholder farmers due to lack of financial records and transparency.

96% of the registered farmers in iFarmer's database are smallholder farmers.

About 80% of the farmers in the Impact Assessment survey are smallholder farmers.

iFarmer has a strong impact mandate that is measured and evaluated thoroughly. Through the annual Impact Assessment Report, quarterly qualitative research and regular monitoring, iFarmer evaluates the outcome of its services and tracks the changes and progress of financial condition of its primary beneficiaries - the farmers.

The primary objectives of this Impact Assessment Report are:

1. Identify what worked and what did not work in the past year
2. Evaluate the progress in farmers' social and economic status
3. Derive lessons learned for future improvement and identify areas of improvement that also serves as guidance for us in terms of strategizing our business model keeping the farmers' needs and feedback in consideration for the next year
4. Capture granular data via qualitative studies, from the bottom of the pyramid which reflects on the outcome of our services on the farmers we work with

What do we intend to learn through our Impact Framework?

To fully understand iFarmer's impact in agriculture of Bangladesh, we set out to answer three primary questions:

1. What is the impact of iFarmer's services on smallholder farmers and women household members' lives?
2. How better access to finance, inputs and market generate wealth, reduce loan burden, increases farm productivity and create resilience for the smallholder farmers?
3. What opportunities and challenges exist for iFarmer to achieve its long-term mission of financial access, choice, and control for the smallholder farmers?

We aim to measure incremental changes in farmers' lives by tracking these data points in order to answer these questions in the longer term.

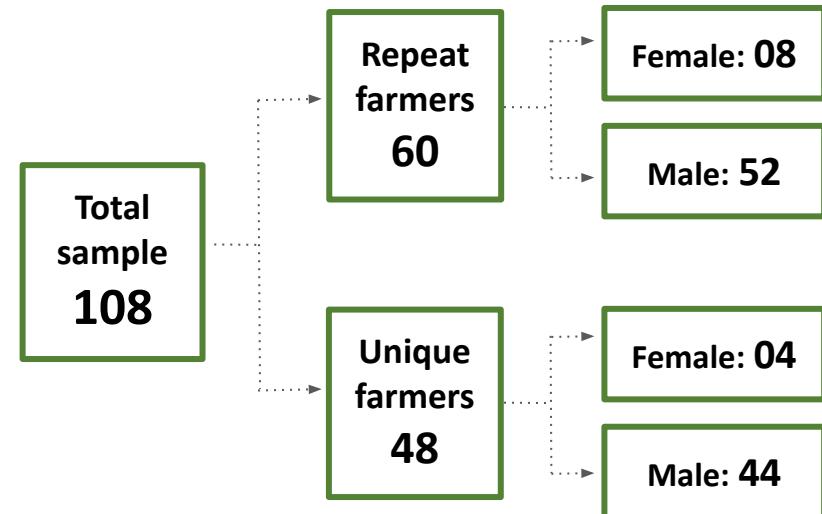


Methods of data collection

- Survey questionnaire
- In-depth interviews
- Key Informant Interviews (KII)
- Field reports
- Sofol app database
- Legal contracts between farmers and funders

The randomized sample size consisted of farmers who availed iFarmer services between August 2019 and February 2021, considering 90% confidence level and 10% margin of error.

Survey sample breakdown



- **Repeat farmers:** Who took iFarmer services more than once
- **Unique farmers:** Who took iFarmer services for the first time

SL	Method	Frequency	Respondents	Timeline
1	In-depth Interview	23	-Farmers who use iFarmer services -Ultra-poor smallholder farmers residing in remote areas.	31st October, 2021 to 25th November, 2021
2	Questionnaire based Survey	108	All farmers from the total sample	
3	Key Informant Interview	7	Facilitators, sub-facilitators, input dealers and relevant internal iFarmer teams.	

23%

of farmers got access to market through iFarmer



69%

farmers opened their first bank accounts after joining the iFarmer platform.



62%

farmers received input from iFarmer in 2020.



95%

farmers want to continue with iFarmer by taking more loans in the future.



28%

farmers have received training from us on new methods and the best practices of livestock rearing



Respondents' background and demography



Districts: Kurigram and Lalmonirhat

Outreach: Marginalised or smallholder farmers living in hard to reach/disaster prone areas like char areas around Kurigram.

All the respondents for this survey are from two of the northern most districts of Bangladesh, Lalmonirhat and Kurigram.

Among the 15 working districts, **73%** of the onboarded farmers in iFarmer's network reside in these two districts.

These two districts have high poverty index. For this Impact Report, we have tried to reach the char areas around Kurigram, where over 95% of the farmers are marginalized and belongs to the low income group. Kurigram has a poverty headcount ratio of 64% and Lalmonirhat has 35%. (Source- World Bank)

Age



Most of the survey respondents are between the age range of 30-50 years, 35 being the average age. Our oldest respondent is 66 years old and youngest is 21 years old. This indicates the age diversity in our sample size.

Education



7% of our respondents completed their higher education, **42%** respondents went to high school and **25%** could not continue their education after primary school; while **26%** of the respondents did not have any formal education.

Mobile Phone

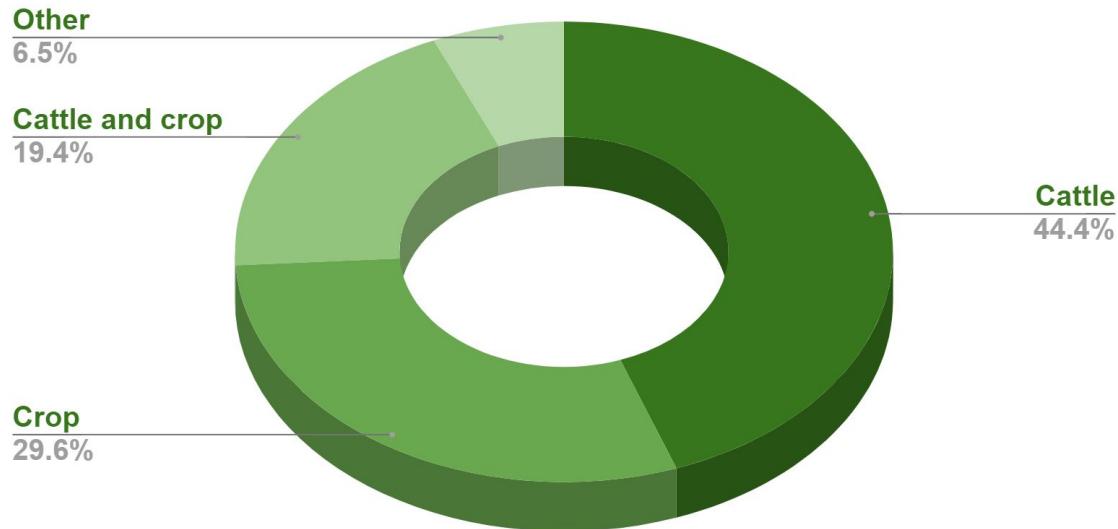


39% of our respondents have smartphones.

Source of Income

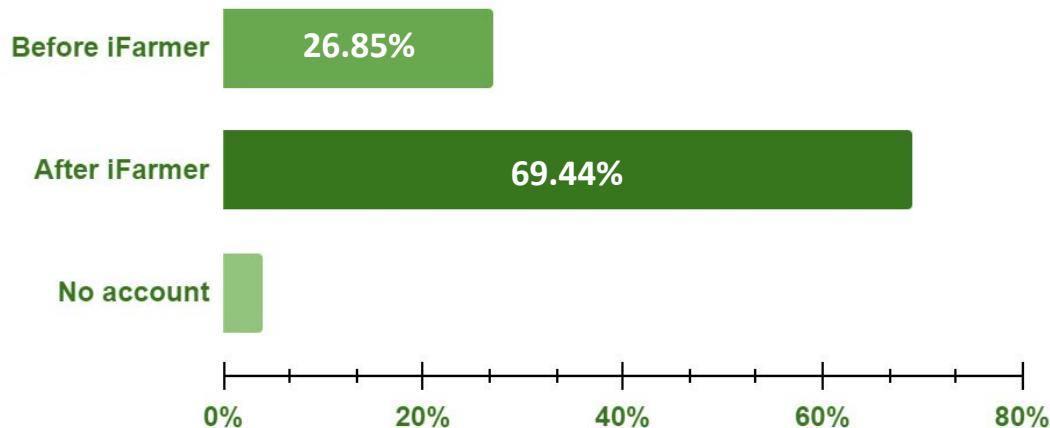


About **43%** of our respondents informed that agriculture is their only source of income. **57%** mentioned that agriculture is their primary source of income and claimed to have a secondary source to smoothen their household expenses which mainly includes - grocery shops, input shops, pharmacies, auto rickshaw, carpentry and construction work.



Among 108 of our survey respondents, about **44%** were involved in cattle rearing. About **30%** of the respondents were crop farmers who cultivated paddy, potato, corn, radish etc. About **19%** farmers were involved in both crop farming and cattle rearing. Around **7%** of our respondents were involved in other agricultural practices such as fisheries and poultry besides farming crops or rearing cattle.

Access to bank account



About **69%** of the farmers in our treatment group came under the formal financial channel after joining the iFarmer platform, by opening their first bank accounts. 27% farmers already had bank accounts before joining iFarmer.

iFarmer facilitates farmers to open their first bank account and encourages cashless transactions.

4% farmers, who still do not have any bank accounts, are senior citizens and have traditional mindsets which acts as a deterrent for them from adopting new practices.

According to existing literature on financial inclusion, it is the process of ensuring access to appropriate financial products and services at affordable cost for everyone, particularly the low income groups, regulated by mainstream institutional players (Chakraborty, 2013). Ahammed et. al. 2021 claims that financial inclusion removes different money transfer related psychological and socio-economic barriers and helps to utilize the potentialities of people by providing necessary funds. Financial inclusion is crucial for sustaining economic and social development; it also leads to greater financial stability and growth (AFDC and ADB, 2014). A bank account is the best way to initiate the process of financial inclusiveness for low income groups as it enables them to save money for family needs, builds a cushion for emergencies and lend money to for various needs (World Bank, 2018).

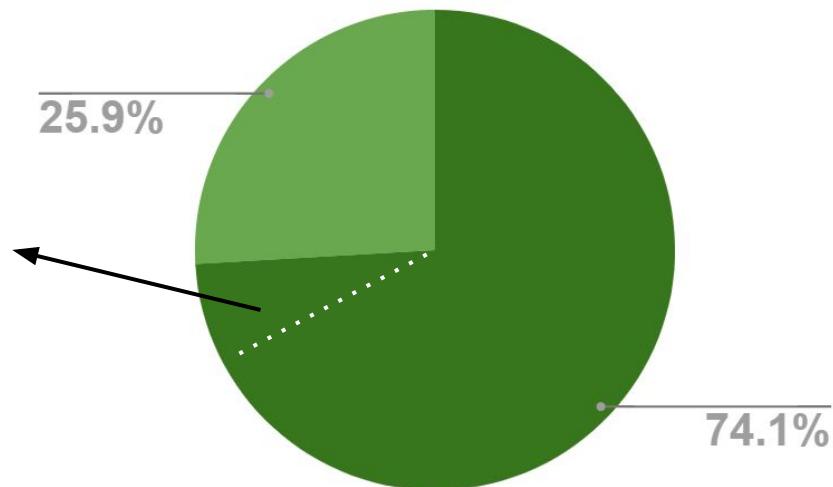
iFarmer provides financial services to farmers for agricultural purposes but by having a bank account farmers can gain access to personal loans offered by banks.

It is still too early for iFarmer to verify whether farmers are accessing more formal loans or other benefits due to opening bank accounts with iFarmer's assistance. iFarmer will do longitudinal study over the next few years to validate this.

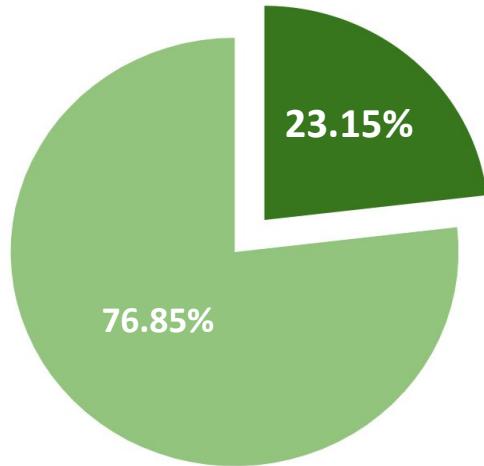
About 74% of our survey respondents previously took loans from other financial institutions like BRAC, Grameen Bank, Asha and other local Micro-Finance Institutions, within the last 5 years (2015-2019).

15% respondents, among the farmers took loans from other organisations previously, complained about having to take additional loans or borrow money from somewhere else to either repay the initial loan or to pay the installments of the loan. This put them under a constant cycle of loans.

About **35%** respondents of the in-depth interviews informed that **iFarmer has eased their loan burden to some extent** as iFarmer does not follow any installment policy for loan repayment. They mentioned that being able to repay the money based on their cropping cycle/rearing period is advantageous as it takes off the constant pressure of installment and additional burden of taking secondary loans.



The saturation of middlemen during the selling process makes it almost impossible for the farmers to get a transparent knowledge about the market price. This can further be corroborated by studies showing farmers losing up to 50% of their revenue while selling via multiple layers of middlemen at a throwaway price. (ADB, 2020)

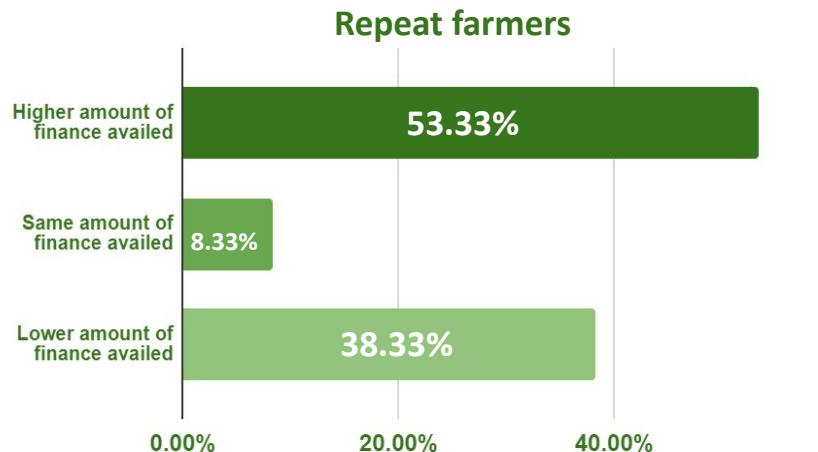


About **23%**, i.e. 25 out of 108 of our respondents, got direct access to market through iFarmer. 12 such farmers informed that iFarmer facilitators helped them to sell their cattle in the market ensuring they get the right price.

A respondent of the in-depth interview, Mr. Faruk Mondol from Kurigram specified that last year through iFarmer, he sold 3 cows at live weight to Bengal Meat and was satisfied with the price he got.

Facilitators are local community members who interact with farmers on a regular basis, making it easier for farmers to reach out to them whenever they need.

Expanding scope of investments



About **53%** of our Repeat farmers availed higher amount of finance the second time. According to the respondents of the in-depth interview who fall under this group, mentioned that this is primarily because of the profit they made the first time.

Reliability in iFarmer



About **95%** of the total respondents mentioned that they will continue taking services from iFarmer and want to take higher financing next time.

As part of the assessment, one of the findings was that women who are involved in homestead livestock/poultry rearing are not usually recognized as farmers in their family and the society. While they do all the work, they represent an invisible fragment of the farming household, with men taking the lead role. The women themselves perceive their role as a homemaker their primary activity while farming activities remain secondary. Since they believe that they are not making any financial contribution to the family income, they also refrain from taking an active part of the decision making process of the household. Although women exceed 45% of the agricultural labour force of the country, their contribution is mostly not recognised. (The Business Standard 2021)

47% of farmers availing iFarmer services through the Sofol app are women.

By availing iFarmer services, these women farmers are able to get more access to relevant resources for agriculture activities, which allows them to get an extra income and enables them to have a more significant role in the decision making and financial management of the household. iFarmer will continue conducting longitudinal qualitative study to further understand the improvement of women's agency within their household.

Why women choose iFarmer ?

4 out of 6 female respondents of the in-depth interview informed that they chose iFarmer mainly because of the installment-free loan policy and its flexible repayment duration.

Ms. Lavli Begum from Lalmonirhat mentioned that since iFarmer provides both cattle and feed, it is convenient for her to avail them at once; or else she would have had to rely on her husband to visit the market and get it for her.

Ms. Fatima from Kurigram specified that because of iFarmer, she is now being able to earn some extra money besides the overall household income.

Currently, iFarmer is employing female field facilitators in order to ease the discomfort of women farmers in voicing out their needs, struggles and suggestions.

Why do farmers choose iFarmer ?

1. 100% of the survey respondents informed that the no-installment loan policy is what they like the most among the iFarmer services.
2. 57% of the in-depth interview respondents mentioned that they prefer iFarmer because of the flexible loan repayment duration.
3. Among the Key Informant Interview (KII) respondents, the sub-facilitators informed that the farmers also prefer iFarmer because they can avail timely loans and inputs on credit together from one place.

An in-depth interviewee, Mr. Md. Riazul Islam - livestock rearer from Lalmonirhat mentioned that he previously took financial services from other NGOs but he likes iFarmer because he finds the process of loan application convenient and easy.



Image collected from Heifer International



Fatima used generic feeds purchased from the local market without considering the brand or quality.



Fatima previously took loans for farming from "Asha" but expressed discontent about their strict loan repayment duration.



Mosammod Fatima, Age: 25
Kurigram District
Homestead poultry farmer

Next plan ?

Fatima wants to save money for her son's future from the profit she will make from poultry.



For iFarmer, she is now aware of the benefits of using quality inputs and its outcomes. She now uses ACI feed for her poultry.



She joined iFarmer's platform in 2019 and took a loan for livestock. Now, she does not have to worry about weekly or monthly installments.



Sofikul used to take loans from a local MFI. But the weekly installment was inconvenient for which he had to take secondary loans from others in his family. This put him under unnecessary pressure from his family members.



Sofikul usually used local inputs but whenever he faced any issue with his cattle, he opted for higher quality input.



Md. Sofikul Islam, Age: 32
Lalmonirhat District
Livestock and crop farmer

Next plan ?



He now prefers iFarmer because of the suitable and user-friendly loan repayment system which got him out of the vicious loan cycle.



Through iFarmer he received higher quality inputs and gradually adopted using them regularly.

Sofikul wants to avail a higher amount of financing from iFarmer.



Mst. Sufia Begum (Livestock Farmer)

Age: 37

Residence: Ranggamati, Vanggarmor, Kurigram.

Mst. Sufia Begum joined iFarmer in 2020

“

“As a woman living without a husband in a remote village, people treated me like a damsel in distress who needed help. But I turned my story around, worked hard, and became capable enough to run a family alone and fulfill my own desires myself”

”



Abdur Rouf Khondokar (Poultry Farmer)

Age: 51

Residence: Biddabagis, Boro Bari, Lalmonirhat

Abdur Rouf Khondokar joined iFarmer in 2020

“

I used to grow some vegetables on my land and had a cow. Later with support from iFarmer I started rearing poultry on a small scale within the premises of my residence. Now, I have a farm, near the local market, consisting of about 800 chickens. My farm allows me to feed my family without any difficulty.”

”



Nabir Hossain (Machine Service Provider)

Age: 46

Residence: Babupara, Fulbari, Kurigram

Nabir Hossain joined iFarmer in 2020

“

I used to be a small day labourer and a smallholder farmer, living in a thatched house that barely accommodated my family. Today I own a power tiller that I rent out to smallholder farmers like I once was. I have also built a brick wall house with my hard-earned money and iFarmer's support”

”

- A broader sample size calculated through statistical sampling, instead of random sampling might have yielded more accurate results.
- Covering more working locations could have given us a clearer perspective.
- Equal representation of the genders needed to be ensured.
- During the study period, all iFarmer services were not being actively offered in the study locations, so the individual impact of each service could not be measured.
- A stronger literature review regarding the current socio-economic scenario of the survey locations along with the existing services of government agencies and some NGOs offered to farmers could have helped the study team to portray the effectiveness of iFarmer's services better through a thorough comparative analysis.
- Higher frequency of in-depth interviews could have helped to outline better insights of farmers' satisfaction/dissatisfaction regarding iFarmer's services.

- Among all the services which iFarmer provides, farmers seem to be satisfied the most with the installment-free financial service.
- The opportunity to avail financial service and inputs at once is attracting women farmers towards iFarmer as it allows them to not be dependent on the male family members for purchasing the inputs from local marketplace.
- Although 62% of the survey respondents availed quality inputs from iFarmer, this is mainly because they can get the inputs on credit as soon as they take the financial service. Other than that, the study team has observed that farmers are not quite aware about the benefits of quality inputs and tend to opt for easily available local inputs, without considering the drawbacks in outcome.
- The percentage of respondents who gained access to market through iFarmer is low because the farmers did not get direct offers of selling their produce to or through iFarmer. Facilitators could proactively offer door-to-door services for selling the produce to mitigate the losses farmers incur due to saturation of middlemen in the selling process.
- The impact on the farmers' rise in income and resilience that we aim to achieve in the long term, needs to be tracked as incremental changes or improvements in the farmers' financial condition, higher adoption rate of better practices of farming and better access to resources like inputs, advisory and training and the establishment of a direct linkage to the forward market, over the years.

Team Members for Impact Assessment Report 2020



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Our Impact Partners



* seedstars



Google for Startups

IMPACT
COLLECTIVE



Roots
of Impact



Our Impact partners are continuously supporting and helping us to review and update our impact framework, understand better the impact we are creating and can potentially create in the lives of smallholder farmers and be able to communicate the impact stories with various stakeholders.



iFarmer Technologies PTE Ltd.

www.ifarmer.asia