

PROMOTING INCLUSIVE BUSINESS IN AGRICULTURE AND FOOD SYSTEMS REGIONAL FORUM

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Forum report

Background and rationale

To meet the ambitions of the 2030 Agenda for Sustainable Development, the private sector will need to play a greater role in supporting development objectives. Inclusive businesses offer the opportunity to address development challenges and leave no one behind. Inclusive businesses are companies that: “provide goods, services, and livelihoods on a commercially viable basis, either at scale or scalable, to people living at the base of the economic pyramid making them part of the value chain of companies’ core business as suppliers, distributors, retailers, or customers.”¹

Inclusive business provide triple wins. They provide market opportunities to enterprises; they provide above market-rate income opportunities and access to affordable essential goods and services for low income and marginalised groups; and they help governments deliver affordable goods and services and lift people out of poverty at scale.

There are a number of valuable models of inclusive business - many in the agribusiness sector - across Asia and the Pacific, that are commercially viable and have social impact at scale. Inclusive business in agriculture shape core business processes in the agri-food sector to address the needs of low-income smallholder farmers and create value for these groups as well as the company. For agri-businesses to be inclusive and remain commercially viable, an innovative mindset and partnerships at the local and regional level, and along the value chain, are critical.

Governments can encourage more inclusive businesses to emerge and thrive through policies that generate greater awareness on these business models, recognise and reward them with targeted incentives, and facilitate services and investments that enable firms to develop inclusive business models.

Given the critical importance of inclusive business for supporting social impact at scale, a number of governments, have started to put in place strategies to promote inclusive business. Moreover, ASEAN member states adopted in 2017 the ASEAN Inclusive Business Framework and in 2020 adopted the Guidelines for Promoting Inclusive Businesses in ASEAN.

The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), in collaboration with the Bill & Melinda Gates Foundation, have launched the “Regional Inclusive Business Models in Agriculture and Food Systems” initiative to accelerate the adoption of and promote at the institutional level, innovative business models that support inclusive agricultural transformation by improving access to technologies, services, and platforms in India and South Asia. This forum will be organized by ESCAP and Invest India, with the support of the Bill & Melinda Gates Foundation.

¹ As defined by the Inclusive Business Framework of the G20 and referenced in the Guidelines for the Promotion of Inclusive Business in ASEAN.



Key insights from the Forum

- The experiences of inclusive business models in India, Thailand, Viet Nam and beyond offer multiple useful insights on the real potential of inclusive business and how to promote them.
- Inclusive business models are varied in design and structure and are present in all agricultural sub sectors. At its core, inclusive business is a business philosophy that has focused on small holder farmers as suppliers, and adding value to their produce, improving access to markets, traceability, implementing fair trade and good farming practices. This has led to significant increases in the farmers' incomes.
- How inclusive businesses are developed is dependent on the prevailing agricultural characteristics in each country. The existing markets conditions and issues faced by small holder farmers varies and as such, the way inclusive business models are designed will be driven by this.
- Many business models in agriculture are using technology to provide solutions to farmers facing challenges such as low per capita incomes, climate change and food insecurity, women's inclusion, lack of information, food wastage and access to markets. Saving time and money for farmers is key, and technology which is developed with farmers has a greater potential for uptake and to support them.
- Measuring results is key to inclusive business, as it will increase awareness of its impact and has the potential to crowd in impact driven financing. However, challenges exist, including divergent impact standards, using data to better manage risks, and going beyond purely income-based metrics.
- There is significant investor appetite to finance inclusive business initiatives in agriculture. The investment vehicles used are varied, and challenges remain. Access to finance is limited to specialized investment platforms and tools that take time to structure and launch. Financing should be structured from the ground up and an improved enabling environment is required.
- Governments in the region are seeking to transform their agricultural sector and have played a critical role in the development of inclusive business models. It is key to understand the inclusive business landscape and link this to existing government initiatives that aim to solve the problems facing small holder farmers.
- An accreditation system gives a framework with benchmarks and reflects best practices in inclusive business that allows governments to better target their support, establish trust and legitimacy and improve accountability. It is an important and proven incentive for inclusive business development and can be used in combination with monetary incentives. The development of incentives should be approached holistically and with the involvement of both public and private stakeholders.



Introduction to the forum

Speakers

- *Mr. Varun Sood, Vice President, Invest India*
- *Mr. Kaveh Zahedi, Deputy Executive Secretary, ESCAP*
- *Mr. Hari Menon, Country Director, Bill and Melinda Gates Foundation*

Mr. Varun Sood

- Governments and the private sector need to work together to promote inclusive businesses. They both can help deliver affordable services together.

Mr. Kaveh Zahedi

There is centrality of agriculture in the sustainable food production systems. The solutions offered by agriculture can help in achieving the Sustainable Development Goals (SDGs).

- Businesses are innovating to help vulnerable farmers, strengthen linkages and to reduce post harvest losses.
- ASEAN has shown great leadership in the area of Inclusive Businesses.
- The PM of Vietnam launched a program to promote inclusive business practices. Similarly, India too is on the path to promote inclusive businesses.
- India is a home to a number of agri-business models. The real challenge is to expand the reach and benefits of these practices.
- The partnership with the Gates Foundation is the step in the right direction and will help promote inclusive business practices in India. Invest India will be an important strategic partner in the process.

Mr. Hari Menon

- Driven by the philosophy that 'All lives have equal value', regional partnerships are important to solve problems in hand at scale.
- Income, productivity and nutritional security are the main areas that require scalable solutions. Inclusive Business models provide a novel approach to provide scalable solutions for small scale producers, suppliers, etc by integrating them in the supply chains.
- 3 principles are important here:
 - Agriculture is very country specific. There is a critical need to understand local context and come up with tailored solutions.
 - We should learn from other sectors. It is important to create a learning community through partnerships.
 - There is a centrality of the role of government in promoting these partnerships and developing solutions.



Session 1. High-level panel discussion on inclusive business in agriculture and food systems

High-level panel discussion during which government officials and experts share why it is critical to promote inclusive business (IB) in agriculture and food systems, focusing on why they seek to promote this type of business models and their experiences in doing so.

Moderator: Rupa Chanda, Director, Trade, Investment and Innovation Division, ESCAP

Panellists:

- Ms. Varsha Joshi, Additional Secretary, Department of Animal Husbandry and Dairying, Ministry of Fisheries, Animal Husbandry & Dairying, India
- Ms. Huong Thi Trinh, Deputy Director General, Agency for Enterprise Development, Ministry of Planning and Investment, Viet Nam
- Ms. Wimonkan Kosumas, Deputy Director-General, Office of SMEs Promotion, Thailand
- Mr. Gaurav Sishodia, Sr. Asst. Vice President, Invest India, India
- Ms. Srivalli Krishnan, Senior Program Officer, Bill & Melinda Gates Foundation
- Mr. Ashok Gulati, Infosys Chair Professor for Agriculture, Indian Council for Research on International Economic Relations

Q) What business models have worked for small farmers in poultry and dairy farming in India?

Ms. Varsha Joshi

- In India livestock and agriculture go together. India is the 3rd largest Poultry producer in the world. Vergese Kurian led the dairy revolution in India. He managed to work both with and alongside the government.
- It is important to have market linkages, veterinary help and training for farmers. 30% of the surplus milk is going to the cooperatives in India. From growing fodder to last mile delivery of milk, cooperatives are playing an important role, eg Amul.
- There is almost a 70% difference in incomes of farmers who are a part of the cooperatives and those who are not.
- Kurian gave rise to the producer company model. At least 75% of the income goes to farmers associated with cooperatives.
- Contract farming models in poultry are working well especially in Southern India. Digitisation at the lowest level is highest in India. We're now moving towards digitizing the poultry sector in India.
- However, there is a need to increase our exports.

Ms. Huong Thi Trinh

- Goal is to promote IB in Vietnam and to implement the SDGs through a holistic approach.
- Vietnam faces similar challenges as India. Intend to promote sustainable business models. Enterprise plays a very important role in promoting sustainable value chains.
- The PM of Vietnam has developed a program that aims to develop and promote private enterprises. The 2nd goal is to promote sustainable environments by promoting circular economies that help in safeguarding the environment.
- In Vietnam even the lowest level government officials have some knowledge about IB models. We're focusing on increasing awareness around these models through knowledge transfer and training.
- We're also encouraging adoption of green bonds through innovative finance in the country and focusing on bringing a digital transformation.



Ms. Wimonkan Kosumas

- Thailand is a bit behind compared to the ASEAN counterparts in promoting IB.
- Covid made us realize the vulnerability of farmers. Resilience of farmers and digital transformation of the agri sector are the main issues.
- However, the government alone cannot bring in a digital transformation. Private sector needs to play an important role.
- ASEAN Small and Medium Enterprises (SME) coordinating committee considers 2 important areas:
 - small businesses as social enterprises, and,
 - medium sized enterprises should adopt the IB models.
- Access to finance is important. Need to collectively work with all stakeholders. With support from the BMGF, we're conducting a landscape study. The first goal is to raise awareness about these business models.
- Thailand faces the challenge of scaling up small and medium enterprises. With digitisation, farmers can directly sell to various platforms and abroad. Goal is to connect farmers to larger organizations to realize better profits.
- Managing agri-waste and turning it to renewable energy is important to increase the resilience of farmers as well as the environment.

Mr. Ashok Gulati

- 3 important issues:
 - Policies
 - Innovation and new opportunities
 - Challenges to augment farmer incomes
- Most policies focus on increasing production. The first change needed is to switch from production oriented policies to sustainable food policies.
- At present the private sector is playing a role through informal channels, however, this needs to change.
- Access to finance is another challenge. Some Microfinance institutions provide finance at exorbitant interest rates.
- Proper storage facilities are needed to reduce food wastages.
- Livestock provides a great opportunity to double the incomes of farmers.
- There is a need to let the private sector play a greater role in order to increase productivity. According to a recent study, the private sector is procuring more milk compared to cooperatives in India.
- We need uniform policies. We should focus on promoting all sectors and not just the cooperatives.

Mr. Gaurav Sishodia

- The Indian food processing sector is one of the largest in the world. Stagnating farmer incomes, lack of infrastructure, highlight the importance of the private sector in the agriculture sector.
- Problems faced by small and marginal farmers are becoming apparent post covid.
- Private sector can help in bringing about a meaningful transformation in the agriculture sector. It will also help in achieving the goal of Atmanirbhar Bharat
- It is important to develop partnerships and exchange good learning practices.

Ms. Srivalli Krishnan

- Majority of the agriculture sector in India is dominated by small and marginal farmers. Our focus has been on increasing productivity and production, but we need to look at how this can reach the last mile consumer.
- There is a need for value proposition and value addition at the farm level.
- Technologies like solar can be applied at the farm level. It will provide an additional source of income for farmers.



- Cost of transportation can come down by capturing value at the primary level. Important to partner with the private sector, both major and medium enterprises.
- Small farm level changes can have global impacts due to globalization.
- Quality plays an important role. High quality products can enter global supply chains and developed markets. Our focus is largely on technologies but quality needs to be enhanced too.

Q) What type of partnerships are important for building IB models in agriculture?

Ms. Varsha Joshi

- Animal Husbandry Infrastructure Development Fund is inviting bankable projects from the private sector to provide financing support for businesses (and IBs) in the livestock sector. Partnerships with farmers need to have a capacity building component.

Ms. Huong Thi Trinh

- Ecosystem plays an important role. Ecosystem enablement partnerships are needed.

Ms. Wimonkan Kosumas

- 4 factors are important:
 - Partnership with impact investors, both domestic and international. Important to maximize profits for all
 - Procurement. Encouraging procurement from small and medium enterprises
 - Startup entrepreneurs
 - Mentorship

Mr. Ashok Gulati

- Need to shift from supply demand to demand driven food systems. The Government should act as a facilitator. Business models will succeed only if they are demand driven. We need to go beyond livestock. We should move to fruits and vegetables to raise farmer incomes. This can be supported by the government through viability gap funding.



Session 2a: How can governments promote inclusive business in agriculture?

Several governments have put in place policies, strategies and programmes to promote IB. For example, ASEAN economic ministers have endorsed the Guidelines for Promoting Inclusive Business in ASEAN. In this session, government officials will share the strategies that they have or are implementing to promote IB and explore what may be needed to promote IB in agriculture and food systems.

Moderator: Marta Pérez Cusó, Economic Affairs Officer, ESCAP

Panellists:

- Mr. Pawan Choudhary, Advisor to Chief Minister of Haryana for Foreign Cooperation Department, Haryana State Government, India (Online)
- Ms. Sushma Dharamsoth Golconda, Director, Business Development, Telangana State Food Processing Society, India (Online)
- Mr. Markus Dietrich, Policy Director, Inclusive Business Action Network (iBAN), Germany (Online)
- Ms. Melanie Moleño, Inclusive Business Policy Expert, The Philippines
- Mr. Dhruv Kumar Sharma, Sector Lead of Food Processing, Invest India

Mr. Pawan Choudhary

- 70% families are involved in agriculture in Haryana. It is the largest manufacturer of Basmati rice. It is also the 2nd largest contributor of foodgrains in India.
- We have formulated Farmer Producer Groups (FPOs). At present 645 FPOs are working in the state. Also, developing agri-business incubation centers in the state. We are giving direct benefits to farmers through DBT. We are creating centers of excellence within the state that provide appropriate training to the farmers.
- Additionally, we are developing an integrated bee-keeping center in Kurukshetra.
- Our focus is on creating a last mile delivery and on crop diversification.
- Krishi Vigyan kendras are set up to promote agricultural studies.
- We are trying to strengthen supply chains and make our products at par with the global products.

Ms. Sushma Dharamsoth Golconda

- 60% of the Telangana state budget is focused on agriculture and on creating agri-infrastructure.
- There is a surplus of paddy in the state. The state is promoting IB through sustainable models like a strong Self Help Group (SHG) network that focuses on marginalized communities and women. It is the backbone of the state.
- All the land records have been digitized. Strong market linkages are being developed, eg, the chillies network in the state is very strong.
- Easy access to finance is another area the state is working in.

Ms. Melanie Moleño

- Asian Development Bank (ADB) started looking at IBs way back in 2011. It also launched a technical assistance program and the Philippines participated in it.
- The Philippines had a strong economic performance. We saw IB as an opportunity to reduce poverty in the country.
- We started with conducting consultations with the companies to promote IB. Also, gave incentives for promotion and adoption.



Mr. Markus Dietrich

- Inclusive Business Action Network (iBAN) was formulated in 2017. When it comes ASEAN, it has a strong Micro, Small and Medium Enterprises (MSME) agenda. Through this it could pitch the IB model to the government.
- IB landscaping helps in finding IB pioneers not just in agriculture but other sectors like health, food processing, etc, too.
- ASEAN now has developed guidelines for the promotion of IB.
- We have now taken IB policy formulation program to Africa to develop IB policies in the region.

Mr. Dhruv Kumar Sharma

- 70% of India's population resides in rural areas, and they contribute just 20% to India's GDP. Here arises the need for an IB model.
- Government and the private sector need to come together to promote IBs. A lot of focus is given to FPOs.
- IB will focus on creating an important role for each stakeholder involved in the supply chain.
- A landscape study will help in understanding the scope of promoting IB models in India. Also, aiming to provide coaching and training. Aiming to support discussions between govt, impact investors and the private sector.

Q1) Agriculture being a state subject. Can we see a state level policy that helps in developing IB models?

Q2) Market linkages are important. Any studies conducted on this?

Q3) Women's contribution in agriculture, access to finance and market. Women don't have agency to access finance and markets. There is a need to formulate a climate resilient fund for increasing affordability and access to women. Is there a forum that helps promote this?

Mr. Pawan Choudhary

- The Haryana government is focusing on women participation through several initiatives and also promotes procurement from women entrepreneurs. However, a large chunk of work needs to be done in furthering women's participation and climate change.

Ms. Melanie Moleño

- IB policies focus more on economic and social areas. IB is a good means to increase financial inclusion as it is one of the main agendas.
- Recognition is important too. The Philippines has an IB award to increase participation and adoption of these models.

Mr. Markus Dietrich

- IB is a good means to bring in a "just transition".



Session 3a: Accreditation of inclusive businesses as a promotion tool

The accreditation of IB is a powerful instrument to recognise, incentivise and support enterprises that go beyond commercial objectives. This session will present in detail the accreditation system of IB models and share the experience of several countries in registering and accrediting IB models, to explore how an accreditation system specifically for the agricultural sector may look like.

Moderator: Marta Pérez Cusó, Economic Affairs Officer, ESCAP

Panellists:

- Mr. Chorn Vanthou, Deputy Director, Planning, Statistics, Cooperation and ASEAN Affairs, Ministry of Industry, Science, Technology and Innovation, Cambodia
- Ms. Melanie Moleño, IB Policy Expert, The Philippines
- Ms. Lisa Joy Cheong, IB Policy Expert, Cambodia
- Mr. Ratnesh Jha, Executive Director, Global Compact Network in India

Mr. Chorn Vanthou

- IB was introduced in Cambodia in 2017. In 2021 they did their first accreditation. 18 companies were selected, and out of these agriculture was identified as a sector that provides a lot of value.
- We learnt that accreditation is a best performing tool at least in the Cambodian context. The process followed in Cambodia is: creating a steering group, and then an accreditation committee. Among the applicants, some evaluation is provided based on business viability and also on the basis of the impact that the company intends to create.

Ms. Melanie Moleño

- The IB registration system in the Philippines is based on regional impact. For eg, an agri company's 25% of cost sold should come from small and medium enterprises.
- Income and poverty reduction are other components that are looked into.
- We're pushing for a bill that would provide technical support to businesses.

Ms. Lisa Joy Cheong

- An accreditation system gives a framework with benchmarks and reflects best practices. It leads to better targeting of accreditation support that comes from the government. Also, it is important to establish trust and accountability.
- Having an accreditation system adds legitimacy and transparency.
- We look at the following things:
 - Is the IB strategically intent? What is the IB business line? Is there a clear root to the BoP level? Is there a clear B&P engagement? What is the type of targeting? Is it contributing to a systemic change?
- Other factors like access to innovative finance, access to market linkages, etc, can help in coming up with a sector specific strategy.

Mr. Ratnesh Jha

- The UN Global Compact is a call to companies to align their operations and strategies with ten principles in the areas of human rights, labor, environment and anti-corruption.
- Goal is to accelerate and scale the global collective impact of business through accountable companies.
- We encourage firms to go beyond universal principles through impact specific goals, scalable ambitious actions and by tracking progress.



Q1) Is it beneficial to give monetary or non-monetary benefits to promote IB?

Mr. Chorn Vanthou

- It's a dilemma for the government to decide what's better. In Cambodia we encourage Free Trade Agreements (FTA's) and mostly investment comes from other countries. Our close intention is to increase engagement.

Ms. Melanie Moleño

- Some companies prefer monetary incentives. By giving incentives, we can encourage companies to participate in IB models.
- Tax incentives along with technical assistance would work better.

Ms. Lisa Joy Cheong

- It's not an either or question. We need to look at it in a holistic way.
- For some companies tax incentives work better, and for some technical assistance or branding plays an important role.
- Tax incentives cannot be a long term vision for any organization. The larger goal is more holistic. There is a value for both types of incentives.

Mr. Ratnesh Jha

- The UN Global Compact tries to evaluate its annual performance. It recognises the importance of increasing women participation, and aims to work towards it. We collaborate with the UN Women to address this gap.

Marta Perez Cuso to panelists: Give one recommendation each

Mr. Chorn Vanthou

- There is a need to develop a platform that encourages dialogue between stakeholders.

Ms. Lisa Joy Cheong

- We should look at IB from a holistic perspective and include all stakeholders. We should focus not just on the private sector but also the government and the people it affects.

Mr. Ratnesh Jha

- The Government should clearly communicate that it is going to support the private sector for a long term and not just momentarily.



Session 4a: Financing inclusive businesses

This session sought to explore opportunities for governments to encourage greater access to finance for firms seeking to develop IB models.

Moderator: Ms. Smita Jacob, Director Policy, Asian Venture Philanthropy Network (AVPN)

Panellists:

- Mr. R.V. Ramakrishna, General Manager, National Bank for Agriculture and Rural Development (NABARD)
- Mr. Arindom Datta, Executive Director, Rabobank India
- Mr. Royston Braganza, CEO, Grameen Capital India
- Ms. Tushna Dora, Senior Investment Specialist, Asian Development Bank (Online)

Mr. Arindom Datta

- Rabobank launched India's first climate finance bond in agriculture.
- Technical assistance is very important when doing blended finance.
- Challenge is to create an impact on the ground with the right kind of reporting. It takes more than a year to structure these types of models. There is a need to unlock capital and solve for demand side challenges.
- There is a need to make businesses bankable.

Mr. Royston Braganza

- One of the challenges is to close the wide SDG funding gap.
- Grameen came up with micro finance bonds. We did the world's first livelihood bond.
- There is a need to create intelligence at the ground level. A bottoms-up approach should be followed.

Ms. Tushna Dora

- ADB has a fairly large program and tools that aims to fund inclusive businesses. Goal is to increase farmer's resilience.
- Through equity investment we're creating improved quality healthcare products for livestock farmers.
- Food security is another theme that ADB is looking at. We're supporting trade financing in countries where access to low cost finance is difficult.

Mr. R.V. Ramakrishna

- NABARD is focusing on providing agricultural finance and towards promotion of SMEs. It is the promoter of the largest microfinance program for SHGs. It has created an accreditation model for FPOs in India.
- Kisan credit cards are another tool through which NABARD is providing finance to small and marginal farmers.

Q) What are the opportunities and limitations of blended finance? What is the way forward?

Mr. Arindom Datta

- Mandate is one issue. It limits private sector engagement at the ground level.
- We need capital to promote private sector capital. The need is for all stakeholders to come together and work towards a common goal which is easier said than done.



Mr. Royston Braganza

- What challenges impact investors, consultants face is different from what ground level people face. It's important to take their concerns into consideration.
- There is a need for uniformity of policies across sectors to create an enabling environment.
- Challenge is to provide funding and technical support upfront.

Mr. R.V. Ramakrishna

- NABARD is setting up a blended finance fund with support from the Government of India.
- We have also set up an innovation fund to fund startups through agri incubation centers.

Ms. Tushna Dora

- We need to leverage current opportunities and do more.
- ADB does a lot of co-financing work. Idea is to bring in other financial institutions and also mobilize private sector financial institutions.

Q) How can the government enable and strengthen these solutions?

Mr. Royston Braganza

- Scrap existing regulations and replace them with SDGs.
- Allow inclusive businesses to use technological solutions like blockchains, etc to raise more funds by reducing the cost.
- Democratise funding access.

Mr. Arindom Datta

- Too many silo regulations makes it difficult to come up with blended finance models.
- Farmer digitisation: should it happen through the private sector or the government is something we should look into.

Ms. Tushna Dora

- Governments are constantly asking the private sector to play an increasing role. Capacity building is important to create scalable solutions.



Session 2b: Expanding market opportunities and social impact with inclusive business in agriculture

In this session, business leaders shared their experience in supporting the livelihoods of low-income farmers and marginalized groups through commercial business models.

Moderator: Ms. Annapoorna Shankar, Agriculture Lead, Invest India

Panellists:

- Ms. Lisa Huyen, Director, VinaSamex, Viet Nam
- Mr. Saranathan Raganathan, Vice President for Finance, ITC Ltd., India
- Mr. Thanit Kongkaew, Director of Sustainability, The Mae Fah Luang Foundation, Thailand
- Mr. Roopak Bhat, Head, Cocoa Life Program, Mondelez International, India (Online)
- Ms. Ritoja Basu, Director, Food and Agriculture Centre of Excellence, Confederation of Indian Industry
- Mr. Debaranjan Pujahari, Principal, Sattva Consulting, India

Ms. Lisa Huyen

- Started in 2012, but has 15 years experience in manufacturing and processing and cinnamon and other spices. It is the first company of UEBT in Vietnam.
- Received support from the Vietnamese government to set up IB practices.
- Changed their business philosophy from just being profit driven to being farmer facing.
- Also, got into fair trade practices - currently offer 10% higher than market prices for farmers. We also take up small projects in locations where they source cinnamon.
- Also work with local governments to take up action plans for local economic development.

Mr. Saranathan Raganathan

- Inclusive business is a way of solving core challenges in agriculture in India, including low per capita incomes, threat of climate change and food insecurity, and women's inclusion.
- ITC has strong commitment towards triple bottom line impact.
- Have been carbon positive for 17 years, do a lot in biodiversity development, watershed development etc. for environment sustainability.
- ITC's brands propel inclusive value chains.
- Their Aashirwaad wheat brand is the second largest procurer of wheat after the Govt and procure from farmers all over India.
- Their chips segment works with potato farmers to improve their yields and price realization.
- Have been able to double farm incomes of over 2L farmers. Opportunities in the space:
 - Higher consumer awareness and demand for quality, traceability, sustainability, etc.
 - Technology for improved digitization of value chains
 - Women's participation in agriculture

Mr. Thanit Kongkaew

- Working in Northern Thailand as a community development organization, then evolved into a social enterprise.
- Started as a reforestation organization and then evolved into setting up businesses for macadamia and coffee farmers.
- Revenue of 11K people they were working with has increased fourfold.
- Also, do a lot of work towards environmental conservation since climate change affects agricultural outputs strongly.



Ms. Ritoja Basu

- Worked with kinnow farmers in Punjab to expand their access to markets outside of Punjab.
- Proof of concept for farmers is important, so they worked with leading farmers by bringing their kinnow to Bangalore markets.
- Worked with banana farmers in post harvest management, and brought in value addition opportunities for them.
- Also, work with FPOs through their Business Services Unit to benefit 20K families: bring in agronomic practices, connect them with industry and bring in technologies for farmers.

Mr. Roopak Bhat

- Mondelez has been sourcing cacao from farmers all over India.
- Their Cocoa Life program has been rolled out in India to promote this crop among new cacao farmers, provide farmers technical information, and work with the government to deliver schemes benefiting farmers.
- They are also working with farmers to promote income improvement through the other crops farmers cultivate.
- Also working with universities to identify and bring improved agricultural practices for cacao farmers.

Mr. Debaranjan Pujahari

- Sustainable Guar Initiative is working with guar (cluster bean) farmers in Bikaner district in Rajasthan to connect them to buyers of guar derivatives, including Loreal and Solvay.
- Has gone one step ahead to set up a traceability platform to trace supply of guar across the supply chain. This has resulted in 25% increased incomes.
- In another project, i.e. the contract farming model of PepsiCo, it is seen that direct linkages between PepsiCo and potato farmers improved their economic and social empowerment.



Session 3b. Measuring and managing the impact of inclusive businesses

What gets measured, gets managed. To enhance the lives of low-income groups and to demonstrate the results, firms must measure the reach and depth of their social impact. How can firms measure the impact of their IB model? What indicators can be used? How can firms use this data to improve business performance and make better decisions? What skills and resources are needed to measure and manage impact?

Moderator: *Mr. Kirti Prasanna Mishra, Co-Founder and Director, Ecociate, India*

Panellists:

- *Mr. Amar Gokhale, Associate Director, Intellectap*
- *Ms. Luciana Aguiar, Head of Business Call to Action, United Nations Development Programme (Online)*
- *Ms. Marie Lisa Dacanay, President, Institute of Social Entrepreneurship in Asia (ISEA), The Philippines (Online)*

Mr. Amar Gokhale

- Impact is a strong tool to counter skepticism.
- Inclusive businesses might not know they are inclusive - making them aware of their social impact is important.
- Measuring impact is also important for raising finance.
- The sector needs to measure impact to crowd in capital towards inclusive businesses/businesses with an impact lens.
- Impact measurement should be context sensitive - while quantitative is important, social dimensions of impact also need to be captured.

Ms. Luciana Aguiar

- Impact is becoming important not just among regulators but also among stakeholders e.g. consumers, retailers, employers, etc.
- However there are many challenges towards measuring impact: divergent impact standards, using data to better manage risks, and going beyond purely income-based metrics but also other context specific impact metrics.
- UNDP developed best practices for agribusinesses to report impact and articulate their Theory of Change.
- In Indonesia similar, UNDP worked with an agribusiness sourcing cashew to improve the economic outcomes and well-being of the cashew farmers they are procuring from and grow their businesses as well.

Ms. Marie Lisa Dacanay

- We did a study of best practices of IBs in Indonesia, Vietnam and Thailand.
- Came up with 8 benchmarks for transformational partnerships: community-oriented innovations, assisting in getting community to have a more substantive share of value created, investments in food security and resilience, empowerment of small scale producers (more organized SSPs can be better suppliers), stewardship of sustainable consumption, enablement of transformational services, women's empowerment and participation and measurable outcomes of transformation.
- Came up with a 100 point scorecard for corporate agribusinesses across these metrics.
- Based on how they fare according to this scorecard, they assign businesses at different levels of IB development (WEE Aware, Responsive WEE Enabler, Transformative WEE Enabler).



Open Question: How are businesses measuring impact?

Audience

SafeHarvest: Some indicators they use: are FPOs able to get more farmers to adopt sustainable growing practices, are farmers able to climb up the value chain (either through diversification, or through further processing of primary produce), are FPOs able to influence other FPOs to also liaise with SafeHarvest and therefore grow the ecosystem.

East West Seeds: They capture knowledge impact among farmers who are provided high quality tropical vegetable seeds, how many farmers report higher incomes, and women's participation in cultivation and marketing.



Session 4b: The future of agritech: Can technology make agriculture more inclusive?

Does technology make agriculture more inclusive? Agritech can increase farm productivity, enable more efficient food markets and improve agricultural sustainability. Will this promise held true for low-income farmers with limited digital connectivity, weak technological know-how and unable to afford the purchase of agriculture machinery?

Moderator: Mr. Dhruv Kumar Sharma, Sector Lead of Food Processing, Invest India

Panellists:

- Mr. Varun Khurana, Founder and CEO, Otipy, India
- Mr. Vasudevan Chinnathambi, Co-Founder, Ninjacart, India
- Mr. Jinesh Shah, Managing Partner, Omnivore, India
- Mr. Vijay Nadiminti, Chief Executive Officer, AgHub, India
- Mr. Onkar Pandey, Manager, Social Alpha, India

Mr. Varun Khurana

- OTPs have high perishability, therefore timeliness in supply chains is key.
- They are low wastage at 4%, compared to other retailers such as Bigbasket, Blinkit etc. which typically waste 15%.
- The benefits of this reduced wastage are shared with farmers as well.
- This comes to 30-40 MT of food saved every day.
- Otipy works on a reseller model (typically these are small businessmen with 2-3 people to help them who have idle manpower in the first 2-3 hours in the morning) who deliver door to door and earn additional income as a result.

Mr. Vasudevan Chinnathambi

- Ninjacart only does B2B play.
- Two models: procure from farmers and sell to retailers and restaurants; second model, focus on source/destination traders and help them sell and discover each other.
- They also provide value added services e.g. payment guarantee.
- In the last 7 years, have worked with 200+ collection centers all over the country with 1L farmers.
- They have democratized the marketing of produce so farmers know the demand well in advance, know the price, and which markets to sell at.

Mr. Jinesh Shah

- Omnivore is a venture capital fund that invests in early stage agri startups.
- India has become an R&D center for smallholder farmer innovation.
- During Covid we saw that the entire supply chain ecosystem was affected - however this gave rise to a lot of innovation.
- There are increasingly more VCs - not just domestic but also global capital - interested in investing in agriculture.
- Quality of entrepreneurs is also improving. These are all tailwinds for the agriculture sector.

Mr. Vijay Nadiminti

- It is important to not just focus on technologies and innovation, but also on applications for farmers, whether they are saving money and time for farmers, and whether they are affordable and accessible.



- In the last 2 years, the problem has been different - we are now taking agribusinesses downstream, helping farmers understand and input on the technology development and innovation process.

Mr. Onkar Pandey

- Social Alpha is an enterprise incubator.
- Their approach is thesis-driven.
- Most farmers are not aware of the small solutions they can use.
- Agri-entrepreneurs also don't have access to world class lab facilities to test their solution.
- Social Alpha's Entrepreneur-in-Residence Program enables startups to use their infrastructure to test and pilot their solutions, access mentorship, develop a go to market strategy, and raise further finance.

