

# Mercy Corps Indonesia

## BUNDLED SERVICES BENEFITING SMALLHOLDER FARMERS: MERCY CORPS' AGRI-FIN SERVICES IN INDONESIA



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Director*

## AGRI-FIN MOBILE

Agri -Fin Mobile is Mercy Corps' innovative project to provide low-income farmers in the developing world with “bundled” services integrating financial services, market information and agricultural information to boost their harvests

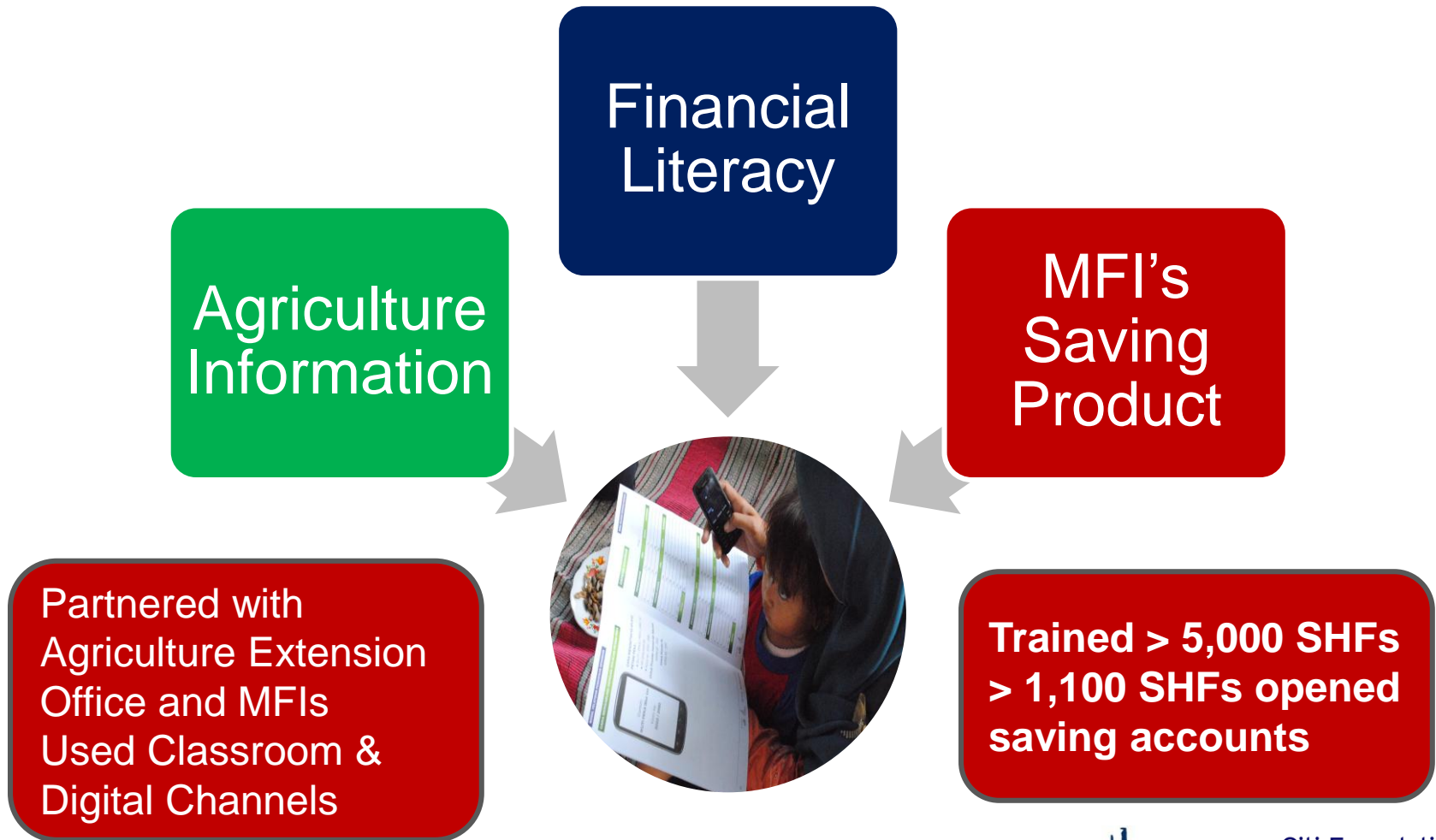


## STAGES OF THE BUNDLES



Mercy Corps' Agri-Fin Services in Indonesia

# **BUNDLED AGRICULTURE INFORMATION AND FINANCIAL LITERACY/PRODUCT FOR FARMERS**



**Mercy Corps Indonesia**

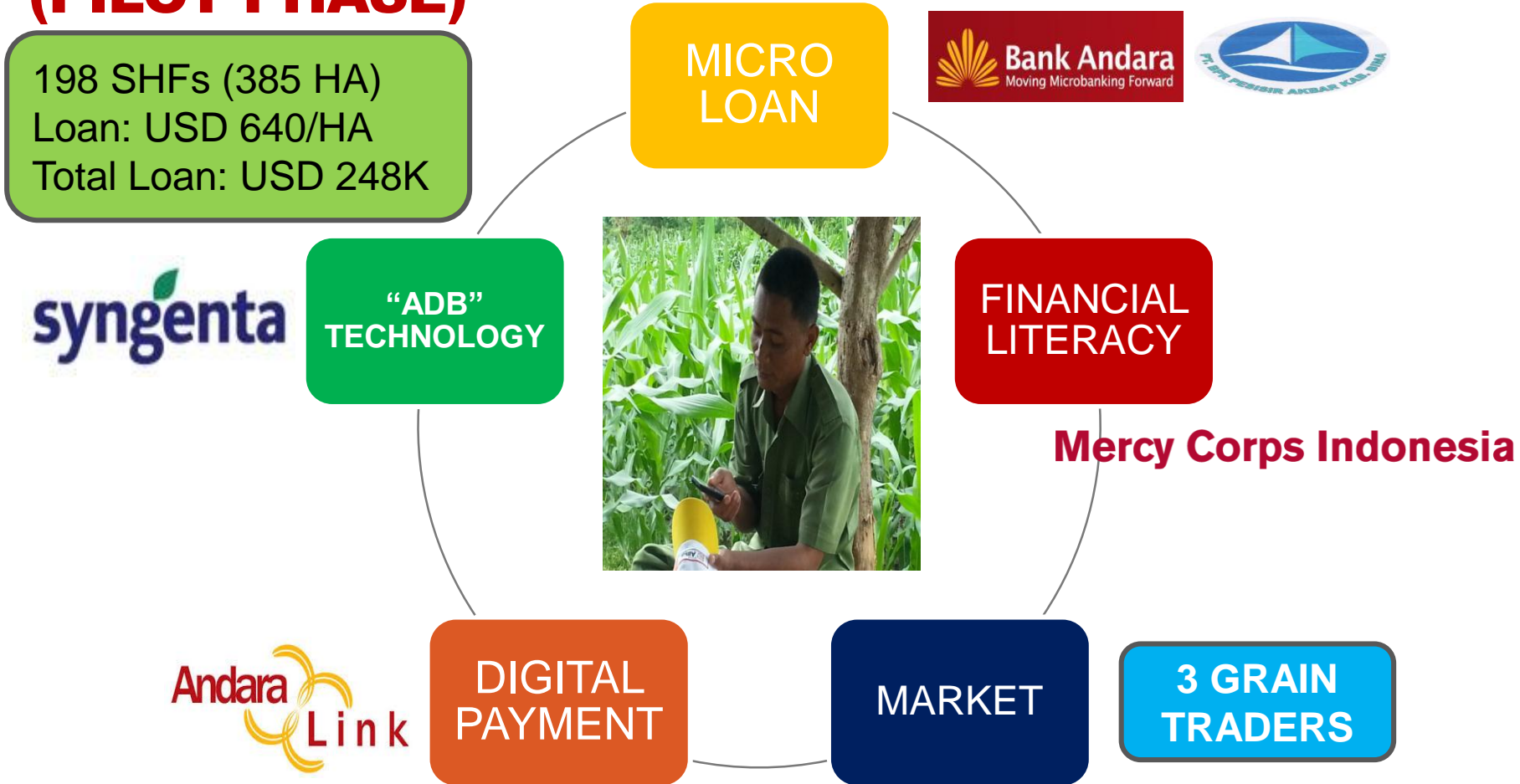


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# Mercy Corps' Agri-Fin Services in Indonesia

## **BUNDLED SERVICES FOR CORN FARMERS (PILOT PHASE)**



# ACHIEVEMENTS AND CHALLENGES

- Average corn production increased 24%
- Average farmer's income increased 10%
- Financial inclusion (farmers have savings accounts)
- Lower transaction costs (previously paid loan interest at 4% - 20% per month)
- Limited manpower (land preparation & harvest)
- Availability of fertilizer
- Limited number of trucks
- Crop prices fluctuate
- Threat of natural disaster (cyclone, flood, landslide)

## MICROFINANCE INSTITUTIONS AS PROJECT'S PARTNER

### Strengths

- Institutions trusted by SHFs
- Better understanding of local environment
- More flexible for collateral requirement
- Transactions in the field

### Weakness

- Limited number of staff
- ICT Development isn't a priority
- Legal Lending Limit capacity
- Fraud issues
- Regulatory issues



## VALUE PROPOSITIONS

### SHFs

- Increase Yield
- Availability of production inputs before planting
- Reduce transaction costs (time and money)
- Financial Inclusion

### Business

- Identify New Revenue Streams
- Social Objectives
- Market Expansion
- Broader services create positive image
- Customer Loyalty
- Fraud Reduction (for MFI)





# Mercy Corps' Agri-Fin Services in Indonesia

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## CONTACT

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and Cooperation SDC



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