



Annual Impact Report 2022

Meeting the working capital needs of Africa's agricultural enterprises

Welcome to our Annual Impact 2022

Contents

1. Who we are	
2. Letter from the Board	5
3. Investment Manager Address	6
4. About LAFCo and Approach to Impact and Sustainability Management	7
5. 2022 Year in Review	12
6. LAFCo's Impact: Borrower Overview	22
7. Future Outlook and Growth Prospects	28

About Lending for African Farming

LAFCo's primary focus is on enterprises that advance local and regional food security

With support from:



Signatory bodies:



Operating Principles for
Impact Management

Industry Partners:



60_decibels

1. Who we are

“The vision of LAFCo is to stimulate inclusive economic growth in the African agriculture sector by connecting smallholder farmers to formal markets and thereby reducing poverty and enhancing food security in rural poor areas. Our investments range between USD 500,000 and USD 3 million targeting agro-dealers or input providers, processors, traders, and exporters.

With Barak as the investment manager, LAFCo aims to be a leading alternative provider of working capital for agricultural SMEs. The innovative blend of public and private capital will allow LAFCo to support the market sector not served by commercial banks or other financial institutions. Whereas banks focus entirely on (often lacking) security, LAFCo, with its blend of private and public capital, rather relies on cash flows and robust financing structures”.



2. Letter from the Board

We are pleased to present LAFCo's 2022 impact report. Creating social and economic impact is at the heart of the LAFCo fund and as such measuring and reporting on impact is central to the governance of the fund.

The Board is pleased to be able to share this in an open and transparent spirit with its stakeholders.

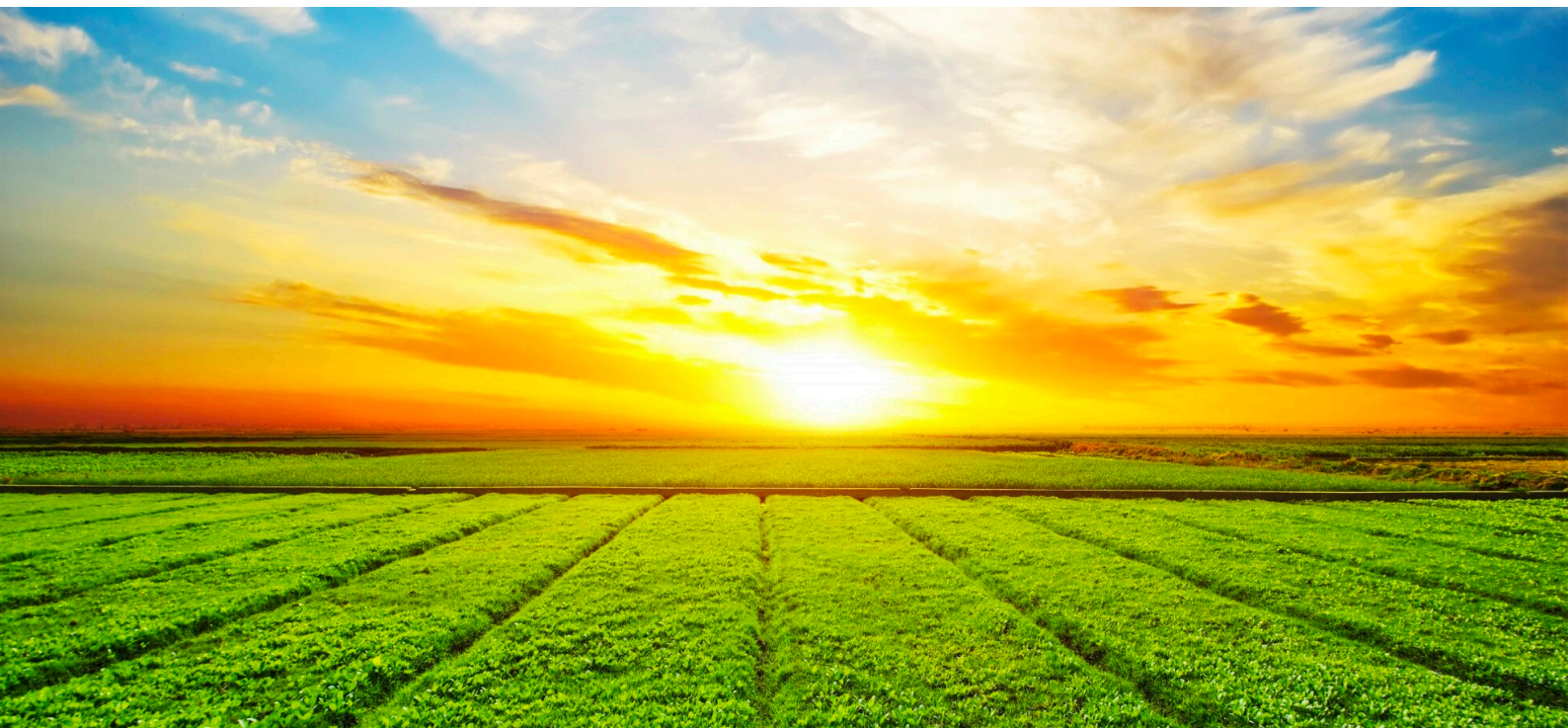
In 2022, LAFCo supported ten companies in seven countries through a \$16.9 million investment portfolio, disbursing a further \$9.4 million, for a cumulative disbursement of \$61.5 million to end 2022. We reached approximately 68,500 smallholder farmers of which 49% were female. The smallholders either sold their produce to the Agri SMEs financed by LAFCo, or purchased Agri-inputs from them. Traditionally, Agri trade finance in Africa is targeted at export crops such as cocoa, coffee and cashews. LAFCo participates in these sectors, but has as much a focus on regional food security. Consequently we were pleased to be able to finance borrowers in Zambia and Rwanda focusing on regional value chains. These are a maize miller, producing flour, grits and related products for animal feed and human consumption and a poultry feed producer.

LAFCo is fortunate to be able to finance both local and hard currency loan facilities. Local currency debt is hedged through an innovative financing mechanism, backed by KfW's technical assistance funding.

We expect to re-deploy this facility in 2023, enabling us to create greater local and regional impact and more additionality, compared to many other lenders, who are restricted to hard currency facilities.

LAFCo received a new capital commitment from KfW at the end of the year and also technical assistance funding from AgDevCo to undertake market access strategy studies, the first one of which, for Tanzania, is expected to be completed in Q4 2023. This was part of refining LAFCo's investment strategy and process to meet the challenges of its borrower segment, consisting of SMEs with very limited access to mainstream finance but with significant impact on smallholder farmers. The Board also welcomed the expansion of Barak's team managing our portfolio with the appointment an ESG Manager in 2022.

We welcome enquiries from prospective new investors with an interest in impact-first lending and a long-term commitment to making a difference in Africa.



3. Investment Manager Address

Throughout the past year, LAFCo has made significant developments in the impact management scope, with 2022 marking the second year as a signatory to the Operating Principles of Impact Management (OPIM).

Stakeholders are encouraged to explore LAFCo's most recent disclosure statement and verification report, both readily available on the LAFCo website (<https://www.lendingforafricanfarming.com/>) and the OPIM website (<https://www.impactprinciples.org/>). A noteworthy advancement in this year's verification report is the review and update of LAFCo's Environmental and Social Management System (ESMS).

In addition, LAFCo undertook a review and update of its Theory of Change (ToC), ensuring that investments create a positive and sustainable impact in the target countries across Sub-Saharan Africa (SSA).

Incorporating additional impact targets, approved by LAFCo's shareholders, marks another significant achievement. This deliberate approach to the investment strategy makes LAFCo's impact fund more impactful and intentional than ever before. LAFCo is on track to surpass these targets.

Another noteworthy achievement this year was receiving additional investment funding from one of our key investors, KfW, in December 2022. The additional funding brings LAFCo's total assets under management to USD 25 million, significantly bolstering efforts to support the drive for Food Security in the region.

This year's annual report provides insights into the impact that LAFCo has facilitated through its investments, and measuring and reporting this impact against the applicable Sustainable Development Goals (SDGs) identified in the ToC. The report emphasizes how LAFCo's investments contribute to the broader global sustainability agenda. In this year's annual impact report, LAFCo takes great pride in highlighting the remarkable strides it has taken in supporting SMEs across SSA. The initiatives undertaken by LAFCo have translated into positive outcomes for businesses and the communities they serve. LAFCo's work extends beyond providing financial support; it nurtures resilience and sustainability within the agricultural sector.

The report delves into two case studies of LAFCo's borrowers, offering in-depth analyses that highlight the impact generated through investments. One of the case studies examines Minimex, a borrower, and highlights its significant impact on stakeholders and communities through a comprehensive survey study conducted with valuable assistance from research partners, 60 Decibles.

In LAFCo's dedication to sustainability and environmental stewardship, the organisation has proactively undertaken the responsibility of disclosing the

carbon footprint associated with its borrowers. This commitment to transparency not only enables LAFCo to gain insights into the environmental implications of its investments but also empowers the organisation to address the broader impacts of climate change in its portfolio. This practice aligns with the current best standards observed in the finance sector, fostering a collective effort to understand and combat climate change.

The outlook for LAFCo for the coming year is to continue disbursing our investors' capital into a portfolio of assets that allows LAFCo to achieve the goals we set out for ourselves in 2022. A renewed look at our credit and risk profiles will see us driving evermore towards the enhancement of regional trade and food security in Africa.

Stakeholders are invited to explore the LAFCo annual impact report, trusting that they will find it informative and inspiring. LAFCo's unwavering dedication to intentional, impactful investments remains steadfast, and the organisation is excited to share its progress toward a more sustainable and equitable future. Thank you for being part of this journey with us.

4. About LAFCo and Approach to Impact and Sustainability Management

4.1. About LAFCo

LAFCo, a company headquartered in Mauritius, was established through the collaborative efforts of KfW, representing the German Ministry for Economic Cooperation and Development, and AgDevCo, acting on behalf of the UK Government. Barak Fund Management Limited has served as the fund manager for LAFCo since 2019.

The company's primary focus is within the agricultural value chain, specifically targeting select countries in SSA. LAFCo operates as an investment company with a specialisation in providing financing facilities, primarily in the form of loans, to qualifying small and medium-sized agricultural businesses operating in the region.

These businesses have a direct emphasis on collaboration with smallholder farmers and cooperatives in SSA as well as SMEs engaging in the export of agricultural products outside of Africa, provided such SMEs engage directly with local smallholder farmers.

The core mission of LAFCo revolves around catalysing social and economic advancement within the SSA agricultural sector, while creating shareholder value. The overarching goal is to make a lasting impact with a dual focus: firstly, by directly empowering SMEs, and secondly, by indirectly benefiting the smallholder farmers who form the backbone of African agriculture. This impact is realised through increased income opportunities, enhanced farm productivity, access to reliable markets, and improved food security. Importantly, LAFCo's vision extends beyond the present, aiming for sustainable and enduring positive change in the SSA agricultural landscape.

4.2. Approach to impact and sustainability

The impact mission and goal of the company is primarily realised through LAFCo's investment strategy, which centres on providing credit facilities to borrowers, with a specific emphasis on SMEs operating within the agricultural value chain in target countries in SSA. This strategy actively promotes socio-economic development and local food security and entails direct engagement with smallholder farmers.

4.3. Theory of change

Central to LAFCo's approach to impact management is its ToC, serving as the compass directing the organisation's efforts and outlining the specific pathways deemed essential to attaining intentional impact.

The ToC provides a clear roadmap from LAFCo's investments to the targeted outcomes, underscoring the organisation's steadfast dedication to its mission. LAFCo undergoes an annual assessment of its ToC to verify its continued alignment with the mission, reaffirming the organisation's commitment to its integrity. A significant achievement for LAFCo this year is the establishment of clear impact targets, aligning with the impact mission and goals of the company. Below, LAFCo unveils its revised ToC, reflecting the outcomes of the annual review and ensuring its continued relevance and effectiveness.

LAFCo's Theory of Change



4.3.1. Environmental and Social Management System

LAFCo's impact and sustainability management approach is firmly supported by its ESMS, which encompasses a set of tools and processes designed to monitor and effectively manage environmental, social, and governance (ESG) risks and impact. As part of LAFCo's ESMS, the following tools and processes are employed:



ESG screen: The due diligence process incorporates a negative screening tool that features a list of exclusions.



After the transaction is approved, borrowers are obligated by contract to supply impact data and adhere to LAFCo's impact reporting criteria. These criteria encompass a broad spectrum of indicators, such as gender-specific data on employees and smallholder farmers associated with the SMEs.



Before presenting the deal to the credit committee, LAFCo evaluates the potential impact of its investments. Each credit application is accompanied by an impact report that assesses the effects of the investments. Baseline data is collected either before or at the beginning of the drawdown process for borrowers. The data indicators have been selected from the IRIS+ catalog. This collected data is then included in the impact report that accompanies the credit application.



On a quarterly basis, the credit committee assesses performance in comparison to the LAFCo's established impact targets. Additionally, an annual impact report is prepared, summarizing key impact metrics at the portfolio level, and it is shared with a range of stakeholders.

The ESMS adopts the Impact Management Project (IMP) process of identifying positive and negative impacts, emphasising the need to mitigate potential negative consequences while enhancing positive effects. These principles are integrated throughout the investment cycle, starting from formulating impact objectives in core strategy and policy documents, extending to the comprehensive evaluation of potential investees, and persisting through continuous monitoring and management after capital deployment. Internationally recognised standards, such as the IFC performance standards and the World Bank's Environment, Health and Safety guidelines provide the framework for the ESMS. This year, the ESMS has undergone external review and received approval from our Board of Directors.



4.3.2. Industry bodies

Signatory to the Operating Principles for Impact Management.



Operating Principles for
Impact Management

This year, LAFCo is entering its second year as a signatory to the OPIM. In alignment with these principles, LAFCo remains committed to the following:

- **Publication of Disclosure Statement:** LAFCo ensures the availability of this statement on our website, in accordance with relevant provisions and reporting requirements. The Disclosure Statement provides comprehensive information about LAFCo's impact management practices, methodologies, and outcomes.
- **Incorporation of Principles into Investment Process:** LAFCo continues to integrate the principles for Impact Management into its investment process. This integration underscores LAFCo's steadfast commitment to embedding impact considerations across its decision-making, due diligence, monitoring, and reporting processes.
- **Regular Publication of Independent Verification Report:** LAFCo consistently publishes the latest independent verification report. This report impartially assesses LAFCo's adherence to the Impact Management Principles, providing assurance regarding the accuracy and transparency of LAFCo's impact reporting.

These commitments highlight LAFCo's unwavering dedication to transparency, accountability, and adherence to industry-leading impact management practices, all of which exemplify LAFCo's commitment to responsible and meaningful investments.

To access LAFCo's Disclosure Statement and the detailed report, kindly visit our official website by clicking on the following link: [LAFCo Impact Principles Verification Report 2023](#).

**INVESTING
FOR IMPACT:**

*Operating Principles for
Impact Management*

5. 2022 Year in Review



Funding & Investment

USD 25 million

Assets under management

USD 16.9 million

Outstanding investment portfolio

7

Number of Jurisdictions across Sub-Saharan Africa

10

Number of Borrowers

44

Outstanding loans to small-medium enterprises

USD 2.5 million

Average loan size

Jobs Sustained & Employment

347

Total Number of Jobs

174

Number of direct full-time jobs supported in investee companies receiving finance

173

Number of seasonal jobs supported in investee companies receiving finance

326

Number of full-time equivalent employees

Over 289

Number of indirect jobs supported in investee companies receiving finance

Farmer Engagements & Sustainability

68,456

Number of smallholder farmers engaged

49%

Percentage of female smallholder farmers

7,949

Hectares under sustainable production

5.1. Funding

In December 2022, LAFCo celebrated a major milestone by successfully securing an additional USD 8 million in additional funding from KfW. This financial injection was a significant boost, propelling the total funding commitment for LAFCo's initiatives to an impressive USD 25 million. This substantial increase in funding capacity will provide new opportunities for LAFCo to expand its lending activities. It will allow LAFCo to not only continue but also accelerate its support for agricultural SMEs across SSA. With the added financial support, LAFCo is well-equipped to meet our impact objectives, which have always been at the core of our mission.

5.2. Portfolio Overview

Country	Commodity	Facility Limit (USD)	Fund Balance (USD)
Ghana	Cocoa	3,000,000	3,366,986
Tanzania	Tractors	3,000,000	40,620
Rwanda	Maize	2,000,000	556,068
Tanzania	Pulses, Nuts & Seeds	2,000,000	1,988,181
Zambia, Kenya, Nigeria and South Africa	Animal feed	1,000,000	883,478
Co-Funded; Participation in Barak Funds			
Kenya	Macadamia	3,000,000	2,718,459
Tanzania	Nuts & Seeds	3,000,000	3,412,000
Zambia	Grain	4,000,000	2,568,861
Togo	Cocoa	2,000,000	859,986
Nigeria	Cocoa	2,000,000	486,900

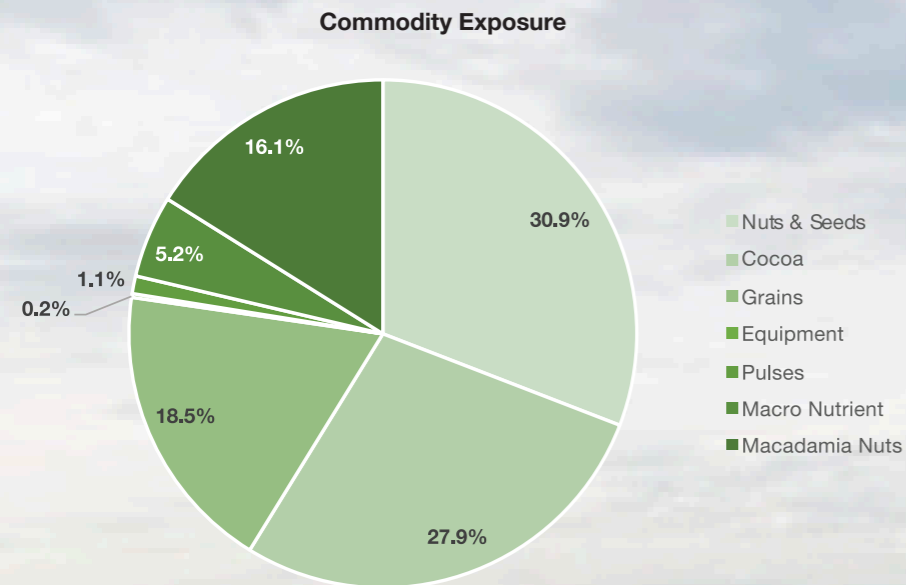
5.3. Disbursements

In 2022, LAFCo disbursed USD 9.4 million:



5.4. Funding

Based on the split of commodity type and profile, the LAFCo portfolio is largely exposed to Cocoa and Nuts and Seeds. However, beyond this, the remaining portfolio is split quite diversely into Grains, Macadamia Nuts, Macro Nutrients and Pulses. Moving forward, the envisioned projection of the portfolio is to diversify further, primarily into Coffee and Maize within the foreseeable future.



5.5. Impact



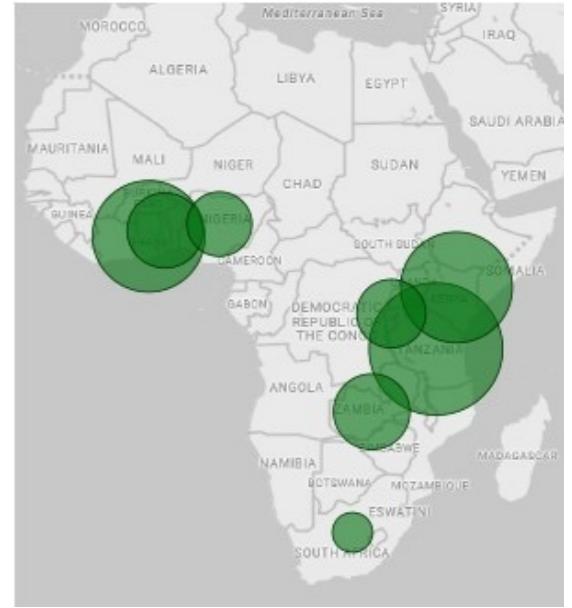

This year, LAFCo recognizes the vital importance of expanding its reporting scope to encompass a more comprehensive range of impact metrics. The expansion in the reporting metrics complements the newly established impact targets, which LAFCo diligently monitors. Through this strategic move, LAFCo aims to achieve not only enhanced transparency but also a compelling demonstration of its unwavering commitment to advancing the SDGs, notably SDGs 1, 2, 5, and 8.





The organization remains committed to continuously monitoring its progress and proactively addressing the challenges its borrowers face. In addition, LAFCo has had a positive impact on the agricultural value chain, particularly smallholder farmers, with a particular focus on female smallholder farmers ultimately promoting sustainability in the region in which LAFCo operates. The commitment to empowering businesses, creating jobs, and positively impacting the lives of smallholder farmers remained unwavering.



5.6. LAFCo's contribution to the Sustainable Development Goals

The following table outlines LAFCo's contribution to the SDGs.

SDG Focus	SDG Target(s)	Performance Metric(s)	Achieved Results	Assessment and Insights
1 NO POVERTY 	1.4. Ensure men and women, in particular the poor and the vulnerable, have equal rights to economic resources.	• Number of loans facilitated to SMEs.	44	LAFCo demonstrates its dedication to poverty reduction through robust support for SMEs. The organisation places a strategic emphasis on streamlining the loan facilitation process for SMEs, channelling its entire investment portfolio towards African markets in West Africa, East Africa, and Southern Africa. This intentional approach is crafted to foster economic empowerment and equitable access to crucial economic resources for vulnerable populations.
		• Average size of loans facilitated to SMEs.	USD 2.5 million	
		• Percentage share of investments in African markets (West Africa, East Africa and Southern Africa).	100%	
		• Number of Borrowers.	10	
2 ZERO HUNGER 	2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.	• Value of agricultural sales.	USD 32,202,222	In pursuit of its commitment to SDG 2, LAFCo aligns its objective with directing capital towards borrowers with direct connections to smallholder farmers. The organisation's strategic approach is crafted to enhance agricultural productivity and income for small-scale food producers. Moreover, LAFCo actively engages in concerted efforts to guarantee fair compensation for the crops produced by smallholder farmers associated with its borrowers. This dedicated strategy reflects LAFCo's broader mission to contribute positively to global efforts aimed at achieving food security and reduced hunger.
		• Volume of agricultural sales.	22,766 tonnes	
		• Hectares under sustainable production.	7,949 hectares	
		• Average smallholder agricultural yield.	16,099 kg	
		• Total payments to smallholder farmers.	USD 12,946,911	
		• Type(s) of crop produced by the SMEs during the reporting period.	Pulses Nuts and Seeds Macro Nutrients Macadamia Grains Cocoa	
				 <p>Map showing the geographical locations of the SMEs supported by LAFCo. The size of the bubbles is based on the fund balanced.</p>
				 <p>Smallholder farmer: Macsken EPZ Limited</p>

SDG Focus	SDG Target(s)	Performance Metric(s)	Achieved Results	Assessment and Insights
<p>5 GENDER EQUALITY</p> 	5.a Ensure full participation in leadership and decision-making.	<ul style="list-style-type: none"> Percentage of full time females employed (senior management). 	31%	<p>LAFCO actively champions the cause of women’s economic empowerment, aligning with the principles of SDG 5 on Gender Equality. The fund is deeply committed to fostering gender inclusivity and acknowledging the pivotal roles that women play within the SMEs it supports. This commitment is underscored by a recognition of the multifaceted contributions of women in various capacities within these SMEs..</p>  <p><i>Female employees: Macsken EPZ Limited</i></p>
	5.b. Equal rights to economic resources, property ownership and financial services.	<ul style="list-style-type: none"> Percentage of full time females employed (non-senior management). 	16%	
	<ul style="list-style-type: none"> Percentage of seasonal females employed. 	35%		
	<ul style="list-style-type: none"> Percentage of active female smallholder farmers. 	49%		
	<ul style="list-style-type: none"> Percentage of female Board members. 	12%		
	<ul style="list-style-type: none"> Percentage of female c-suite-level management staff. 	22%		
	<ul style="list-style-type: none"> Percentage of full-time female employees receiving skills based training in the year. 	26%		
<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation.	<ul style="list-style-type: none"> Total number of full-time jobs supported in SMEs. 	174	<p>Within the SMEs supported by LAFCO, a diverse range of employment opportunities have been sustained, encompassing both full-time and seasonal positions, aligning with the principles of SDG 8. This commitment contributes to the broader global agenda of achieving decent work and promoting sustained, inclusive economic growth.</p>  <p><i>Employees and Product Line: Urban Farmer</i></p>
		<ul style="list-style-type: none"> Seasonal jobs supported in SMEs. 	173	
	8.3 Support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises	<ul style="list-style-type: none"> Total full-time equivalent employed. 	326	
		<ul style="list-style-type: none"> Number of indirect jobs supported in SMEs receiving finance. 	Over 289	
		<ul style="list-style-type: none"> Number of full-time employees receiving skills-based training in the year. 	47	

5.7. Impact targets



Increase the number of smallholder farmers in the region: LAFCo is committed to increasing the number of smallholder farmers linked to SMEs and/or using agricultural extension services and/or receiving improved inputs to female smallholder farmers.

Target: 1,200 smallholder farmers per USD 1,000,000 of funds Invested

Current performance:
68,456 smallholder farmers



Female smallholder farmers: At least 35% of all smallholder farmers to be female smallholder farmers.

Target: 35%

Current performance:
49% female smallholder farmers



Job creation: Increasing the number of new full time equivalent jobs created in companies which are borrowers.

Target: 300

Current performance:
325 full time equivalent jobs

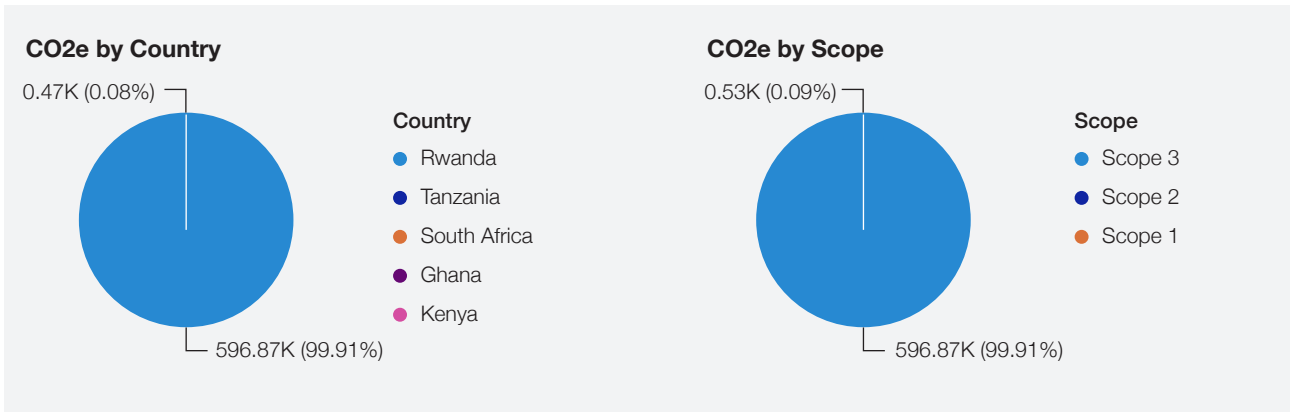
Measuring LAFCo's borrowers Carbon Footprint

In its latest annual impact report, LAFCo underscores its dedication to transparency and environmental responsibility by prioritising the disclosure of the fund's carbon footprint. Despite a commitment to comprehensive data collection, LAFCo faced challenges in the collection of data from its borrowers, specifically related to waste production and water consumption. Notably, some borrowers reported minimal electricity usage, introducing a potential source of data inaccuracy.

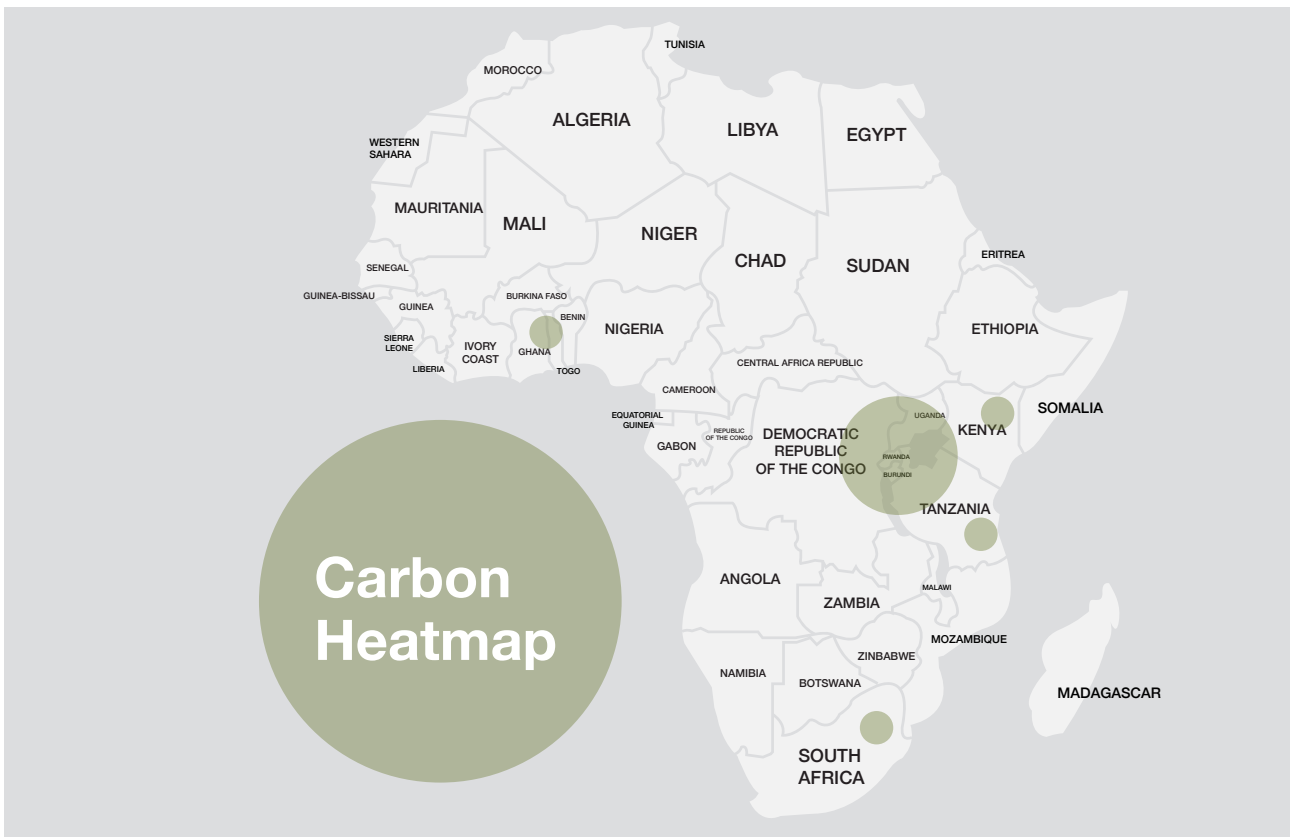
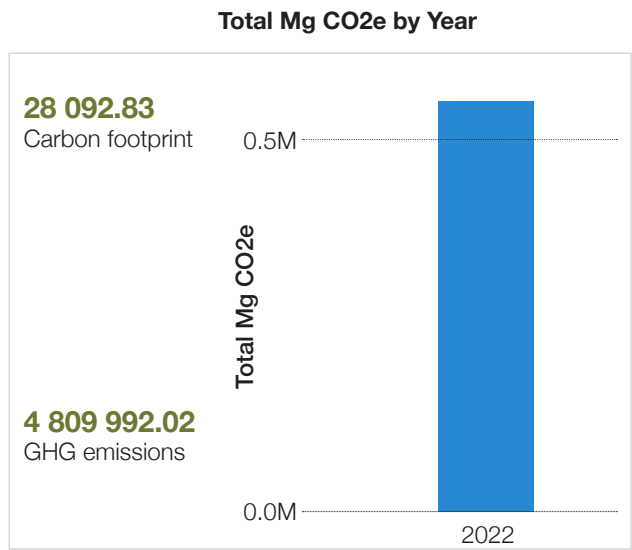
This report marks LAFCo's inaugural effort in assessing its carbon footprint, and it is essential to recognize that it may not fully represent the portfolio's true carbon impact. Despite the encountered challenges in data collection, the preliminary findings indicate that electricity usage (Scope 2 emissions) stands out as the primary contributor to the carbon footprint, while air travel makes a comparatively minor impact. Other elements such as water supply, office supplies, travel, and vehicle-related emissions contribute marginally.

It is crucial to note that this assessment serves as a foundational step, positioning LAFCo to guide borrowers toward consistent data maintenance in future evaluations. The calculated annual carbon footprint for LAFCo's portfolio is reported at 28,092.83 milligrams of carbon dioxide equivalent (CO₂e), resulting in a total of 4,809,992.02 CO₂e (tonnes) greenhouse gas emissions. As LAFCo continues its commitment to transparency and environmental stewardship, future evaluations will likely provide a more accurate representation of the fund's environmental impact.

5.8. LAFCo’s borrowers Carbon Footprint



CO2 by Factor	Scope 1	Scope 2	Scope 3
Air Travel			519.41
Long Haul			519.41
Electricity Use		596 868.56	
Electricity Use		596 827.55	
Petrol Generator		41.01	
Kitchen	1.23		
Water Supply	1.23		
Office Items			0.06
Travel			3.60
Hotel Stay			3.60
Vehicular	0.23		5.64
Bus			1.48
Diesel Car			4.13
Petrol Car	0.23		0.02
Total	1.456	596 868.56	528.71



6. LAFCo's Impact: Borrower Overview



6.1. Atlas Commodities Limited



Company Overview

In 2020, Atlas Commodities Limited (Atlas) received an approval for a USD 3 million facility from LAFCo. Established in April 2018, Atlas has distinguished itself as a licensed cocoa-buying entity, playing a crucial role in the Ghanaian cocoa supply chain. The company sources cocoa beans directly from farmers, utilising a cooperative framework to streamline the procurement process. Atlas sells the cocoa yield to the Ghana Cocoa Board, known as "Cocobod," through Cocoa Marketing Company. While the operational hub is strategically placed in Kumasi, reflecting the company's hands-on involvement in the procurement process, the administrative unit is located in Accra.

From its inception with just two cooperatives, Atlas has undergone a remarkable expansion. Through partnership agreements, Atlas has forged connections with over 35 additional cooperative unions, significantly extending its reach. This collaborative approach not only facilitates increased efficiency but also cultivates a sense of empowerment among the local agricultural communities.

Key Impact focus

- Foster economic empowerment within farming communities by establishing a sustainable market for farmers involved in cultivating various commodities such as cocoa.
- Promoting food security and social stability: Boosting agricultural productivity contributes to the alleviation of nutritional challenges and improves social stability.



Cultivating Agricultural Excellence: Atlas's Comprehensive Empowerment of Farmers.

Atlas takes an active role in engaging with farmers, extending valuable technical support across a spectrum of on-field activities—from the initial phases of planting and harvesting to the meticulous care of cocoa crops. Notably, the company facilitates on-site meetings held directly on the farmers' land, fostering productive interactions between farmers and cocoa extension officers. These discussions revolve around the practical implementation of best practices, with a specific focus on optimizing the application of fertilizers and nurturing cocoa seedlings.

In a bid to enhance the productivity of the farmers it collaborates with, Atlas has instituted an extension program that effectively amplifies cocoa yields in a commercially viable manner. Atlas achieves this by providing comprehensive support and training to farmers on fundamental Good Agricultural Practices (GAP) aimed at elevating yields to national average levels.

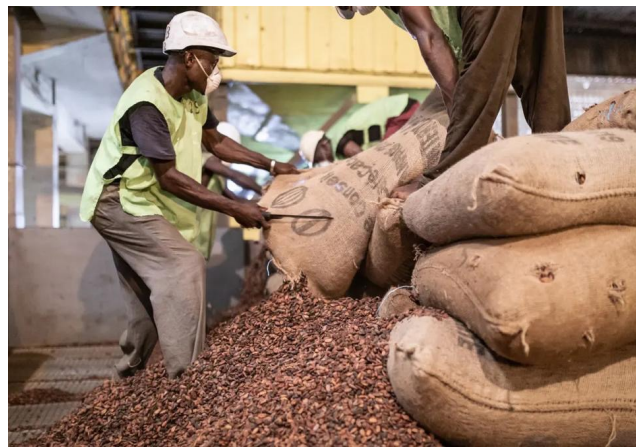
Moreover, Atlas guides farmers to embrace advanced agricultural solutions, such as irrigation methods and hand pollination, as a means to further enhance yields. Demonstrating its commitment to supporting farmers, Atlas not only recommends high-quality fertilizers but also provides free samples for testing. The involvement of expert agronomists from Atlas is a crucial aspect of this support, as they make regular visits to farms, guiding farmers in the correct application of fertilizers and closely monitoring progress. This hands-on approach ensures that farmers receive tailored guidance and resources to optimize their cocoa cultivation practices.

Farmer level pictures

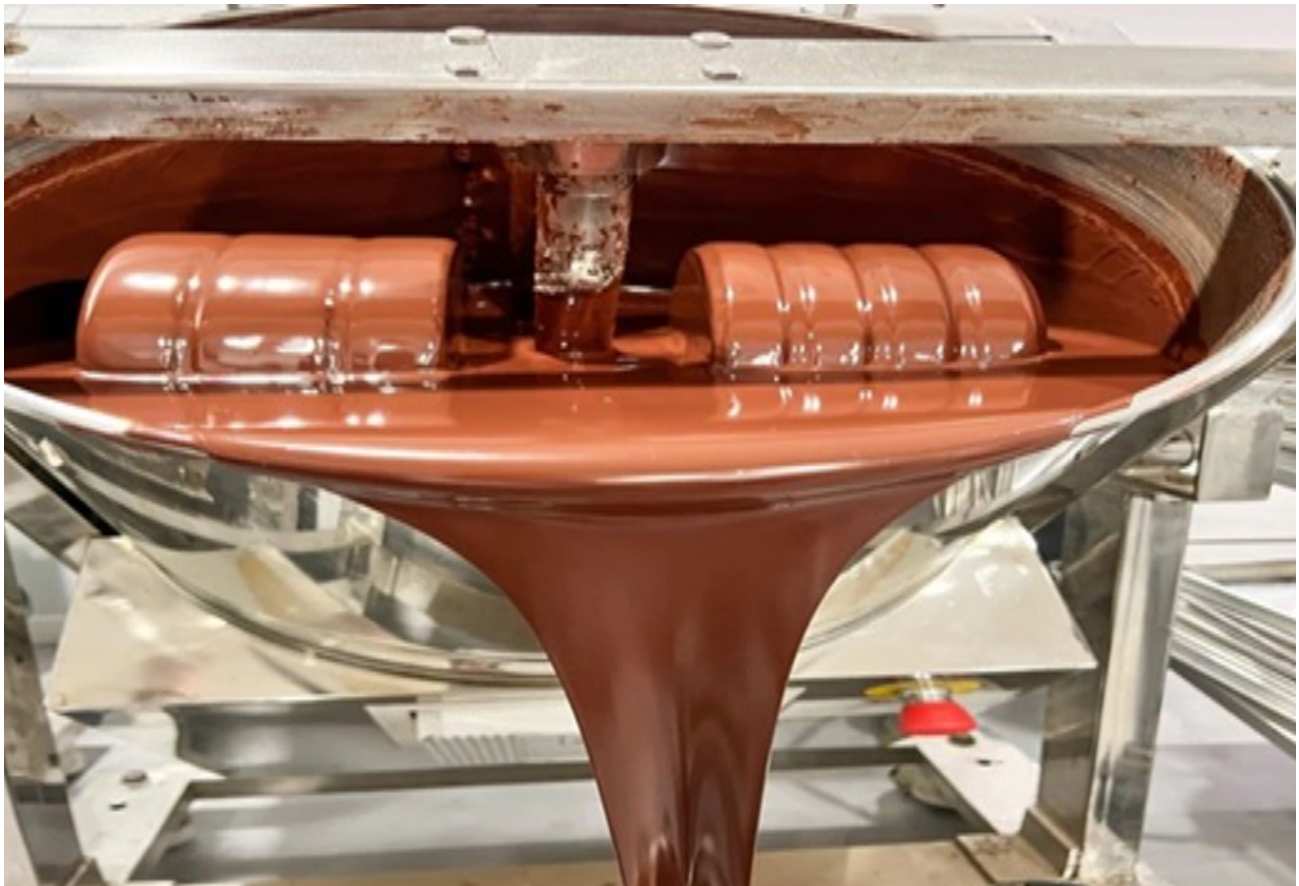


A group of farmers showing the planting, harvesting and nursing of cocoa.

Farmers interaction



Cocoa processing





6.2. Les Minoteries Industrielles Import-Export (Minimex) Limited



Company Overview

In 2020, Les Minoteries Industrielles Import-Export (Minimex) Limited received an approval for a USD 2 million facility from LAFCo. Established in 2006 in Rwanda, Minimex has carved itself as a specialist in the production of high-quality maize flour, placing a significant emphasis on food quality, safety, and nutritional value. The company actively sources maize from smallholder farmers, contributing to local agricultural economic empowerment. The fortified flour produced by Minimex not only meets high-quality standards but also addresses nutritional needs. This ensures that consumers not only receive a product of superior quality but also contribute to their overall well-being by incorporating essential nutrients into their diets.

Key Impact focus

- Foster economic empowerment within farming communities by establishing a sustainable market for farmers involved in cultivating maize.
- Promoting food security and social stability: Boosting agricultural productivity contributes to the alleviation of nutritional challenges and improves social stability.



Fostering Agricultural Excellence: Minimex's Influence on smallholder farmers' Lives, Practices, and Income

In the current year, LAFCo collaborated with 60 Decibels to conduct a survey-based case study focused on evaluating the impact of Minimex on farmers' quality of life, farming practices, and income. Insights were gathered through telephone interviews with a randomly selected sample of 281 farmers affiliated with Minimex through farmer cooperatives. Geographically, 59% of these farmers resided in rural areas, with the remaining 41% falling under the peri-urban classification. The survey results were thoughtfully benchmarked against the 60 Decibels Agriculture Benchmark, providing a valuable assessment of Minimex's effectiveness in influencing farmers' overall well-being and agricultural methodologies. The findings underscored significant improvements across various dimensions, including quality of life, agricultural practices, and earnings, all attributed to the collaborative partnership with Minimex.

In terms of accessing the partnership with Minimex, 36% of smallholder farmers reported that this marked their initial engagement or involvement with the company. Additionally, 48% of the smallholder farmers expressed a lack of access to satisfactory alternatives.

Gender and inclusivity was a focal point of the study, revealing that Minimex achieved a 38% reach among female farmers, surpassing the benchmark's 27%. The inclusivity ratio, evaluating the reach of Minimex to low-income farmers in Rwanda, was recorded at 0.67, closely aligning with the benchmark score of 0.77.

Regarding impact on quality of life, 36% of Minimex smallholder farmers reported a notable improvement in their quality of life, with an additional 62% noting a slight enhancement. Enhanced farming methods, including improved techniques and efficient fertilizer usage, were attributed to a substantial 37% improvement in the way of farming.

In terms the impact on production, 33% of the smallholder farmers in the survey reported an improvement in production, while 65% reported a slight increase.

Regarding income, 70% of Minimex smallholder farmers reported a considerable improvement. Notably, 63% attributed their increased income to selling higher volumes, while 35% credited favourable shifts in pricing.

The Net Promoter Score¹ for Minimex was reported at 24, slightly below the 60 Decibels Agriculture Benchmark benchmark's 33. Challenges were reported by 8% of Minimex smallholder farmers, a notable contrast to the 25% reported in the benchmark study. Several challenges reported included general complaints such as delayed payments and additional charges for crop transportation. Following discussions with the company, Minimex stated that they have addressed most of these concerns and are actively working to resolve any remaining issues.

Collectively, these findings offer a comprehensive overview of Minimex's positive impact on farmers, highlighting improvements in various aspects of their livelihoods and agricultural practices.

The following highlights the key insights derived from the interviews:



98% of the farmers say that their way of farming and quality of life has improved because of Minimex.

48% of the farmers report that they had no prior access to a service or partnership like Minimex. Female farmers are more likely to be accessing such a service for the first time.

More than 9 out of 10 farmers say that their maize production and money earned from maize has also increased. Top uses of additional income include accessing health insurance, buying food, and paying for education. Almost every farmer in a food-insecure household reports a decrease in instances of food insecurity due to the partnership with Minimex.

¹ A common gauge of client satisfaction and loyalty

Pictures of Minimex' s processing facility and employees



7. Future Outlook and Growth Prospects

The future outlook for LAFCo appears promising and aligned with its commitment to sustainable and impactful investments in SSA's agricultural sector. With a solid foundation established over the years, LAFCo's strategic initiatives, including the recent success in securing additional funding from KfW, position the organization for continued growth and positive impact. The integration of impact targets, verified through the ESMS and the annual review of its ToC, reflects LAFCo's dedication to intentional and measurable outcomes. The expansion of reporting metrics in the annual impact report, particularly the comprehensive range of impact metrics aligned with the SDGs, showcases LAFCo's commitment to transparency and accountability. Noteworthy case studies, such as those of Atlas and Minimex, exemplify the tangible positive outcomes achieved through LAFCo's investments. The organisation's proactive approach to disclosing the carbon footprint associated with its borrowers further positions LAFCo at the forefront of environmentally responsible investing. As LAFCo continues to nurture resilience and sustainability within the agricultural sector, the organisation is poised to make lasting contributions to economic empowerment, food security, and social outcomes in the regions it serves, fostering a more equitable and sustainable future.



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