

WEGRO

IMPACT REPORT

www.wegro.global

House 42, Road 1, Block A
Niketan, Gulshan 1, Dhaka

An agri fintech, facilitating access to **finance**, **input** and **market** for smallholder farmers.





MESSAGE FROM THE FOUNDER

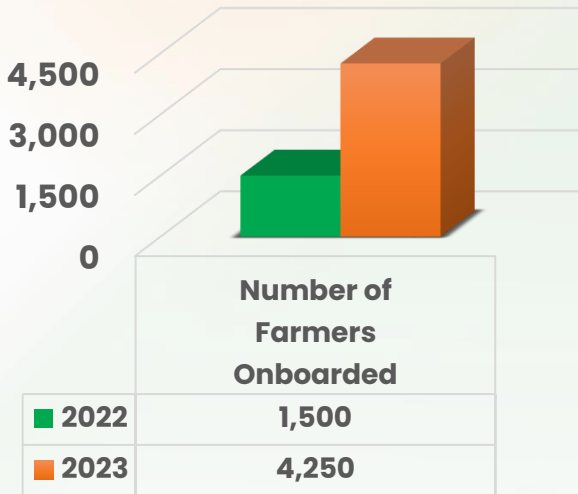
When we set out to build WeGro years ago, we were not sure about what we wanted to achieve, but the focus was simple: solve problems for farmers. What started as a team of 4 people connecting a few financiers with a handful of farmers, has grown into a huge family of **50+** team members and 2 apps serving **4,200+** farmers across Bangladesh.

We have always tried to embed ourselves in different spaces of the agricultural value chain to solve various problems for farmers, especially by **leveraging technology**. We have brought key financial institutions and other organizations into our fold as well, so that everyone can contribute in improving the lives of farmers of our country. We are also fortunate and grateful to the government for supporting our activities as well. But our work is far from over and given there are still 9.9 million farmers facing finance issues, we are hopeful that more organizations will join us in this fight.

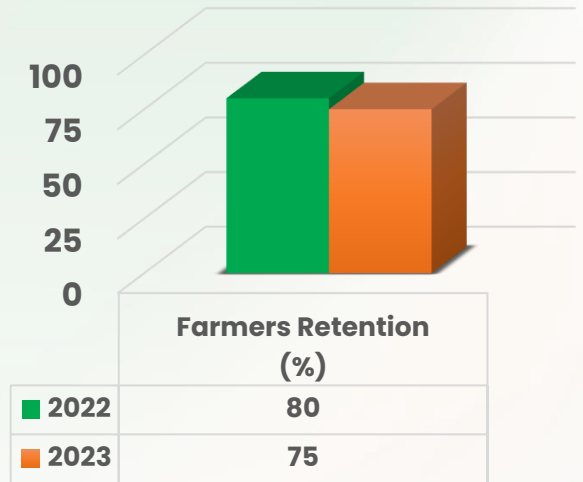
Md. Mahmudur Rahman
CEO & Co-Founder
WeGro Technologies Limited

NOTABLE ACHIEVEMENTS

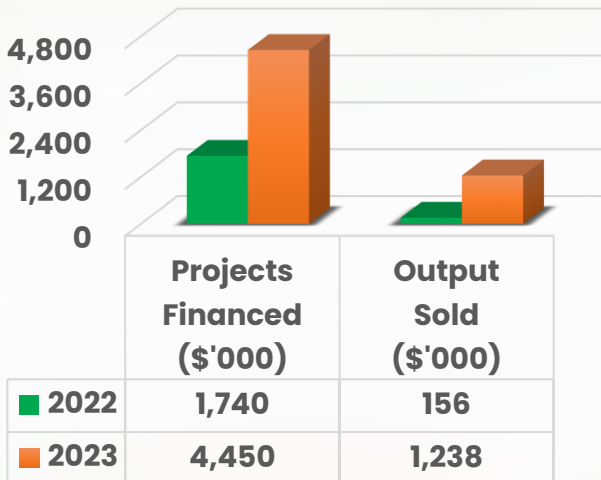
Here's a glimpse of how we fared on our key impact metrics, as compared between November 2022 and 2023.



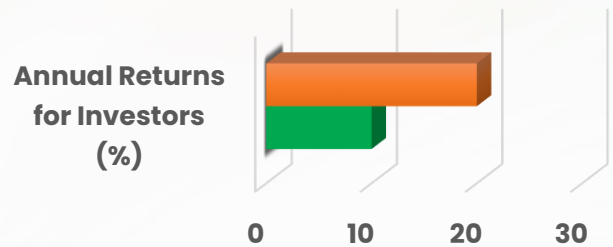
Farmers Onboarding increased to **4,200+** with operations expanding to **28 regions**



Farmer Retention decreased due to rigorous credit assessment methods and



More than **500+ Financiers** onboarded the platform with more than **\$4.4 million** invested and expansion of supply chain facilitated **\$1.23 million** worth of products sold.



	Annual Returns for Investors (%)
WeGro	20
Savings Certificate	10

Financiers on average receive **2x** return compared to the most preferred asset class: saving certificates with **flexible project tenure**

120+

Free Livestock Vaccinations

26%

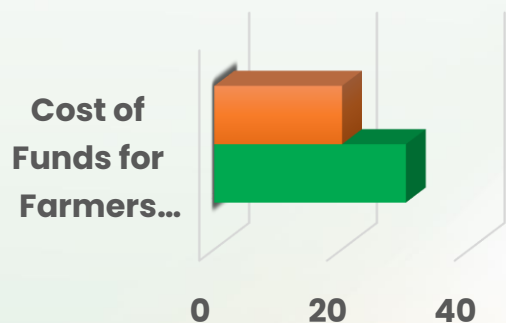
Female Farmers

14

Training Sessions

540

Training Participants



	Cost of Funds for Farmers (%)
WeGro	20
Microfinance	30

Farmers **save 10%** on an annual basis compared to MFI (the most common & readily available funds for farmers). The most important benefit from WeGro is the **favorable repayment timeline** which is aligned to the project cash flow.

ABOUT WEGRO

WeGro Technologies Limited has been established to provide low-income (less than \$150/month) farmers with improved access to finance, marketplaces, quality inputs, and farming advisory services.

Our product is aimed at solving the problem of inadequate access to finance, market and input for smallholder farmers in the country, each of which has been a major bottleneck in the sector.

Our solution provide farmers with access to investment for their agricultural projects, which they can raise and sell for profit. We work with a network of farmers, providing them with the necessary inputs and technical assistance needed to raise healthy cattle, which they can sell for a profit after a predetermined investment tenure.

With the WeGro app, users can invest in, and earn from agricultural projects. They can earn between 16-20% annually from their portfolio, providing a reliable space for alternative investment. With the Ogro app, field facilitators can quickly and easily conduct digital credit scoring for farmers who will potentially receive investment from WeGro Technologies Limited.

We are currently working on an RCT project with International Food Policy Research Institute, to measure impact ([Read the IFPRI Blog](#)). We also have other partnerships with Swisscontact, IDE, Heifer and local development organizations. We cater chicken and eggs to institutions such as Chaldal, Apon Wellbeing, etc. and 70+ retailers across the capital.



KEY MILESTONES

APRIL
2021

Beginning

Founding team raises BDT 10M+ in financing for our first farm project in Keraniganj.

Official journey begins

Incorporated in Registrar of Joint Stock Companies and Firms.

JUNE
2021

JAN
2022

Launch of the WeGro app

Android mobile application launched for investors, along with the website.

WeGro launched on iOS

iOS mobile application launched. A total of BDT 100M+ worth of projects financed. First Farmer Care center launched in Sirajganj.

JULY
2022

AUG
2022

WeMarket launched

WeGro starts to onboard retail partners to supply processed chicken and eggs. Cow insurance initiated with Green Delta.

Biniyog Briddhi Grant

B-Briddhi, a program by Swiss Embassy awards USD 100,000 in grants for reaching impact based milestones. Institutional financing agreement with UCB initiated.

OCT
2022

JAN
2023

Swisscontact

Goats financed for 40 female farmers in the Char areas of Gaibandha. Goat insurance also piloted parallelly.

Accelerating Asia

USD 200,000 raised in seed funding from Accelerating Asia Cohort 8. Ogro app launched for digital credit scoring of farmers.

JUNE
2023

JULY
2023

Paddy Projects launched

Paddy harvesting initiated with 300 farmers. Agri machinery financing for farmers initiated with LightCastle.

Muzzle Technology

Muzzle technology for livestock insurance with Phoenix Insurance. BDT 400M+ worth of financing achieved.

AUG
2023

IMPACT IN PICTURES



Farmers' Meet in Khetlal, Joypurhat

With the 'Krishi Shobha' or Farmers' Meet, farmers are gathered and informed about our various projects and initiatives. Farmers are also provided with training and guidance regarding their work during these meetings.

Cattle purchase for farmers in Chars

Chars or sedimentary landmasses are home to millions climate affected displaced farmers, with limited options for farming. By partnering with Swisscontact, we provided livestock for rearing along with other necessary resources.



Bank Financing for Crops

For the potato season, potato farmers in Joypurhat are connected to banks through WeGro, so that they can easily receive loans for their crops.

Md. Shah Alom, Cattle Farmer, Sirajganj

Md. Shah Alom faced challenges in scaling his farm. WeGro helped him by purchasing cattle for his fattening project and also helped him sell his cattle during the following Qurbani season.



Nasera Bibi, Chilli & Livestock Farmer

Within the confines of her family land in Bogura, Nasera Bibi raises livestock and grows chilli – both through WeGro's financing although in different projects.

BUSINESS MODEL

Access to Finance

Collaboration with Banks

Access to Markets

60% (9.9 Million) farmers in Bangladesh lack access to formal financing due to lack of interest of financial institutes due to the small ticket sizes (less than USD 2,000), lack of collateral, fear of signing legal documentation due to limited educational knowledge and geographical challenges (distance from financial institutions) being on an average 50km away; all this causes farmers to resort to local lenders charging up to 40% annual interest. Such debilitating problems hinder the growth in income for smallholder farmers, trapping them and their families in a cycle of poverty. Other than that, farmers are not equipped with data, training, quality input and other means that may ensure better use of farm resources.

Prior to financing any project, the regional operation team conducts a due diligence process to verify the requirement, productivity and the credit history.

A credit analysis is performed and the factors are considered:

- ✔ Minimum 3 years of experience in the respective project
- ✔ Fixed Structure: Shed or land (own or leased) to conduct operation
- ✔ 3 years track record
- ✔ Lifestyle and Financial History
- ✔ Feedback from local stakeholders: input providers and market place

Once a project is considered acceptable, the projects are uploaded on the tech platforms: website and mobile application. The process, starting from farmer onboarding to financing, usually takes 14 to 20 days.



BUSINESS MODEL

Access to Finance

Collaboration with Banks

Access to Markets

Finance is raised from individual financiers or institutional financiers. Individual financiers are informed regarding the overall investment opportunity, the tenure of the project and the expected ROI from the investment. All the projects of WeGro Technologies Limited are run via following the principles of shariah (Mudaraba or Murabaha). The financing is transferred to the farmers in the form of inputs.

The individuals are interested to invest for the following reasons:

- ✔ Shariah based project management
- ✔ Formal contract of agreement
- ✔ Returns higher than conventional asset class
- ✔ Transparency in terms of utilization of funds
- ✔ New class of assets to invest

The produce/livestock is eventually sold directly to market or WeGro Technologies Limited whichever yields better financial returns. The profit on sales is shared with WeGro Technologies Limited which is eventually shared with the individual financiers. The profits are shared in the ratio 40-40-20 among Farmer-Financier and WeGro respectively, depending on the nature of the project, tenure, profitability, market prices and geo-location.



BUSINESS MODEL

**Access to
Finance**

**Collaboration
with Banks**

**Access to
Markets**

The risk is mitigated by the integration of technology to onboard insurance. Moreover, we follow the portfolio model to calculate profitability to minimize individual investment risk. The details of the risk mitigation strategy as per the different projects are to be discussed in detail in the Risk Mitigation Strategy segment.

WeGro engages farming communities, conducts credit scoring and uploads their projects to the WeGro app, whereby individual and institutional financiers can invest in their projects. For our farmers, we have Farmer Care Centers in key locations whereby farmers can interact and learn about our services. Additionally, field officers go door-to-door to connect with new farmers and explore new business opportunities. Our field offices also solve a whole host of problems by working closely with the communities.

The Ogro app is a recent addition for our field facilitators and it serves as a digital alternative to the manual surveys previously used to collect information from farmers and create credit history. After entering the relevant info, a credit report will be created and stored for easier sharing with financial institutions and other relevant partners. Our partners can access farmers' data, open dairy accounts for farmers, and process loans and other services, thereby saving time and money. Through our WeMarket solution we are connecting farmers directly to sellers; we buy back the farmers' produce and provide storage and logistics so that farmers can sell their products to marketplaces and get better prices (upto 30% increase).



BUSINESS MODEL

Access to
Finance

Collaboration
with Banks

Access to
Markets

WeGro has partnered with 4 banks till date, to scale the scope of financial inclusion of farmers.

This is the process through which WeGro collaborates with banks:

- ✔ Provide lead with KYC materials for opening farmers' bank account
- ✔ Bank provides term financing to support agricultural production i.e., Aquaculture, Poultry, Cattle, Horticulture, Crop (Maize and others) etc.
- ✔ The financing is paid directly to WeGro to facilitate the purchase of inputs
- ✔ WeGro ensures the buy back at the term end and completes the repayments for the farmers



BUSINESS MODEL

**Access to
Finance**

**Collaboration
with Banks**

**Access to
Markets**

Farmers struggle to get fair prices at the end of production and are a common cause of concern for the farmers. The number of intermediaries also lead to the fact that the farmers receive less than 25% of the final price of the produce. In order to address the issue WeGro Technologies Limited aims to connect the farmers directly to its valued B2B partners and eradicate the numerous stakeholders previously involved for these organizations to get the produce. It benefits the entire value chain by ensuring that the farmers and B2Bs are both benefited in terms of price at the same time.

Farmers are assured of their sales to a single source so they can focus their efforts on production. Moreover, reduction in lead time and lower number of handlings lead to greater quality of produce reaching out to the organizations. In addition to that, the B2B organizations are assured of the quality processes involved since the farmers are in direct connection with WeGro Technologies Limited.

Thus by providing access to markets for farmers through the WeMarket initiative, farmers receive better prices and can reduce wastage, while WeGro is benefited with marginal profits or commission.



METHODOLOGY

The Theory of Change is developed and monitored, collecting data from the following sources:

- Data from Internal Database (IDB): These are the data available to WeGro from operational data such as production information, financial statements, salary sheet, etc.
- Survey Data (SD): Data from this methodology will be mostly from external sources.

WeGro is currently using their mobile app, spreadsheet and hard copy forms to collect data through the touchpoints from the farmers and workers.

Additional data captured in the data collection plan will be collected from their internal database. They are also using more digitized tools such as keeping all records on spreadsheet and using ERP software.

All the directly relevant impact stakeholders' (namely the farmers, the employees) touchpoints are traced and linked with the SMART indicators of the Theory of Change to track creation and depth of impact for each of the value chains.

Additionally, frameworks of storage and analysis are developed along with the data collection plan so that the Theory of Change can be revised periodically and when required.



Increased Financial Empowerment and Reduced Poverty:

Empowerment comes from giving farmers the tools and resources to succeed. By providing access to finance and markets, WeGro empowers farmers financially, enabling them to increase their income and, as a result, reduce poverty. This empowerment has a ripple effect, improving the quality of life for the farmers and their families, enhancing their ability to invest in education, healthcare, and the long-term sustainability of their farms, thereby lifting entire communities.

Wealth Creation for Middle Class Retail Investors:

WeGro opens up a new avenue for middle-class retail investors by providing access to an alternative asset class—agricultural investments. This not only diversifies their investment portfolio beyond the traditional stocks, bonds, and real estate but also offers the potential for higher returns. The investors not only benefit financially but also contribute to the social good by supporting the agricultural sector. This model promotes a shared economy where the success of the farmers translates into success for the investors, creating a cycle of wealth generation that is socially responsible and impactful.

Financial Inclusion for Farmers in the Agri Value Chain:

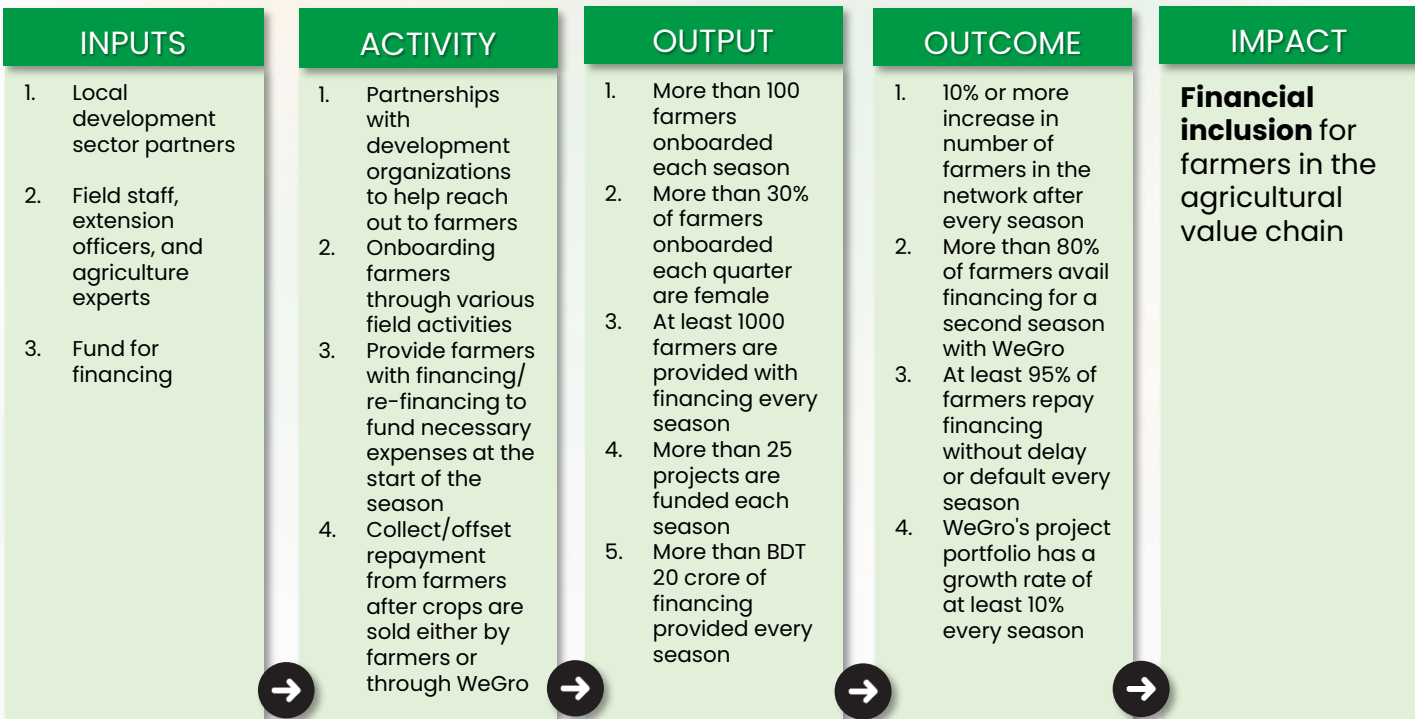
Financial inclusion is pivotal for smallholder farmers, who often lack access to traditional banking services. WeGro facilitates this by offering them a platform to secure financial resources necessary for farming. This is achieved through innovative financing models that cater to farmers' unique needs, allowing them to invest in quality inputs, modernize their farming techniques, and ultimately improve their yields. The platform's ability to connect these farmers with financial opportunities not only fosters economic growth but also ensures that they are integral parts of the value chain, rather than marginalized participants.

Market Creation for Farmers:

Market access is a significant challenge for many farmers, who traditionally have had to contend with multiple layers of intermediaries, each taking a share of the profits. WeGro's advisory services, provision of inputs, and aggregation of harvests directly tackle this issue by eliminating unnecessary middlemen and ensuring fair prices for crops. Advisory services help farmers make informed decisions about crop selection, pest control, and best practices, while input access ensures they have what they need to produce a successful harvest. By aggregating the harvest, WeGro can negotiate better prices on behalf of farmers, ensuring they receive a fairer share of the final market price.

THEORY OF CHANGE

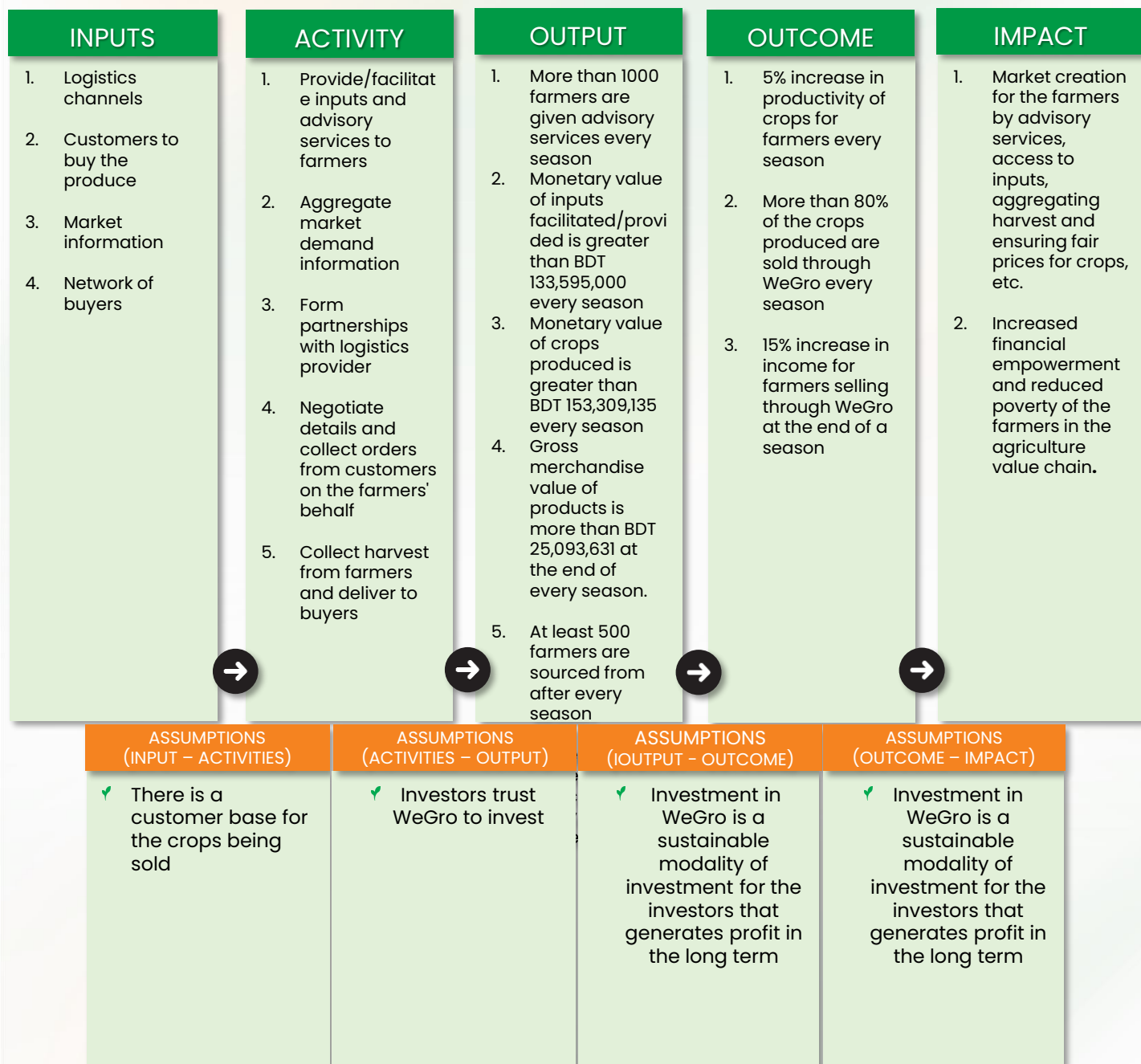
KEY VALUE DRIVER: Growth of WeGro Financing



ASSUMPTIONS (INPUT – ACTIVITIES)	ASSUMPTIONS (ACTIVITIES – OUTPUT)	ASSUMPTIONS (OUTPUT – OUTCOME)	ASSUMPTIONS (OUTCOME – IMPACT)
<ul style="list-style-type: none"> Development organizations have incentives to partner with WeGro such Field staff, extension officers, and agriculture experts have the expertise need to support the farmers 	<ul style="list-style-type: none"> Development organizations have farmers in the network who can be connected to WeGro Farmers are willing to work with WeGro Farmers do not have financing facilities available, and the ones available have high cost of capital 	<ul style="list-style-type: none"> Farmers can understand the benefits of working with WeGro after just one season WeGro has adequate funding to meet the financing demand 	<ul style="list-style-type: none"> Financing modality is suitable for farmers and is sustainable in the long term for them

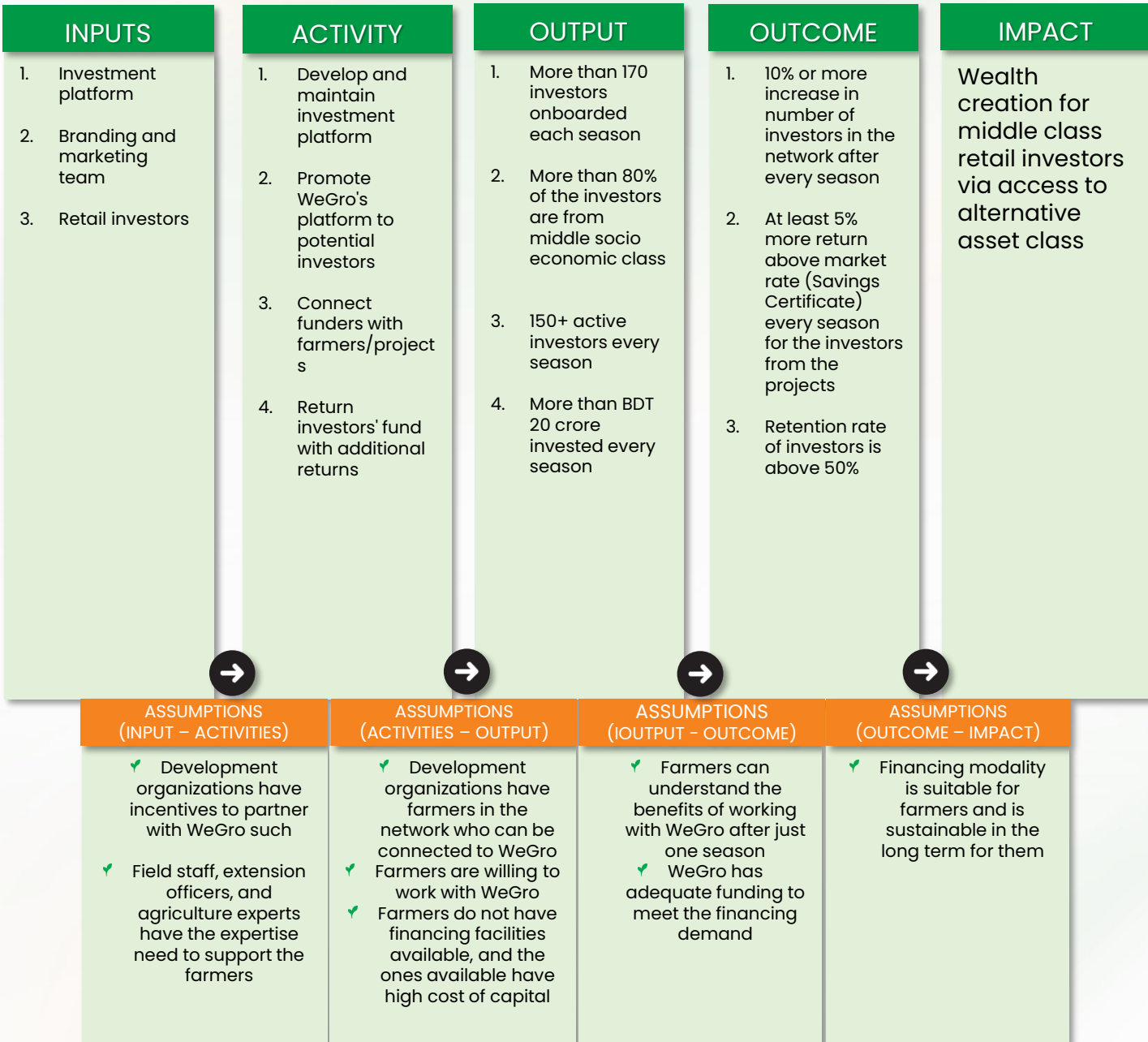
THEORY OF CHANGE

KEY VALUE DRIVERS: Effectiveness of inputs, market information, advisory services, and direct linkage



THEORY OF CHANGE

KEY VALUE DRIVERS: Increased access to investment vehicle alternate (for better returns) for middle class retail investors



SDG GOALS

1 NO POVERTY



We seek to improve the lives and livelihoods of the smallholder farmers within our network and alleviate them from poverty.

2 ZERO HUNGER



With our technology and infrastructure, we strive to create improvements in the food supply value chain of the country.

8 DECENT WORK AND ECONOMIC GROWTH



Through our model, we seek to create employment opportunities within the agriculture industry and improve household incomes of all our stakeholder farmers.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



By providing storage, logistics and access to marketplace, our model has reduced wastage and inefficiencies within the food value chain.