

Agribusiness Finance

small finance, big change



Learning Outcomes

Introduction and Context

This session with Ms. Lorna Grace sets the stage and helps in aligning the learners' understanding and expectations with the rest of the lessons in the Agribusiness Finance certificate. Here are the interesting questions which are discussed:

- How is Agribusiness finance different in the western markets vs. the established markets?
- How does finance contribute to food sustainability?
- How is value chain finance going to strengthen smallholders farmers inclusiveness in Agriculture value chains?
- How well do you think the talent working in Financial institutions understand the financing tools needed or available for Agriculture?
- What financial innovations have caught your attention?

Smallholders and Value Chain Finance

This lesson will help you get a good understanding of how smallholder financing happens and the challenges around their financing needs. This particular lesson is created to deliver on the following learning outcomes:

- Importance of making finance accessible for the smallholders
- How smallholders fall short in their bankability
- Roles and framework mechanism for agribusinesses to support or encourage smallholder access to finance

You will be taken through a conceptual understanding video lecture by Agribusiness Finance expert Ms. Lorna Grace. This lecture will be followed by a discussion between Ms. Lorna Grace and Dr. Vijayender Nalla that captures the insights from the lecture and helps you apply the tools and frameworks in practical business situations.

Video presentations and discussion are followed by knowledge booster to test and enhance your learning experience

Finance in the Agribusiness Value Chain

In this module, we briefly discuss a few agriculture value chains and their essential characteristics. We look at how finance interacts with value chains (internal and external) and how the agriculture value chains lend (or do not lend) themselves to effective finance. This lesson is created to deliver the following learning outcomes:

- Understanding the approach of value chain financing over conventional financing
- Leveraging the value chain relationships for improved financial access
- Financial flows in a value chain
- Integrating different agribusiness value chain financial systems for effective financing

In this lesson, you will be taken through a conceptual understanding video lecture by Agribusiness Finance expert Ms. Lorna Grace. This lecture will be followed by a discussion between Ms. Lorna Grace and Dr. Vijayender Nalla that captures the insights from the lecture and helps you apply the tools and frameworks in practical business situations.

Video presentations and discussion are followed by knowledge booster to test and enhance your learning experience

Types of Value Chain Finance Products

This module looks at cases of internal and external (and combinations of) value chain financial products. How they work based on the characteristics of the value chain.

This particular lesson is created to deliver on the following learning outcomes:

- Different types of Agribusiness value chain financial instruments and their design
- Major categories of value chain finance instruments
- Different models of value chain financing
- Advantages and disadvantages of different forms of financing

You will be taken through different value chain finance models in 2 parts of video lectures by Agribusiness Finance expert Ms. Lorna Grace. This lecture will be followed by a discussion between Ms. Lorna Grace and Dr. Vijayender Nalla capture the insights from the lecture and help you apply the value chain finance product knowledge.

Video presentations and discussion are followed by knowledge booster to test and enhance your learning experience

Designing and Quantifying a Financial Product

This session outlines various financial product features that need to be incorporated into a design of a value chain finance product.

- Evaluating different factors for designing an effective financial product by Banks or any Agribusiness value chain actor
- Importance of cash flows to design a financial product
- A general overview of the cashflow tool focusing on its help for planning and optimizing the production business

You will be taken through different value chain finance models in 2 parts of video lectures by Agribusiness Finance expert Ms. Lorna Grace. This lecture will be followed by a discussion between Ms. Lorna Grace and Dr. Vijayender Nalla to help you capture the insights from the lecture and apply value chain finance product knowledge. Video presentations and discussion are followed by knowledge booster to test and enhance your learning experience.

Cashflow tool

This lesson will discuss all the elements needed to design and use a cashflow tool (financial modelling) which will help the stakeholders, especially financiers in effective decision making.

This lesson is created to deliver the following learning outcomes:

- Importance of cashflow in the farm production business
- Elements involved in designing a cashflow tool
- Cashflow sensitivity analysis
- Understanding the need for cashflow tool in planning and optimization of production process

You will be taken through a conceptual understanding video lecture by Agribusiness Finance expert Ms. Lorna Grace. This lecture will be followed by a discussion between Ms. Lorna Grace and Dr. Vijayender Nalla that captures the insights from the lecture and helps you apply the tools and frameworks in practical business situations.

Video presentations and discussion are followed by knowledge booster to test and enhance your learning experience

The Forgotten Finance

While there are many examples of value chain finance, this session looks at often overlooked financial products such as savings and insurance and how they can use value chains to support dissemination and management. It is created to deliver on the following learning outcomes

- Understanding financial needs of a smallholder
- Integrated risk structure of a smallholder
- Role of insurance in mitigating smallholder risks
- Mechanics of major types of insurance for production/livestock

You will be taken through a conceptual understanding video lecture by Agribusiness Finance expert Ms. Lorna Grace. This lecture will be followed by a discussion between Ms. Lorna Grace and Dr. Vijayender Nalla that captures the insights from the lecture and helps you apply the tools and frameworks in practical business situations.

Video presentations and discussion are followed by knowledge booster to test and enhance your learning experience

AgFinance in a digital age - Q & A with Lorna Grace

Farmcrowdy (Nigeria), Farmdrive (Kenya), AgriKore (Nigeria-Kenya), ProducePay (United States), CropPro Insurance (United States), Farmeco (Australia), Stellapps (India) are some of the AgFintech examples that are aiming to leverage digital technologies to create better access to finance & insurance solutions to the players in the agribusiness value chain players.

Some of the critical questions to address are:

- How well are such fintech products being adopted by the targeted agribusiness players?
- How are these fintech products transforming the Agribusiness value chains?
- Which type of value propositions would scale profitably and how would this change the incentives/profitability for different value chain players?

Agribusiness Academy expert Lorna Grace has answered the above and several of the participant questions during this interactive Q & A session.

Assignment: Case study analysis

This program will end with submitting an assignment of case study analysis. In depth case analysis requires application of the concepts and insights discussed in the program. Once the learner submits the analysis, they receive expert feedback.

The case is about a well positioned cooperative in the value chain looking for financial assistance to expand its plantain production to leverage the high demand in the market. Learners have to consider various factors (discussed in the program) in the value chain and the financing system to come up with a well designed financial product for this particular value chain.

Learners are awarded a professional certificate from Agribusiness Academy and Small Finance Big Change upon successful completion of all lessons and the Case Study Analysis.