



Website: www.agruppa.co
 Year Founded: 2015
 Location: Bogota, Colombia
 Founders: Carolina Medina and Verena Liedgens

INVESTMENT TERMS
 Round Size: \$405,000
 MC Share: \$150,000
 Type: Convertible note
 Date: March 2017

MARKET NEED

Almost half (40%) of urban and peri-urban residents (and the overwhelming majority of low and middle class groups) in Colombia purchase healthy produce from one of over 450,000 neighborhood mom-and-pop shops. However, inefficiencies in the supply chain from farm to shop result in high prices for food staples such as potatoes and plantains, lower incomes for farmers and shop owners, and a large amount of spoilage and waste.

THE AGRUPPA SOLUTION

Agruppa is a last-mile distribution service that leverages mobile technology to streamline the produce supply chain for urban mom-and-pop shops and local farmers. Shop owners call or message Agruppa with their orders for produce and Agruppa fulfills orders at wholesale prices directly from local farmers while handling the logistics and doing just-in-time delivery. By aggregating supply and demand, reducing waste, and handling logistics in-house, Agruppa is able to reduce prices for low-income consumers by up to 10% while at the same time increasing margins for small and medium-sized farmers and low-income mom-and-pop shop owners.

BUSINESS MODEL

Agruppa earns margin on each delivery it makes, and is constantly seeking to expand the number of mom-and-pop shops and farmers they work with across low-income areas in Colombia. The organization is increasing its investment in technology platforms to further streamline order collection, purchasing, and distribution - lowering its operating costs.

INVESTMENT RATIONALE

Agruppa's model creates impact in two of Mercy Corps' focus areas - last mile distribution and agriculture. It complements Mercy Corps' current smallholder farming programs in Colombia, and the Social Venture Fund can provide technical assistance and learnings from similar last-mile investments in Kenya and Indonesia.

ROUTE TO IMPACT

Activities	Collect produce orders from mom-and-pop shops, buy directly from local farmers, deliver to shops
Outputs	Produce orders from shops, consistent supply from farmers
Intermediate Outcomes	Low-cost, fresh produce is made available to end customers; mom-and-pop shops save on cost of produce and time
Outcomes	Increased and more stable income for farmers, decreased expenses for shop owners
Ultimate Impacts	Improved livelihoods for farmers and mom-and-pop shop owners, increased accessibility to nutritious foods for customers

METRICS

- REACH** %/# of farm suppliers that are small and medium sized, %/# of mom-and-pop shops that are low income
- BREADTH** # of mom and pop shop customers served, # of farmer suppliers
- DEPTH** \$ weekly savings to mom-and-pop shops, \$ income increase for farmers

SDG ALIGNMENT

