



Website: farmdrive.co.ke  
 Year Founded: 2015  
 Location: Nairobi, Kenya  
 Founders: Rita Kimani and Peris Bosire

INVESTMENT TERMS  
 Round Size: \$100,000  
 MC Share: \$50,000  
 Type: Convertible note  
 Date: June 2016

## MARKET NEED

In Kenya, 7.5 million smallholder farmers lack access to small loans to help them buy quality fertilizers, better seeds, improved livestock, and micro-irrigation, all of which would increase their farms' yields and improve their incomes. This lack of financing for farmers (over \$200 million per year in Kenya alone) is due, in part, to a lack of credible risk-assessment information (e.g., annual income, business expenses, yields, etc.) on smallholder borrowers available to lenders.

## THE FARMDRIVE SOLUTION

FarmDrive is a technology company that generates real-time credit profiles for smallholder farmers that allow them to access mobile money loans from financial institutions and agricultural input providers. Using a proprietary platform, FarmDrive collects expense and revenue data from farmers via SMS and combines it with satellite imaging, remote sensing technology and alternative data points (e.g., soil analysis, weather forecasts, etc.) to create detailed yield estimates and assess credit risk. This report allows credit providers to make informed lending decisions and easily reach rural clients, which expands access to financing for smallholder farmers. As a result farmers have the opportunity to increase their yields, improve their incomes, and invest their additional revenue back into their families and communities.

## BUSINESS MODEL

FarmDrive charges financial institutions a fee for each credit profile it creates and applies a percent margin on each loan extended. This is intended to offer cost savings for lending institutions as FarmDrive's credit profiles have the potential to be more comprehensive and precise than existing underwriting tools thanks to the many data points it uses.

## INVESTMENT RATIONALE

FarmDrive's model delivers solutions to two of Mercy Corps' areas of focus - agriculture and financial services. Mercy Corps Kenya is assisting the startup in building relationships with financial institutions across Kenya, and learnings from FarmDrive can be applied to other financial inclusion startups the Social Venture Fund is engaged with globally.

## ROUTE TO IMPACT

<b>Activities</b>	Collect farmer operational data via SMS, aggregate and analyze farmer and third-party data sets
<b>Outputs</b>	Credit reports delivered to financial institutions
<b>Intermediate Outcomes</b>	Access to loans for farm inputs
<b>Outcomes</b>	Increased incomes for smallholder farmers
<b>Ultimate Impacts</b>	Increased quality of living for smallholder farmers

## METRICS

- REACH** % of farmers that are women and youth
- BREADTH** # farmers served, # loans disbursed; \$ loans facilitated
- DEPTH** \$ income increase of farmers due to access to credit, # yield increase due to credit

## SDG ALIGNMENT

