



Website: vasham.co.id
 Year Founded: 2013
 Location: Jakarta, Indonesia
 Founder: Irvan Kolonas

INVESTMENT TERMS
 Investment Terms
 Round Size: \$2,500,000
 MC Share: \$250,000
 Type: Equity
 Date: March 2016

MARKET NEED

Approximately 18 million rural Indonesian farmers live below the poverty line and lack access to the financing, information, and yield-improving technologies (fertilizers, quality seeds, irrigation systems) that would increase their incomes and help them climb out of poverty. Instead, to pay for daily supplies they are forced to access informal loans with interest rates of up to 100% and risk becoming more indebted and more insecure than before, unable to invest in their families or their properties.

THE VASHAM SOLUTION

Vasham provides a bundle of services to smallholder farmers growing staple crops (e.g., corn) designed to lower their production costs and increase their incomes. They educate farmers on the best farming techniques, provide access to higher quality seeds, offer low-interest loans, and line up buyers who will purchase harvests at a guaranteed premium. This closed-loop business model provides smallholder farms with resources and market linkages needed to achieve significantly better standards of living and improve their ability to invest in their children and their farms. The Vasham solution is also beneficial for buyers (e.g., feed mills) who benefit from secure and high-quality supply.

BUSINESS MODEL

Vasham operates using a Sharia-compliant profit-sharing model where it collects a percentage of the total profits earned by the farmers. Vasham's success is tied directly to its ability to increase smallholder farmers' incomes, productivity and standard of living each year. It works exclusively with smallholder farmers (<2 hectares) who lack access to capital and who grow staple crops.

INVESTMENT RATIONALE

Vasham's model seeks to address two of Mercy Corps' focus areas - agriculture and financial inclusion. SVF's investment reflects both the significant need in Indonesia and around the world for smallholder farmer support, and the potential of Vasham's model to be scaled to meet that need in other countries where Mercy Corps is operating.

ROUTE TO IMPACT

Activities	Provide working capital loans and advisory services to farmers, provide direct connections to buyers
Outputs	Farmers access needed inputs and apply newest low-cost farming techniques
Intermediate Outcomes	Farmers increase yields
Outcomes	Farmers receive higher prices and earn more profit for their harvests
Ultimate Impacts	Increase quality of living for smallholder farmers

METRICS

REACH % of farmers served that are smallholder
BREADTH # of farmers served
DEPTH \$ additional income generated, \$ loans distributed

SDG ALIGNMENT

