



WOMEN IN AGRICULTURE INITIATIVE

ANNUAL REPORT 2017

Overview

At Root Capital, we're committed to transforming the lives of rural women. In many countries where we work, women typically own less land and have less access to capital than men. Without the right resources, they remain stuck in a cycle of poverty. But it doesn't have to be this way. Since launching the Women in Agriculture Initiative (WAI) in 2012, we've seen again and again how gender-inclusive businesses help women grow a better future—for themselves and their communities.

We are pleased to share our 2017 Women in Agriculture Initiative annual report, which showcases how Root Capital is impacting the lives of rural women. Thank you for supporting us in accomplishing this critical work.

Year In Review

During 2017, we reached 224,000 women producers by lending to 245 agricultural businesses in Africa, Asia, and Latin America. Our average outstanding balance to all gender-inclusive businesses during the year was \$30.2 million, representing 40 percent of Root Capital's total average outstanding lending balance. This is up from 35 percent at the end of 2016 and 30 percent in 2015, signifying our ongoing commitment to investment in rural women.

Evaluating the Impact of Gender Equity Grants

Starting in 2016, we invited select clients to apply for Gender Equity Grants (GEGs) of up to \$20,000 to fund programs that advance women's participation, skills, and leadership. Since launching this initiative, we have disbursed GEGs to three agricultural businesses in Kenya. At the end of last year, we partnered with Value for Women (VfW)—a global organization that previously helped us develop the diagnostic toolkit for the grants—to evaluate successes and challenges of the pilot program.

In November 2017, VfW researchers interviewed managers, employees, and producers affiliated with the three Kenyan pilot businesses: Village Nut Company, Sagana Nuts Ltd.,



and Shalem Investments. They found that all three clients undertook and successfully completed a majority of their planned GEG activities, which included: establishing workplace savings and credit cooperatives; conducting trainings in financial literacy, sustainable agriculture, and other concrete skills; building and staffing a childcare facility; and constructing centralized crop collection centers. Evaluators found that these activities had significant positive impacts on farmer lives, but also on the businesses themselves. For example, the availability of credit, as well as financial literacy trainings, led producers and employees to report increased savings and household incomes. Women also noted improved financial independence, as their access to small loans allowed them more say in decision making at the household level.

The childcare and crop collection facilities both contributed to cost and time savings for women. Mothers reported greater peace of mind knowing their children were cared for and well-fed during working hours. The crop collection center also improved physical safety and security for female producers, who previously had to wait by the side of the road—sometimes through the night—for buyers to purchase their crops. *For more information, see the client profile on page 3.*

At the enterprise level, VfW uncovered notable impacts: improved productivity, reduced absenteeism, and increased worker retention thanks to the loyalty engendered by businesses' investment in their labor force. While there is still room for improvement—for example, some activities didn't get off the ground due to drought or seasonal working schedules—the evaluation provided evidence that strengthens the business case for investing in women. Looking ahead, with help from our partners at the IKEA

Foundation and Wagner Foundation, we will continue to expand the GEG program in East Africa and South America.

To learn more, read the [assessment summary](#).

Making Space for Women

We continue to institute new policies to ensure women are able to fully benefit from our advisory services. Last year, we reported our formal commitment to cover childcare expenses for attendees at Root Capital trainings. Over the last couple of months, we've begun crafting another policy to boost women's participation in our advisory workshops. Standard practice allows client businesses to send two representatives to trainings. In cases where both participants are male, we have committed to extending the offer to accommodate a third participant, provided that she is a woman. In this way, we can equip more women to move into top leadership positions within our client businesses.

Additionally, we are piloting innovative advisory services, including an initiative that uses mobile technology to disseminate weather information—such as daily rainfall predictions—to sorghum farmers in Ghana. Recently, we conducted an internal study to gauge the impact of this pilot program. In one all-female focus group, we learned that this service may have particular positive benefits for women farmers juggling their business and home lives. One noted that “[t]he message helps us better allocate our time to various activities. We are all of us merchants during our free time. We also have to perform the housework. So when we know in advance that it will rain, we plan to do something else instead of going to the farm.”

CLIENT PROFILE

Sylveria Nkui

Producer, Shalem Investments; Chair, Tigani
West Collection Center Committee

LOCATION: KENYA / PRODUCT: SORGHUM



In the dry zone of eastern Kenya, you can see sorghum fields in all directions. Groups of farmers—mostly women—are bent over with flat backs, placing seeds into the soil before the first rains.

There are no electrical wires in sight. With persistent drought and watering holes a few kilometers apart, women spend many hours fetching water for their families.

For a long time in this remote area, sorghum farmers like Sylveria didn't have a secure place to store and sell their crop. Until recently, after harvest, they'd haul it to the road, settle in, and wait for a truck to come from Nairobi—often as long as 20 hours and into the night. They'd pray for thieves to stay away. Then, once the truck finally arrived, they'd sell to ruthless middlemen, some of whom would use rigged machines to weigh the crop and pay farmers below the market price.

Shalem, a woman-led sorghum aggregator sourcing from 7,000 primarily women farmers throughout Kenya, recently expanded into this dry zone, giving farmers there a fair market and better quality of life. With Shalem, farmers now know the truck is not only going to arrive, but that it will buy their sorghum, properly weighed and valued.

Using a Gender Equity Grant (GEG) from Root Capital, Shalem helped establish a savings and credit circle for farmers, offered trainings in productive new skills like sustainable agriculture, and built a crop collection center. "Before," says Sylveria, "we used to sell our produce on the road and didn't have a sure market. [Now] our produce is no longer rained on. If today Shalem was supposed to come for the produce and they are not able to come, we can keep our crops inside and sleep here with our things. This is a small town; even with no watchmen, we feel safe."

Sylveria is not only benefitting from the new collection center, but is chair of the all-female committee overseeing it. "In fact I am the one who requested this [center] be built!" she says. Now she supervises use of the facilities by 35 different local farmer groups. In the year since it was constructed, the center has helped reduce farmers' risks—and ensured they have a ready, honest buyer. Where producers used to sell their sorghum crop for anywhere

between 5 and 25 Kenyan shillings per kilo, they now have a contract guaranteeing Shalem will purchase their produce at a minimum of 30 shillings per kilo. For Sylveria, the extra income—along with credit now offered to Shalem producers as part of the GEG—has helped her, a single mother, pay school fees for her five children.

In addition to leading the collection center effort, Sylveria was an enthusiastic participant in Shalem trainings funded by Root Capital's Gender Equity Grant. Through these trainings, both women and men have been able to develop new skills related to finance, nutrition, leadership, and sustainable agriculture.

With the new capacity and security made possible by these GEG activities, Sylveria has become a leader among the local farmers. "I am teaching others not to fear trying new things," she reflects. "They may say 'That is too challenging, what if there is drought?' But where others see the road is tough, that's where I am stepping in."

BY THE NUMBERS

\$30.2M

Outstanding Balance to Gender-Inclusive Clients

224K

Number of Women Producers Reached

102

Number of Gender-Inclusive Clients Financed

42%

Percentage of Gender-Inclusive Clients

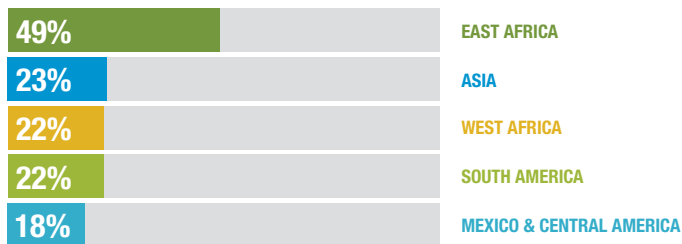
39%

Percentage of Women Farmers

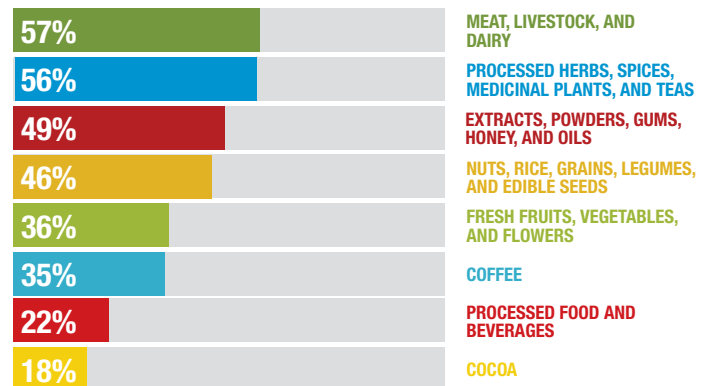
17%

Percentage of Women-Led Businesses

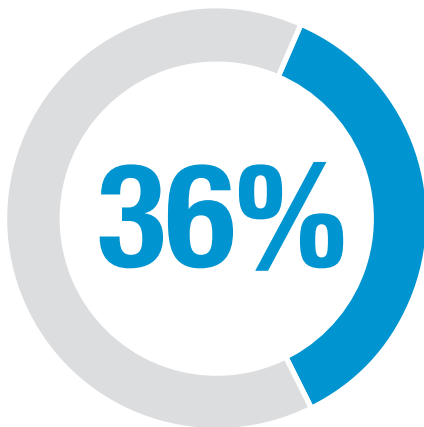
Average Participation of Women Producers in Each Region



Participation of Women Producers in Main Industries



Percentage of gender-inclusive businesses providing women with loans for on-farm and personal investments



Percentage of Root Capital clients with programs specifically designed to support women

