



ROOT CAPITAL WOMEN IN AGRICULTURE INITIATIVE

Annual Report 2014

OVERVIEW

Root Capital's Women in Agriculture Initiative (WAI) seeks to promote greater economic opportunity for women by supporting small and growing businesses with access to credit and financial training and by promoting gender-inclusive practices. In 2014, we extended the reach of our financial products and services, increasing the number of gender-inclusive clients in Africa and Latin America. Furthermore, as a complement to this direct service delivery, we sought to document and share our experience with the WAI in hopes of contributing to the development of the greater ecosystem of gender-lens investing.

RESULTS

FINANCE

In 2014, Root Capital reached over 117,000 female producers, representing 27 percent of all farmers reached through our annual lending. At year-end, Root Capital had a portfolio outstanding to businesses that met our gender-inclusion criteria of \$30.4 million, 29 percent of our total outstanding. During the year, we disbursed \$55.9 million to gender-inclusive businesses, equal to 31 percent of total disbursements. The number of gender-inclusive clients was 110, 40 percent of total clients reached.

OUR IMPACT IN 2014

\$30.4M / **117K** / **110**

Outstanding Balance to
Gender-Inclusive Clients

Number of Women
Producers Reached

Number of Gender-
Inclusive Clients Financed

By Root Capital's definition, a gender-inclusive business either has a supplier base that is more than 30 percent women or is made up of 20 percent women and has a woman leader. The proportion of gender-inclusive businesses in Root Capital's portfolio was up from 25 percent at the launch of the WAI.



Of the 110 gender-inclusive clients financed, 29 were woman-led. Root Capital defines a “woman-led business” as one in which the main decision maker is a woman. On average, among our clients, 31 percent of managerial employees and 25 percent of board members were women. In addition, 45 percent of our clients had an internal credit fund that served women, and 40 percent of clients offered programs designed specifically for women, such as maternal health clinics.

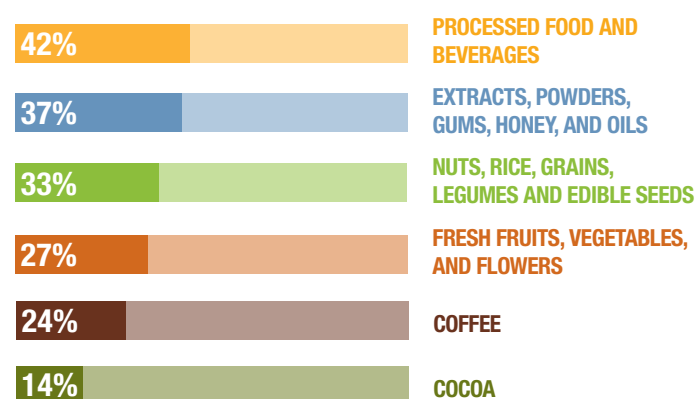
PARTICIPATION OF WOMEN PRODUCERS BY REGION



In West Africa, the proportion of women producers was higher than in any other region at 41 percent, due to the strong portfolio growth in industries such as shea and cashews. In coffee, the industry that makes up the largest percentage of Root Capital’s overall portfolio, nearly one quarter (24 percent) of producers in 2014 were women.

PARTICIPATION OF WOMEN PRODUCERS BY INDUSTRY

The following industries are the six largest in Root Capital’s portfolio.



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A woman’s independence can only be achieved through economic autonomy and awareness.

Credit is essential to survive.

—Fatima Ismael, Manager, SOPPEXCCA Coffee Cooperative, Nicaragua

“““

Sometimes women don't inherit land from their parents. This is a challenge, and the reason why it motivates me to continue to work is because there are women who need our support. I feel there is a need for a woman's voice where decisions are being made mainly by men.

– Exolina Aldana, Producer Member, CECOCAFEN Coffee Cooperative, Nicaragua

ADVISE

In 2014, we provided advisory services to 138 lending clients. Out of those businesses, 38 percent were gender inclusive per Root Capital's definition. In addition to increasing the delivery of training that benefits female leaders, managers and farmers, in 2014 we began to focus closely on the many ways in which we can support and promote gender equity among our clients, for example by analyzing the way we initiate, communicate, organize and deliver our advisory engagements with clients.

CATALYZE

Throughout 2014, Root Capital made several key contributions to the emerging space of gender-lens investing.

A highlight of the year was the launch of our latest issue brief, [Applying a Gender Lens to Agriculture: Farmers, Leaders and Hidden Influencers in the Rural Economy](#). This brief, made possible by the Skoll Foundation, Citi Foundation, and key partners like the Kendeda Fund and the Weissberg Foundation, focuses on our experience and approach to gender-lens investing, encouraging others who share our goal of unlocking the economic potential of women to focus on agriculture, from which most of the world's poor people and poor women derive the majority of their income. The brief also encourages gender-lens investors in the rural economy to expand their focus beyond women leaders to include women across the economic spectrum, including women producers, agroprocessing employees and those the brief identifies as “hidden influencers.” In our 15 years of lending, we

have observed the phenomenon that women are often hired for and excel at office positions in accounting, marketing, sales and other midlevel management roles that are highly influential but less visible. At the time of this writing, the English and Spanish versions of the issue brief have collectively been downloaded by over 700 individuals.

The brief garnered coverage and generated discussion in a number of targeted media and influential industry publications, including NextBillion, Thomson Reuters' Trust.org, Catholic Relief Services' CRS Coffeelands Blog, USAID's Agrilinks Blog and the Skoll World Forum. Additionally, Julie Katzman, Executive Vice President and Chief Operating Officer of the Inter-American Development Bank (IDB), joined Root Capital CEO Willy Foote for a conversation about the IDB's approach to gender-lens investing on Forbes.com.

In November, we published the results of our first multisite impact study, [“Improving Rural Livelihoods: A Study of Four Guatemalan Cooperatives.”](#) A chapter of the 130-page study discusses how these four clients are promoting women's participation. The study results were debuted at a Women in Agribusiness workshop hosted by the Multilateral Investment Fund (MIF) of the Inter-American Development Bank that brought together over 75 leading experts from industry, academia, government and civil society to discuss methods for empowering women as farmers, entrepreneurs and leaders throughout agricultural value chains.



CLIENT PROFILE
MUSASA

LOCATION

RWANDA

PRODUCT

COFFEE

TRADE CREDIT

**\$90,000 (2005); \$205,000 (2006);
\$205,000 (2007); \$226,000 (2008);
\$207,000 (2009); \$145,000 (2010);
\$344,500 (2011); \$400,000 (2012);
\$500,000 (2013); \$700,000 (2014);
\$800,000 (2015)**

CAPITAL EXPENDITURE

**\$25,000 (2007); \$30,000 (2012);
\$87,000 (2014)**

In 2005, the Dukunde Kawa coffee cooperative, also known as Musasa, became Root Capital's first client in Africa. Since then, Musasa has grown from 300 to more than 2,000 members — among them many women who were made widows by the 1994 genocide.

Like many women in the region, Marie Bedabasingwa, now 60 years old, lost her husband and her eldest son in 1994. The reconstruction process after the genocide called on Rwandan women to play a greater role, and Marie and others were able to rebuild their farms and families through participation in coffee cooperatives like Musasa.

Today, in addition to coffee, Marie raises rabbits and goats and grows bananas, beans, maize and sweet potatoes. But she's most delighted by her dairy cows. Marie received two

free cows through Musasa by participating in agronomic trainings and being identified as a "lead farmer," meeting the cooperative's criteria for best on-farm practices. Musasa will soon open a chilling plant to sell milk from members like Marie in bulk into local markets and eventually Kigali. As Marie sells milk, she will earn additional income and contribute to boosting food security in the community. In 2014, Musasa provided 157 dairy cows to other loyal producer members.

Marie reckons she'll be able to deliver 20 liters of milk per day per cow to Musasa's new chilling plant and, as a result, earn 150 to 200 Rwandan francs per liter, or roughly \$10 a day. The extra income will help her continue to pay school fees for five children, including her granddaughter, whose parents — Marie's daughter and son-in-law — were both tragically killed during resurgence attacks across the Congolese border during the dark years of post-genocide instability.

From flourishing on-farm investments to village-based processing centers, Musasa's efforts are dedicated to cultivating peace and prosperity for smallholder farmers, especially women like Marie.

[Read more about Musasa here.](#)

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The cooperative invests in us. You could sell another buyer ten sacks of coffee, but you'll lose him. You may never meet again. But the cooperative invests in us, and it makes a difference. Today, I have four fields, and I have paid school fees for my child. Now he is finishing studies at the university this August.

—Bertha Nzabanita, Member, Musasa