

ANNUAL REPORT 2022



KAMPANI

Investing in family farming

TABLE OF CONTENTS

Foreword	3
Kampani at a glance	4
Kampani's Mission	5
Kampani's USP	5
Governance	6
The Team	7
Improvements at the Fund Level	8
Kampani Social Impact	8
Investing through a gender lens	9
Portfolio Overview	10
Amaati	11
APASEM	12
Greenfield	15
Norandino	18
easyHATCH	20
EAFC	22
SPF	25
Najil Cab	27
Tun Yat	29
Coosempoda	31
COOPEASSA	34
Cassia Co-op	36
FECCEG	38
Mambo Coffee	40
Vert	42
Horamama/COCOCA	44
Financial Results 2022	46
Thank you to our operational partners	47

FOREWORD



Dear friends of Kampani,

2022 has been a fruitful year, with new investments, a growing team, and a big step forward in our fundraising campaign. Kampani is now seven years old, with a portfolio of 16 deals (+4 add-on investments) across 12 countries, and covering a wide range of commodities in the agricultural sector. Kampani's growth was initially slow. Today, our accelerating growth is showing the fruits of our efforts.

In 2021, Kampani became the first social impact fund to be awarded a subsidy by the Belgian Federal Government. This allowed us to create a so-called first loss tranche, systemically de-risking the investment of all other shareholders. In a single capital increase, we moved from a EUR 4M fund size to a EUR 10M fund size, of which more than EUR 8M has now been put to work! As an open-ended fund, Kampani continues to grow, with the aim of closing with EUR 14M by the end of 2023. Our target is to eventually reach a fund size of EUR 20M over the next few years, corresponding to around 40 deals when fully invested.

Last year alone, Kampani made six new investments in three countries: acquiring a new warehouse and a dehydration facility in Peru; new trucks and spraying machines in Ghana; and the upscaling of a hatchery in Rwanda. Our newest investees include Greenfield, an agro-input provider active in the cocoa sector in Ghana; Amaati, an SME producing fonio in the North of Ghana; easyHATCH, a chicken hatchery in Rwanda; Norandino, a cooperative producing coffee, cocoa and panela in Peru; and APASEM, a cooperative focusing on organic ginger and turmeric in Peru. We also provided an add-on investment to EAFC, a Tanzanian SME, specialised in the collection and transport of fresh fruits and vegetables for the local market. The impact of these new partners on smallholder farmers is significant and we have been impressed by the role these actors have played in their communities!

At the fund level, the Kampani team has also been growing, with a new junior member, Lola, joining the team in October 2022 and more recently, a new Managing Director, Dimitry, who was appointed in February 2023. Together with the Executive Director, Dimitry will co-lead Kampani, helping to manage the fund's growing portfolio and the additional responsibilities such growth entails. I am delighted to see such committed people working daily to achieve impact by scaling the Kampani model!

After seven years, Kampani has moved from roughly breaking even to posting a moderate profit as far as operational expenses are concerned. The acceleration in our growth and the resulting increase in our portfolio means that we have started generating important economies of scale. A relatively conservative approach, as far as provisioning for potential losses is concerned, resulted in a negative net result for 2022.

The next step is to further scale this proven model while preserving its intrinsic added value. Building a strong community of like-minded, trusted partners and stakeholders-shareholders, who have a track record in the field and are willing to do their part, is a crucial precondition! Most importantly, scaling this model cannot come at the expense of our social mission, and our strict focus on maximising social impact for smallholder farmers.

Kampani directly reaches more than 70,000 smallholder producers in 12 different countries. With EUR 8M currently deployed, Kampani has moved well beyond the experimental phase. Over the next few years, as well as going international, we also want to increase our visibility so that other actors can learn from our journey and successfully move into this niche as well.

A handwritten signature in black ink, appearing to read 'Steven Serneels'. The signature is stylized and fluid, with a long horizontal stroke at the end.

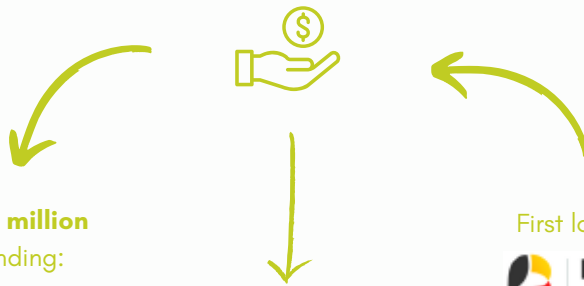
Steven Serneels, *Chairman*

KAMPANI AT A GLANCE

KAMPANI

Investing in family farming

Private individuals, institutional investors & NGO shareholders



Fund size: Eur **10 million**
Amount outstanding:
Eur **8 million**

First loss tranche



74 104
smallholder farmers,
16 deals,
4 add-on investments,
12 countries

Technical support from
NGO shareholders & Enabel



Working Capital
from social lenders



and other DFIs



MISSION

A social impact investment fund working to unlock the potential of entrepreneurial farming in the South, Kampani offers a pioneering way of fighting poverty and promoting development. Its goal is to empower smallholder farmers through long-term investments in agricultural cooperatives and small businesses in the South.

HOW?

Kampani is providing a type of financing that few other investors offer: long term, patient growth capital, without collateral, and with a relatively small ticket size.

We provide patient growth capital for capex-heavy investments — land, buildings, equipment — to producer cooperatives and high-impact SMEs. We do so with relatively small investment amounts (EUR 100K to EUR 500K, up to EUR 1M for add-on investments).

KAMPANI'S USP

A support system based on a multi-stakeholder approach is at the core of Kampani's structure and its success. Kampani has engaged committed and mission-aligned partners to build an ecosystem which can be relied upon at all stages of the investment process. This stakeholder-shareholder model reduces both Kampani's fund management external costs and investment risks. Together we share the same overarching goal: to sustainably scale impact in the agri-food sector.

To this end Kampani actively seeks partnerships to share some of the risk and/or to externalise some of the costs. In our daily activities, we rely on the expertise and in-situ presence of our NGO partners who play a critical role in identifying deal potential, and who provide valuable guidance and technical assistance once the investment is made.

Kampani also secures access to the market by partnering with off-takers for secured access to the market, with governmental actors to cut through the red tape, with foundations to share some of the risk, and with knowledge institutions to accelerate the learning. For each investment, a careful analysis identifies who we need to partner with and what each partnership brings in terms of mitigating risks or absorbing some of the costs.

Above: Rural Women in Ghana, Amaati

GOVERNANCE

At the internal level, Kampani harnesses the expertise of a strong **Investment Committee**, which provides guidance on how to ensure Kampani selects smart, high-impact investments throughout the global farming community.

Members of Kampani's Investment Committee:

Thomas Dewever, *Managing Partner and Co-founder of Smile Invest*

Josephine Ecklu, *Inclusive Business Manager, Rikolto*

Patrick Eeckloo, *Program Manager, Trias*

Patrik Haesen, *Deputy General Manager, MRBB*

Marieke Kruis, *Program Manager, Sustainable Food Systems, Oxfam*

Pierre Queritet, *Director, Lawsquare*

Suzy Serneels, *Policy Officer, Right to Food, Broederlijk Delen*

Sybille Vancoillie, *Portfolio Officer, BIO*

Wouter Vandersypen, *Executive Director, Kampani (Chairman of the IC)*

The **Board of Directors** brings together strong believers in Kampani's founding model. The Board is responsible for reflecting and establishing the overall strategic direction of the fund.

Members of Kampani's Board:

Hannelore Beerlandt, *Senior advisor on food and rural policies, institutions and finance*

Chris Claes, *Executive Director, Rikolto International*

Jean-Marc Debricon, *General Manager, Alterfin*

Hervé Lisoir, *Senior Coordinator International Program, King Baudouin Foundation*

Jean-Michel Pochet, *General Manager, Louvain Cooperation*

Steven Serneels, *Chair Impact Finance Belgium, Independent (Chairman)*

Wouter Vandersypen, *Executive Director, Kampani*

Dirk Van Tricht, *Financial Advisor, Inigo SRI Global Multi-Asset*

Pieter Verhelst, *Senior Adviser, Boerenbond*

In addition, Kampani relies on an **Audit Committee** which provides guidance on the fund's financial reporting and supports the board of directors in complying with laws and regulations, and controls policies in the broadest sense. With its strong financial expertise, the Audit Committee has been instrumental in advising Kampani on the best way forward in terms of provisioning and overall financial health.

The newly created **Nomination and Evaluation Committee (NEC)** is responsible for policies concerning overall staff management and evaluation. The creation of the NEC is an important step towards a comprehensive HR policy at the fund's level, especially in view of its expanding team. The NEC is also responsible for the selection of new board members in order to achieve balanced representation.

THE TEAM

Kampani strengthened its team in 2022 by welcoming two new members, Dimitry Van Raemdonck, new Managing Director and Lola Pochet, Investment Associate. The team now counts 5 members with strong expertise and complementary skills.



Wouter Vandersypen, *Executive Director*



Dimitry Van Raemdonck, *Managing Director*



Marilu Ortega, *Senior Investment Manager*



Mauricio Barocio, *Investment Manager*



Lola Pochet, *Investment Associate*

IMPROVEMENTS AT THE FUND LEVEL

The current size of the portfolio and the overall acceleration on every front has required Kampani to upgrade a number of internal processes and procedures. We are very happy to report that the IC members have agreed that their involvement per file should remain unchanged. In other words, they are prepared to absorb their increased workload.

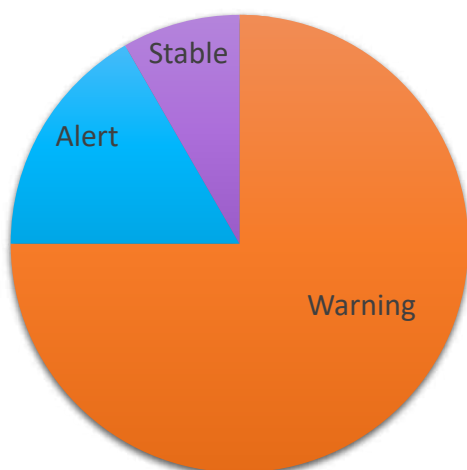
Among the projects currently underway, we note the standardisation of the financial analysis, as well as the progressive implementation of a risk scoring tool. This will help the team and the Investment Committee make decisions, and determine the risk to the Kampani portfolio. These new tools, and the measures that accompany them, will allow us to approach future growth in a more robust manner whilst improving efficiency at the same time.

KAMPANI'S SOCIAL IMPACT

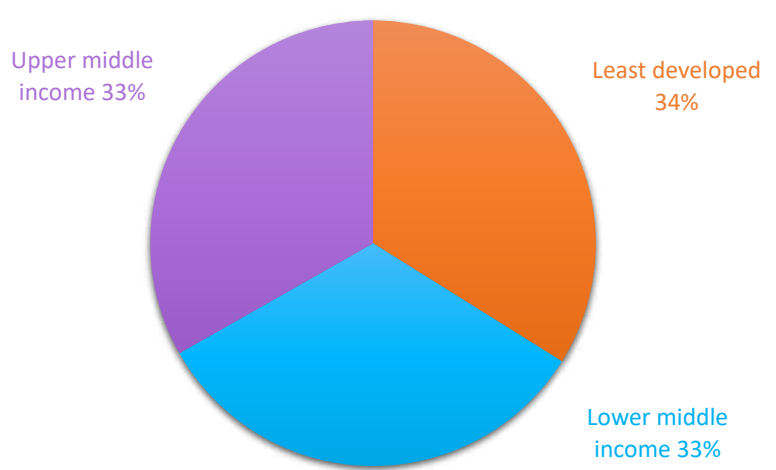
Starting from the societal need for financing that is accessible, affordable and provided in the appropriate form, Kampani's mission is to help smallholder farmers increase their incomes and improve their overall livelihoods, by making a very specific type of financing available: patient growth capital for small, capex heavy investments. The Kampani model was reverse-engineered to focus exclusively on this segment, arguably the hardest part of the missing middle.

Our investments are carefully selected to maximise impact for as many smallholder farmers as possible. To ensure that the social impact is preserved and improved, we require our investees to set goals through a social business charter and impact indicators, which are reviewed on an annual basis with the aim of strengthening their mission as social enterprises.

Our partners worked with a total of 74,104 smallholder farmers in 2022.



The majority of the countries where we work (75%) are considered fragile countries according to the Fragile State Index 2022.



2/3 of Kampani's investees are located in lower middle income and least developed countries.



INVESTING THROUGH A GENDER LENS

Kampani was not set up as a gender lens investor. We continue to measure our success mainly by the extent to which we reduce the vulnerability and increase the resilience of smallholder farmers, whether they are men or women. Kampani’s added value is increasingly being recognised. In countries where our services are already deployed, demand far outstrips our current capacity. This has allowed us to place more emphasis on issues such as climate change resilience, regenerative agriculture, food security and gender. We look at how well we are doing in terms of the **2X Gender Challenge** (spoiler alert: **there is room for improvement!**) and reflect on Kampani’s influence in terms of the gender balance.

Agrifood systems are a major employer of women (36% of working women in 2019 vs 38% of working men). But women employed in this sector tend to have marginalised roles with working conditions on average being worse than men’s — irregular, informal, part-time, low-skilled, labour-intensive — and thus vulnerable. Added to this, discriminatory social norms, the burden of unpaid care, and the difficulties to access land, inputs, services and finance, means women’s participation in agrifood systems is often constrained. These challenges hold back women’s productivity and prolong wage gaps. Closing the gender gap in agrifood systems would have key economic and social outcomes! According to data from the latest FAO report on the status of women in agrifood systems, “If half of small-scale producers benefited from development interventions that focused on empowering women, it would significantly raise the incomes of an additional 58 million people and increase the resilience of an additional 235 million people.”

Empowering women and closing gender gaps in agrifood systems is thus paramount when it comes to enhancing the well-being of women and their households, reducing hunger, boosting incomes and strengthening resilience. As mentioned above, Kampani was not designed as a gender lens investor. But we have, obviously, from the

outset, encouraged our clients to be gender aware. We did not have the luxury, however, of putting a special emphasis on women’s empowerment in our investment choices.

Let’s now have a closer look at how Kampani has fared using the 2X Challenge — Financing for Women. The so-called “gender lens investing” strategy consists of taking into consideration gender-based factors across the investment process to advance gender equality and better inform investment decisions. This can be delivered by investments in women-owned or women-led enterprises, or enterprises that offer products or services that substantially improve the lives of women and girls. To evaluate our portfolio with a gender dimension, we have relied on a tool developed by several DFIs, the 2X Challenge that provides a set of five criteria to assess an investment alignment with gender equality’s goals. The criteria are as follows:

Fulfilling one criteria makes an investment 2X eligible:

	Criteria	Threshold	
Direct Criteria	1 Entrepreneurship	1A. Share of women ownership	51%
		OR	
		1B. Business founded by a woman	Yes/No
	2 Leadership	2A. Share of women in senior management ¹	20-30% ²
		OR	
		2B. Share of women on the Board or IC ¹	30%
		OR	
	3 Employment	3A. Share of women in the workforce ¹	30-50% ²
		AND	
		3B. One “quality” indicator beyond compliance	Yes/No
4 Consumption	4. Product or service specifically or disproportionately benefit women	Yes/No	
	OR		
Indirect	5 Investments through Financial Intermediaries ³	On-Lending facilities: Percent of the DFI loan proceeds supporting businesses that meet direct criteria ¹	30%
		OR	Funds: Percent of portfolio companies that meet the direct criteria ¹

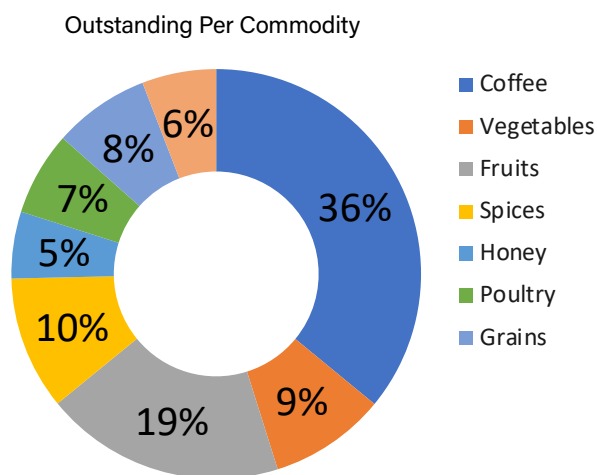
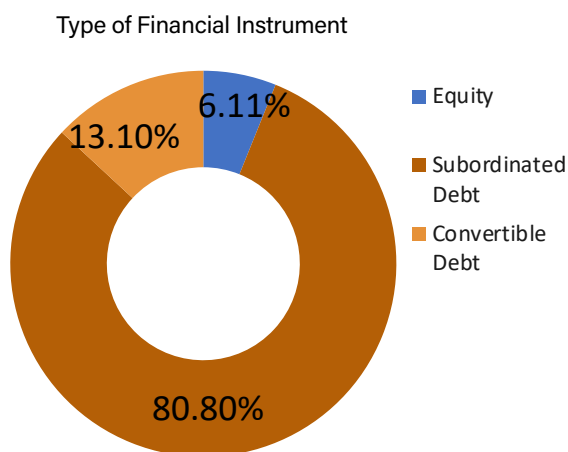
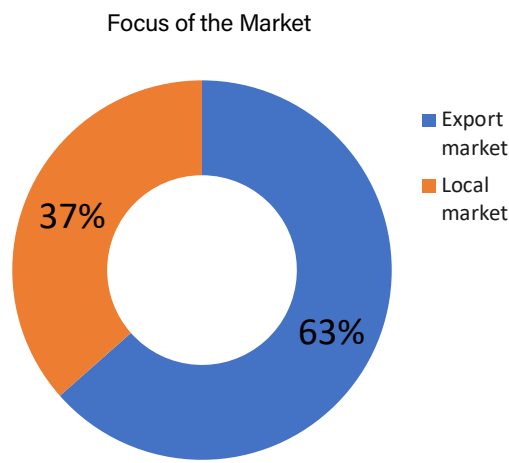
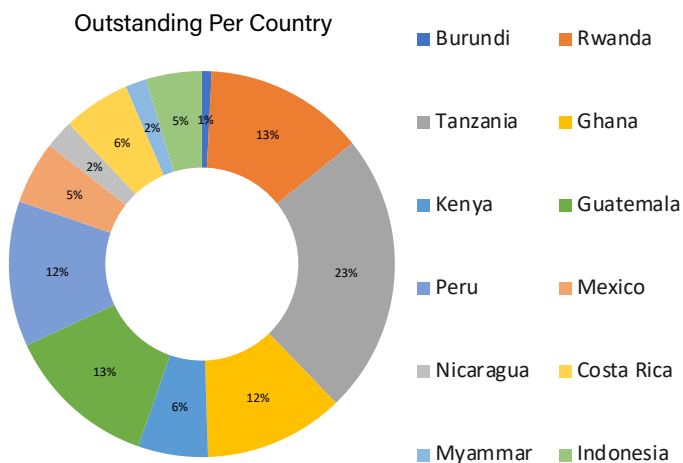
Note that for Kampani, only the direct criteria can apply.

Out of our 16 investees, 8 meet the criteria and can be considered as 2X aligned. Interestingly, 4 out of the 6 investments made in 2022 are aligned with the 2X Challenge, demonstrating our increased ability to focus on the issue of gender inequality in the agrifood sector over the course of the last year.

We recognize that there is ample scope for improvement, and wish to highlight the heavy emphasis Kampani puts on this dimension. Nonetheless we expect to continue to

make investments that have an important social impact, but which do not specifically target women.

At the fund level, the dimension of gender representation also needs to be further improved. We recognised that women are still seriously underrepresented in the composition of our Investment Committee, our Board and our Audit committee, and affirm our commitment to addressing this issue in Kampani's internal governing bodies.



NEW DEALS

- Amaati** (Dec 2022)
- Apasem** (Nov 2022)
- Greenfield** (Nov 2022)
- Norandino** (July 2022)
- easyHATCH** (Jan 2022)

EXISTING DEALS

- East Africa Fruit Company** (Sep 2021 & add-on Dec 2022)
- SPF** (Sep 2021)
- Najil Cab** (Jan 2021)
- Tun Yat** (May 2020)
- Coosempoda** (April 2020)
- Mambo Coffee** (Nov 2019 & add-on Dec 2021)
- Coopeassa** (Jul 2018)
- Cassia Co-op** (Jul 2018)
- FECCEG** (Jun 2017 & add-on in Jan 2022)
- Vert** (Nov 2016)
- Horamama/COCOCA** (Mar 2016 & add-on Jan 2020)



AMAATI

KEY FIGURES

Country: Ghana

Sector: Fonio (grain & flower)

Investment: Processing equipment, machinery and storage

Investment type: Subordinated loan

Investment by Kampani: EUR 500k (for 7 years)

Disbursement: December 2022

The founder, Salma Abdulai, in her processing unit in Tamale.



THE INVESTMENT

Amaati is a social enterprise founded in 2014 by a Ghanaian woman entrepreneur, Salma Abdulai. It sources fonio — a small-grained millet grown in West Africa — from more than 5,500 smallholder farmers, most of them women, in Northern Ghana, where there are high levels of poverty and malnutrition. Amaati processes fonio into grains (70%) and flour (30%) and sells it under the brand DIM Fonio to wholesalers, hotels, restaurants, schools, and to local retailers who sell the product on to several million people throughout the country.

Kampani's investment, made in December 2022, will allow Amaati to scale up its activities by upgrading and increasing the capacity of its plant in Tamale, in Northern Ghana. The production line will be automated, meaning less manual handling of the product, which will in turn increase revenues and allow Amaati to reach more farmers. The goal is to reach and support an additional 10,000 smallholder farmers (80% women) over the next four years; to increase the production of fonio from 3,5 tons a day to 10 tons per day; and to increase the company's storage capacity by 1,000 tons.

SOCIAL IMPACT

Amaati's mission is "to build sustainable communities through the use of Fonio, which nourishes the land, people and society." Amaati works closely with women in one of Ghana's poorest regions. Ghanaian women make up half the country's crop producers, but they often lack access to land, and have limited access to finance. Amaati's goal is to help empower vulnerable Ghanaian women by facilitating access to land. In addition, Amaati also provides credits for inputs and high-quality training in areas covering good agricultural practice, climate-smart agriculture, regenerative agriculture, and post-harvest management, enabling smallholder farmers to increase yields and nurture the land they use, making them more independent.

Fonio is the oldest of Africa's ancient grains and is highly nutritious and cheap. Since producers are not obliged to sell their entire harvest to Amaati, the company is targeting its operations in those areas of Ghana where food security is an issue.

HIGHLIGHTS FOR 2022

- Amaati put in place a new strategy for a period of five years, an ambitious growth plan.
- With the support of Amaati, some 2,048 farmers started cultivating Fonio.
- Amaati secured a loan with Kampani for the automation of the factory.
- Amaati was awarded a grant from IDH to support 2,000 smallholder farmers with inputs and quality control training to cultivate Fonio.

OUTLOOK AND CHALLENGES 2023

- The installation and commissioning of the new and upgraded processing line financed by Kampani.
- Aggressively expand its supplier base.
- In addition, Amaati will focus on attracting more customers and improving the quality of the products for its customers, with the establishment of a "customer centric platform."
- Amaati will scale the enrolment of the producers into the Ghana National Health insurance scheme.



APASEM

KEY FIGURES

Country: Peru

Sector: Ginger & Turmeric

Investment: Scaling up of dehydration capacity

Investment type: Subordinated loan

Investment by Kampani: EUR 500k (for 7 years)

Disbursement: November 2022



THE INVESTMENT

Established in 2019 in Pichanaki, APASEM is a young cooperative of 404 members, with a focus on producing high quality organic ginger and turmeric. APASEM manages each stage of the supply chain including production, processing and sales, for both the national and international markets. Peru has been cultivating ginger—also known locally as “kion”—for two centuries, but started exporting it only recently. The export market for fresh ginger is very demanding. Up to 35% of the volume brought to the processing plant is currently discarded because it does not meet export-grade requirements: it is either too small, or has too many blemishes and cuts etc. Kampani’s investment will allow APASEM to acquire a processing line that will convert these discards into organic-certified dehydrated slivers and powder, products which are much sought-after by the market. Kampani’s investment will literally turn waste into something of value.

SOCIAL IMPACT

Currently most farmers have around two hectares of land producing up to 20 tons of ginger or turmeric annually, but each year about 30-35% of the fresh ginger gets discarded. By using the discarded parts of the root, the average farmer will gain an additional USD 1,495 of income per hectare. In short, APASEM is helping smallholders access income they would otherwise not have. And as the cooperative becomes stronger and better capitalised, increased profits will be generated for distributing amongst members. APASEM helps alleviate poverty and improves livelihoods by ensuring reliable access to (specialty) markets, and paying a competitive price to a growing number of producers, especially women and youth. APASEM also supports and encourages regenerative agricultural practices by providing technical assistance to help smallholders improve the quality of their produce and take care of their soils. The founders of APASEM are third generation smallholders from the Junín province who received higher education in the cities before returning home, to give back to their communities.

HIGHLIGHTS FOR 2022

- After signing the deal with Kampani, the new processing building was commissioned.
- APASEM’s membership increased from 204 to 404.
- 936 tons of discarded fresh ginger constituted the raw material for the processing financed by Kampani (30,000 tons is discarded each year in this part of Peru).

OUTLOOK AND CHALLENGES 2023

- The dehydration plant will need to be commissioned in the months to come.
- Peruvian exports of ginger have been increasing significantly in the past years, leading to high price volatility and risk of market saturation.
- With the new facilities acquired by APASEM, the company projects to have a top line growth of more than USD 500k.

Page 12: washing line in Pichanaki; Above: farmers harvesting ginger

Awareness raising session with member groups already supported by Greenfield.



GREENFIELD

KEY FIGURES

Country: Ghana

Sector: Agricultural inputs (fertilisers, pesticides) mainly for the cocoa sector

Investment: Trucks, warehouse, spraying machines

Investment type: Subordinated loan

Investment by Kampani: USD 500k (for 7 years)

Disbursement: November 2022



THE INVESTMENT

Greenfield Agricultural Services is an SME founded in 2014 providing high quality agro-inputs to cocoa farmers with the aim of increasing their yield. The company works closely with smallholder farmers, providing them with mandatory training on how to apply the agro-inputs. It also facilitates access to micro loans for them to purchase agro inputs, acting as a bridge between the farmers and local MFIs.

Cocoa yield in Ghana is between 300 kg-400 kg of beans per hectare, per year, which is 50% lower than the potential productivity due to a lack of access to training, quality agro inputs and micro credit. As a result, the COCOBOD, the regulatory body in charge of the Ghanaian cocoa sector, is encouraging the private sector to initiate innovative programs to help increase crop yield, increase farmers income and improve the livelihood of smallholder farmers. Greenfield's model is key to bridging the existing gap in Ghanaian cocoa production.

Greenfield was introduced to Kampani through our partner Rikolto in April 2022, and in November, Kampani provided Greenfield with a loan. The company purchased three brand new Toyota Hilux Pick-Ups from Toyota Ghana, a hectare of land for the construction of a warehouse, hired a 750 ton capacity warehouse for three years, and acquired 500pcs of solo spraying machines and 500pcs of Matabi Knapsack machines to generate additional income.

SOCIAL IMPACT

Greenfield's mission is first and foremost to improve the well-being of smallholder farmers through implementing sustainable agricultural value chain programs that seek to increase crop yield and increase smallholder farmers' income. By signing MoUs with MFIs, Greenfield ensures that the farmers registered and trained by the company have access to short term loans, allowing them to buy the necessary inputs needed to increase their yield. Greenfield's agro-inputs are made available in outlet stores in Ghana's rural areas. Additionally, Greenfield distributes its products to farmers who registered for the inputs credit scheme. Greenfield's overarching goal is to serve a total of 25,000 smallholder farmers within the next five years.

Greenfield carefully selects the farmers it works with, carrying out different scouting missions and targeting remote areas not reached by NGOs for their services. Greenfield avoids areas where illegal mining takes place. Illegal mining is widespread in Ghana and has a disastrous effect on the country's resources, destroying farmlands, forests and surface water bodies.

The fact that Greenfield sells conventional agro-input products rather than organic made the investment less obvious for Kampani. By increasing yield per hectare, applying agro-input can take some of the pressure off of deforestation. But as Rikolto explained to Kampani, in a context where competing in the global market with organic farming practices is not viable, applying this input judiciously can strongly reduce the impact on the local environment. Hence, the importance of Greenfield's policy to only sell to producers that have completed their training modules.



Greenfield sells different types of insecticides, fungicides, fertilizers and equipment such as spraying machines and pruners. Here are some of these products in Kunsu Wiaso outlet.

HIGHLIGHTS FOR 2022

- Greenfield registered a total of 6,254 smallholder farmers, (1,586 women and 4,668 men) in 2022, ready for the scaling up in 2023.
- 693 farmers received training on Environmental Protection, Good Agricultural Practices, Ecosystem Protection, Usage of Agrochemicals, Integrated Crop and Pest Management, Record Keeping and Financial Literacy.
- Greenfield established a Board of Directors, composed of 4 experts in the cocoa value chain. This was a precondition as part of Kampani's investment.

OUTLOOK AND CHALLENGES 2023

- Formalise partnerships with additional MFIs and renew existing MoUs.
- Provide inputs credit to the registered but un-served 5,561 cocoa farmers.
- Register an additional 6,000 cocoa farmers.
- Increase the number of Field Agents and hire more extension officers.
- Keep more stocks at the warehouse against price fluctuations.
- Increase sales by 400% and Net Profit by 200% by the end of 2023.
- Undertake Corporate Social Responsibility (CSR) projects in some selected communities within its operational areas.



NORANDINO

KEY FIGURES

Country: Peru

Sector: Coffee, cocoa and whole brown sugar (panela)

Investment: Construction of a new warehouse, next to existing processing facilities of the three business lines

Investment type: Subordinated loan

Investment by Kampani: USD 540k (for 7 years)

Disbursement: July 2022

Norandino's history dates back to 1995. Different generations of farmers work together.

© Cooperative Norandino



In terms of the existing asset base, Norandino is the largest in Kampani's client portfolio. It remains mind boggling how even this type of cooperative has financing needs not covered by other actors.

THE INVESTMENT

Coop Norandino is an association of small-scale producers in northern Peru. Its history dates back to 1995, when CEPICAFE, a cooperative counting 200 members at the time, started collaborating with two other farmers' groups in 2005. Today, Norandino is a well established multiple services agricultural cooperative counting approximately 6,000 members through 12 member cooperatives. Its main product is coffee (70%), followed by cocoa and panela, which together represent 30% of its annual sales.

In July 2022, Kampani provided a subordinated loan of USD 540K to Norandino to finance the construction of a new warehouse in Piura, northern Peru. Before the construction of the warehouse, Norandino had to store coffee in the open air, with a risk of quality loss in case of rain, and in rented warehouses around Piura. This investment will more than double Norandino's storage capacity to 6,000 metric tons and allow it to maintain coffee quality for at least five months, improving the offer to coffee buyers and leading to efficiencies in production and commercial processes.

SOCIAL IMPACT

Norandino has a long history of bringing together smallholder farmers to enhance quality, share best practice, and promote the rights of farmers in Peru's rural areas. Norandino's members are smallholder producers who own an average of three hectares of land each. The cooperative ensures they receive commercialising and processing services for their coffee, cocoa and panela. These services are also provided to some 25,000 producers who are not members of Norandino. In addition, Norandino provides training for its members so they can obtain organic, and fairtrade certification, and has programs in place to include more women and young people.

In cooperation with other social actors, Norandino joined an action plan in 2010 to fight climate change and reforest the mountain range north of Piura. The aim is to facilitate the sale of carbon offsets and carbon credits in order to restore biodiversity and reforest the Andean zones that have been deforested, allowing for the recovery of water basins and biodiversity throughout the region. To date this plan has reforested 528 hectares, ranking it as one northern Peru's most important initiatives in terms of compensation for carbon capture.

HIGHLIGHTS FOR 2022

- In 2022, Norandino was able to meet 90% of the coffee volumes ordered, 100% of the panela volumes and 100% of the cocoa volumes despite high prices and instability on international markets. and local speculation which negatively affected Peruvian coffee cooperatives.
- Norandino was active in strengthening local organisations through training, advisory services and activities to increase awareness of issues around gender equality. It also set up a coffee, fruit and forestry nursery for its producers.

OUTLOOK AND CHALLENGES 2023

- Kampani's investment will allow the cooperative to store additional quantities of coffee.
- In the spirit of diversifying its income and avoiding over-reliance on coffee, Norandino also aims to increase its cocoa and panela volumes, and increase the processing volumes for cocoa paste.
- The coop will further improve its production infrastructure and continue to diversify its activities. It aims to install an organic fertilizer processing plant as well as a small cocoa coating plant.
- Norandino intends to reforest some 300 hectares of land over the next year.



easyHATCH

KEY FIGURES

Country: Rwanda

Sector: Production of one day old chicks

Investment: Upscaling of a hatchery and production of fertilised eggs

Investment type: Convertible subordinated loan

Investment by Kampani: USD 565k (for 6 years)

Disbursement: January 2022

Above: the DNA of chicken is very well understood. The speed at which the bird converts feed to meat, what type of feed the bird needs, their vulnerability to specific diseases, all of this should be optimised to best serve the clients. easyHATCH breeds chicks for the chicken meat industry, not for the egg industry.

The housing for the parent stock. easyHATCH will have three such facilities to secure production year-round.



THE INVESTMENT

easyHATCH, a Rwandan SME established in 2016, is one of the country's leading poultry producers. easyHATCH produces one day-old chicks, which are then sold to Rwandan broiler farmers. To achieve easyHATCH's aim of increasing the supply of broiler chickens, the hatchery needed to be significantly upscaled. Kampani's investment covered a range of equipment (hen house, incubators, breeder equipment, vehicles, and a plot of land) to help unlock the hatchery's potential. Production of hatchlings is currently at a rate of 20,000 per week.

SOCIAL IMPACT

easyHATCH's business model is oriented towards providing support to smallholder poultry farmers, the company's primary customers. These farmers receive additional services from the company, including inputs for poultry production, veterinary services and training

to reduce mortality rates. The main challenges faced by the farmers relate to animal health, as access to drugs and vaccinations is limited. Poultry raising provides additional income for smallholder farmers who are often subsistence farmers or whose agriculture-based income is limited by seasonality.

Another part of easyHATCH's growth strategy is to prioritise outreach and training to female producers and to support youth development by offering internships to graduate students. The poultry sector is traditionally dominated by men and easyHATCH has found it challenging to find women to sell the chicks to. All of this adds up to providing smallholder farmers with stable income, increasing the availability and accessibility of high-quality animal protein to underserved communities, and addressing the country's endemic malnutrition.

HIGHLIGHTS FOR 2022

- In 2022, easyHATCH served 900 smallholder poultry farmers, including 300 women.
- Staff Veterinarians (5 + 2 in training) supported farmers with advice to lower mortality rates and improve animal welfare. easyHATCH ensures that all chicks are vaccinated at its premises before being sold.
- In 2022, 144 farmers received training in veterinary techniques, and 400 learnt how to administer vaccines.
- easyHATCH made significant improvements at the factory level over the course of 2022: a new breeder house was put in place and is now fully operational, feed warehouses and administration ablution facilities and cold stores are being built and the construction works are almost complete.

OUTLOOK AND CHALLENGES 2023

- The company is located close to the border with the Congo. Some 30% of the production used to go to Goma. If this situation continues for a long time, this will start affecting easyHATCH's financials.
- Feed prices have also gone up significantly, a potential obstacle when it comes to increasing sales volumes.
- New players in the poultry market have led to fierce competition.
- easyHATCH is exploring opportunities to access new markets in other countries — such as Burundi, Central African Republic and Cameroon — and will start selling fertilised eggs to local producers to diversify the company's income streams.
- The construction of the new breeder house and hatchery building will start.
- easyHATCH will explore ways to collaborate with MFIs to support farmers in a different way without putting the company at risk.

One of the 1,000's of informal vendors in the Dar es Salaam market that are supplied by EAFC.



EAFC

KEY FIGURES

Country: Tanzania


Sector: Fruits and vegetables for the domestic market

Investment: Transport vehicles, ripening machines, and collection centres

Investment type: Convertible subordinated loan

Investment by Kampani: USD 590k (for 8 years) and add-on investment of USD 528k (for 8 years)

Disbursement: September 2021 & November 2022



E AFC sells its branded rice via the formal retail sector.

THE INVESTMENT

Founded in 2013, East Africa Fruits Company is an SME based in Dar es Salaam that sources fruits and vegetables directly from more than 6,000 smallholder farmers bypassing middlemen. EAFC then processes and distributes the fruits and vegetables — bananas, onions, tomatoes, potatoes and rice — on the Tanzanian market. The company's business model is based on a strong and efficient logistics system, with a fleet of trucks to collect and transport the products, and highly efficient storage, which ensures fresh, high quality and consistent supply for the local market. EAFC has seen significant growth over the past few years, and occupies a leading position in the national market, with an overview over the entire supply chain.

EAFC has partnered with Rikolto for several years to secure technical assistance to the company's networks of producers and to enhance crop production in the south of Tanzania. In 2021, Kampani further improved EAFC's logistics capacity by helping finance the acquisition of trucks, distribution vans, and collection centre infrastructure.

In 2022, Kampani invested an additional USD 528k to contribute to EAFC further scale up. Kampani financed different collection centres and additional transport capacity.

The collaboration with EAFC has been successful and Kampani is keen to keep on supporting the company on its growth path.

SOCIAL IMPACT

EAFC has been working closely with an increasing number of smallholder farmers. Last year, it sourced its raw materials from 6,977 farmers (2,908 women and 4,069 men) among 47 farmers' groups. The business model is built around empowering smallholder farmers, by connecting them directly to the market, circumventing middlemen, and providing competitive prices and guaranteed offtake. Additionally, the company provides farmers with training — sometimes in very close collaboration with NGOs such as Rikolto or SNV — and supports them in securing pre-harvest finance, fertiliser and seedlings. Some training is provided via farmers field schools in collection centres in different locations and the company also employs extension officers to provide one-on-one training as needed. Three additional collection centres were constructed in Njombe, Mbeya and Morogoro, and some 4,122 farmers attended training via field schools. The training focused on farming as a business, financial and economic benefits, post-harvest handling of the produce and Climate Smart Agriculture Practices.

Helping farmers increase their yield and their income remains an integral part of EAFC's business model. As part of the company's impact evaluation for 2022, the following telling insights were recorded:

"I like the prices they offer to us, we used to get lower prices from brokers but EAF has become a reliable buyer with good prices." —male farmer

"My income has increased so I can provide for my family, send my children to school and take care of my parents who are very old now." —female farmer

HIGHLIGHTS FOR 2022



An EAFC banana collection center in Moshi area.

- EAFC's activities have been growing at a significant pace. In 2022, the company achieved annual revenues of USD 10,7M, a 92% growth compared to 2021.
- EAFC's management was awarded the Africa Business Heroes prize, which aims to empower entrepreneurial talent from across the continent. It supports African entrepreneurs who are creating local impact and using their businesses to build a more inclusive future.
- In terms of logistics, the company increased its fleet size from 43 trucks in 2021 to 61 trucks in 2022.
- Kampani participated in a weeklong strategic Board retreat to discuss the expansion plans.
- A new distribution centre and three new collection centres were constructed.
- More than 4,000 farmers received training in different disciplines.
- EAFC has ambitious growth targets for the year to come, both in terms of revenues and market reach. The company aims to achieve annual revenues of USD 17M and is about to launch its operations on two new markets, the city of Dodoma (400 km from Dar es Salaam) and on the island of Zanzibar.

OUTLOOK AND CHALLENGES 2023

SPF

KEY FIGURES

Country: Rwanda

Sector: Seed Potato

Investment: Aeroponics system, warehouses and transport vehicles

Investment type: Convertible subordinated loan

Investment by Kampani: USD 580k (for 7 years)

Disbursement: October 2021



The new hydroponics unit, financed by Kampani.



These are some of the varieties of minitubers that SPF produces at scale.

THE INVESTMENT

The joint venture Seed Potato Fund (SPF) is a Rwandan company designed to increase the availability and accessibility of quality potato seed to farmers by investing in seed potato trading (sales and purchases); improving potato handling technologies; and producing early generation seeds potatoes by using an aeroponic production system.

As a farmer-led business, SPF is addressing a key issue in Rwanda's seed potato value chain, the "seed leak," i.e. when seed potatoes are sold as 'ware' potatoes for immediate consumption instead of being stored until the start of the following growing season. It has addressed this situation by ensuring a market for seed potato producers at the time of harvest. Additionally, the company ensures that seeds are transported from the field, stored, sorted, packed, and delivered to the clients in good condition at the right time.

In October 2021, Kampani provided a loan to SPF to finance an aeroponic system, two warehouses and

transport vehicles. These investments allowed the company to scale up their production of minitubers, the goal being to quadruple the company's production capacity to 540,000 minitubers per year. In 2022 SPF produced a total of 555,404 minitubers, and started putting them on the market in 2023.

SOCIAL IMPACT

SPF is unique because it is owned and operated by thousands of highly experienced farmers at all levels of the supply chain who benefit from this process, both up and down stream, as quality seeds are made available for selling every year.

From a broader perspective, SPF's focus on the domestic market is also a crucial dimension, because it directly addresses the needs of the national population. SPF provides a vital service for a country that continues to face significant food shortages, and supports small-holder farmers throughout the country who rely on sales of their produce to sustain their livelihoods. In 2022, SPF worked with a total of 7,361 direct producers.

HIGHLIGHTS FOR 2022

- With Kampani's loan, the company bought additional trucks, built new storage facilities to enhance post-harvest management, and built the new aeroponic system, the Mega Aeroponic Screenhouse.
- The new aeroponics unit allowed SPF to double its production of minitubers, to more than 500,000.
- SPF also played a decisive role in organising Potato Week, an annual event that brought together actors in the Potato value chain from the Great Lakes Region. The theme this year was "Promoting innovation and technology to stop the seed potato leak."

- As a major player in the Rwandan potato value chain, SPF organised several meetings and demonstration plots around the country to promote new potato varieties and encourage small-holder farmers to use and adapt them.

OUTLOOK AND CHALLENGES 2023

- Sales are not expected to grow substantially in 2023 because SPF competes with informal potato seed producers. Only formal producers can guarantee full traceability, and therefore the quality of top quality seed, but not all buyers are willing to pay the premium.



NAJIL CAB

KEY FIGURES

Country: Mexico

Sector: Honey

Investment: Build and equip independent production facility

Investment type: Subordinated loan

Investment by Kampani: USD 450k (for 7 years)

Disbursement: January 2021

Above: The two founders of Najil Cab, Simmon and Antonio, are the second and third person from the left.

The loading dock of the processing plant financed by Kampani.



THE INVESTMENT

Najil Cab is an SME which sources, processes and exports organic and conventional non-organic honey from Yucatan, Mexico. The company was founded in 2012 and sources its honey from indigenous Maya communities in small villages spread across Yucatan. In January 2021, Kampani helped the company acquire its own processing plant to improve its processing capacity. Construction of the new plant was completed in less than a year! Since the plant became operational in 2022, Najil Cab has witnessed some impressive operational developments. The structure of the manufacturing process of the honey was enhanced, and production capacity increased from two batches per week to three.

SOCIAL IMPACT

Najil Cab, meaning “The House of the bees” in the Mayan language, brings together some 1,050 indigenous producers who supply the company with both conventional and

organic honey. The producers in the Najil Cab network have been working on their hives for decades. Most of the land is owned by the communities (Ejidos) and cannot be sold to third parties. The majority of the producers are small-scale beekeepers with 10-15 hives. For most producers, selling honey is their only source of revenue.

Najil Cab’s ambition is to promote and advance apicultural practice by offering professional services that have a positive impact on the production, health and the maintenance of beekeeping across the state.

To do this, Najil Cab identifies beekeepers producing monofloral and multifloral honeys in the areas where they operate, and provides monthly training sessions to improve production techniques (technical assistance, maintaining hygiene in the beehives), at the same time promoting research and innovation to improve honey production, and make it more commercially viable.

HIGHLIGHTS FOR 2022

- Najil Cab collects the honey in nine collection centres across Yucatan. In 2022, the storage capacity of some of the collection centres was improved, and the company started sourcing honey in new localities in the vicinity of the newly built processing warehouse, increasing the volume collected by 23%.
- The sales price improved by 10% (USD 3,54 per kg), which had a direct impact on the producers’ revenues: because the costs of production remained fixed, the additional amount went directly to them.
- Some of the beekeepers also joined the fair trade scheme (Fair TSA) and benefited from a premium of 8% on the honey placed under this scheme.
- Najil Cab aimed to achieve organic certification for its honey by 2022, and the company

successfully certified the organic scopes in LPO, USDA and EU.

- In 2022 a community cleanup program was initiated, leading to the recovery of more than 100 hectares of forest adjacent to the productive areas.

OUTLOOK AND CHALLENGES 2023

- Despite these promising developments, Najil Cab is facing some difficulties in selling its honey on the international market. Securing contracts with international buyers has been affected by the precarious global market situation, and buyers have sufficient stocks, meaning the purchase of products from Najil Cab’s beekeepers is currently on hold.
- In 2023, the company hopes to increase the number of beekeepers it works with and provide training to 15% of producers.



TUN YAT

KEY FIGURES

Country: Myanmar

Sector: Agri-machinery rental

Investment: Additional tractors and harvesters

Investment type: Equity

Investment by Kampani: USD 150k

Co-investor: The Yield Lab USD 100k

Disbursement: May 2020

Above: a producer happy with the chickpea harvesting with the support of the Tun Yat equipment



THE INVESTMENT

Tun Yat specialises in renting harvesters and tractors to local producers who cannot afford to purchase their own machinery. Farmers can request the services via an app. In addition to renting out machinery with an operator, Tun Yat also trains machine owners and drivers, and connects them to farmers in need of their services.

With the equity investment provided by Kampani (and co-investor the Yield Lab), Tun Yat acquired four tractors, two harvesters and spare parts, and invested in its management information system. This allowed Tun Yat to open a new district hub in Magway, expand its customer base, diversify the crops it could serve (mung beans, peanuts, rice, corn) and improve its information systems.

SOCIAL IMPACT

Myanmar's farmers suffer huge losses each year (40 to 60% of the crops produced seasonally) because of the lack of post-harvest technology, machinery such as dryers and harvesters, and warehouses. Tun Yat's role is to address these market inefficiencies and support farmers throughout the country. In addition to making the right equipment available to rural farmers, Tun Yat encourages them to build cash reserves to better manage cash flows, and is working on a crop aggregation pilot to increase yield productivity. Importantly, Tun Yat stipulates that 60% of its clientele should have no more than around two hectares of farmland, in line with its explicit focus on supporting small producers.

HIGHLIGHTS FOR 2022

- Tun Yat showed remarkable resilience and resourcefulness when its growth came to a halt following the coup. Investors walked away, or did not want to increase their exposure.
- With the core business affected by the coup — it is much harder, for example, to move tractors between parts of the country — Tun Yat had to seek alternative sources of income. This has included a further vertical integration, provision of other agroinput, and financial services.
- Tun Yat managed to secure grant support to provide technical assistance. The company cooperated with the Myanmar NGO HEKS to pilot an educational chatbot for farmers.
- New partnerships with input providers were also secured: in total Tun Yat signed 14 supplier contracts with fertiliser, seed distributors and agri-equipment suppliers.

OUTLOOK AND CHALLENGES 2023

- Tun Yat has been operating in Myanmar for six years. Three of these years experienced pandemic and the military coup, both of which have disrupted the business, and had a negative impact on growth and expansion.
- High fuel prices, limited inputs availability, and the context of violence will continue to have an impact on the company's operations.
- Nonetheless, Tun Yat hopes to continue serving farmers efficiently, and will focus on consolidating business operations and farming activities with its existing service hubs; deploying its online shop and booking platform to onboard more users; and using machinery in larger farming plots to reduce operating costs, increase asset utilisation, and bring in additional revenue.

Above: Meeting with a farming group to discuss how Tun Yat can continue to improve its service offering.

Coosempoda supplies about 80% of the cabbages in Nicaraguan supermarkets

COOSEMPODA

KEY FIGURES

Country: Nicaragua

Sector: Vegetables (cabbage, carrot, green pepper, potato), coffee (small volumes)

Investment: Washing facility, improvement of the seedling production through protected agriculture, acquisition of a refrigerated transport vehicle

Investment type: Subordinated loan

Investment by Kampani: USD 215k (for 7 years)

Disbursement: April 2020





THE INVESTMENT

Coosempoda is a Nicaraguan cooperative bringing together 114 farming families that produce vegetables and supply about 80% of cabbages in the country's supermarket. The cooperative had been working for several years with Rikolto before being introduced to Kampani. In 2020, despite the challenging global context, Kampani provided a loan to the cooperative, allowing Coosempoda to acquire a new washing facility and build a seedling production facility to increase quantity and quality.

SOCIAL IMPACT

When agricultural enterprises have access to the right type of capital for growth, they can generate significant and lasting benefits for the communities they serve, and this is clearly the case with Coosempoda. The improved production capabilities have significantly benefited not only the farmers, but also their larger communities. Coosempoda's services to smallholder vegetable farmers and their families includes: marketing and financing services, and equipment such as seedling production greenhouse and processing plant. With the new equipment, Coosempoda has been able to sell its members' products at a premium price and to increase the quality of the services provided. But Coosempoda has also been an important actor in strengthening ties among the community, by making donations to schools, catholic and evangelical churches, and to sports facilities.

HIGHLIGHTS FOR 2022

- With some delay, Coosempoda acquired a refrigerated truck financed by Kampani's loan.
- Coosempoda increased its membership, now totalling a number of 102 members, including 14 women.
- Of the 102 active members, about 75% use at least one additional service provided by the Cooperative.
- The cooperative also appointed a woman on the board of directors, in line with Kampani's social targets.
- In addition to producing high quality vegetables for the local market, Coosempoda members produce coffee as well and have been able to sell four containers of coffee to the US.
- The cooperative has built and strengthened partnerships with different actors (Huawei, HZPC) with the aim of supporting the provision of certified seeds for potatoes.
- In terms of social impact, Coosempoda started a new collaboration with NGO Terre des Hommes. The two year program aims to enhance community building and promote generational change, by focusing on psychosocial issues, sexual and reproductive health, and sustainable livelihoods among young people.
- The cooperative also pays particular attention to making its members aware of environmental issues, and has organised activities to preserve communities and neighbourhoods, such as clean-up days with the support of young people, or collecting empty containers.



Psychosocial activities with young people.

OUTLOOK AND CHALLENGES 2023

- With Kampani's investment, Coosempoda now has the capacity to grow seedlings and produce some vegetables under protected conditions. The cooperative started plantations of chiltoma (pepper) and the production of seedlings, which has been very profitable: In April 2023, some 300,000 seedlings were distributed to farmers, both members and non-members of the cooperative.
- Coosempoda aims to further increase its sales by reaching new markets and additional clients, and increasing its coffee sales (from four to six containers).
- In order to improve the capacity of collection and commercialization of its coffee, Coosempoda is looking for additional financing.
- The cooperative will update its strategic plan and lines of work and develop a project profile to add value to its potatoes and offer potato based products.



COOPEASSA

KEY FIGURES

Country: Costa Rica

Sector: Coffee, Banana, pineapple

Investment: Pineapple business line, then reallocated for the production of organic fertilizer

Investment type: Subordinated loan

Investment by Kampani: USD 580k (for 6 years)

Disbursement: July 2018

Above: Organic fertilizer production unit.



THE INVESTMENT

Coopeassa is a long-standing cooperative. Founded in 1984 to address the needs of coffee producers in the San Antonio area, it has a history of providing a variety of services to its members and their communities, including access to retail supermarkets that would otherwise be inaccessible to individual producers, provision of hardware (tools) via its own store, and coffee processing and exporting services.

Overtime, the cooperative also decided to start diversifying its activities and expand to a crop that would generate year-round income as opposed to coffee, which is a seasonal crop. Coopeassa then started producing exotic fruits such as bananas, pineapples, oranges and ginger, and organic inputs for the soil and the plant. Kampani's investment helped finance diversification into fruit crops and processing, specifically pineapple. When the pineapple business line failed to deliver on its promise, the resources provided by Kampani were invested in a unit to produce organic fertiliser.

SOCIAL IMPACT

Empowering the cooperative's members is an integral part of Coopeassa's DNA. In 2022, Coopeassa put at its farmers disposal a wide set of services: special equipment to rent (tools and processing equipment), inputs, organic fertiliser, nurseries, a bio-input laboratory and access to a credit system. Technical assistance such as income diversification support programs, food security programs, on-farm inspections and follow up through technicians employed by the cooperative and workshops on field schools and model farms were also provided.

In 2022, 65% of Coopeassa's associated producers were certified organic across the different lines of production. The cooperative is aiming to further increase the number of certifications, and has provided specific related training on organic bananas and the steps needed to obtain certification and ensure traceability.

Above: Inauguration of the new processing plant

HIGHLIGHTS FOR 2022

- The elimination of economic incentives for certified areas in 2022 led to a decrease in the number of organic producers in Costa Rica. The cooperative is implementing a strategic plan to strengthen the associative base and thus increase the number of organic producers.
- Despite a strong FX loss (Coopeassa sells its products in USD but Costa Rican Colons lost 20% value in 2022) that affected both annual revenues and costs structure, the cooperative was able to break even. This did not have any significant impact on the producers and they were able to maintain good prices.
- In terms of volume, bananas are the most produced and sold products, followed by coffee and ginger.
- Coopeassa also produces own-brand organic fertilisers and in 2022 obtained a patent, allowing it to sell its product across the country.
- Coopeassa inaugurated its new processing facility, which will facilitate packaging and also

drying (dehydrating) of pineapple, curcuma and ginger.

OUTLOOK AND CHALLENGES 2023

- Coopeassa will soon launch a new brand "ECO ASSA" onto the market for pineapple, ginger and turmeric (dehydrated and powder).
- In terms of strategic development, Coopeassa will place an emphasis on commercialization, increased productivity and sales of fertilisers. For this, further technical expertise will be required and Coopeassa would like to partner with an external adviser to receive additional support.
- The cooperative will open to Chinese certification — they currently have certifications allowing them to ship their products to the EU and the US, but would like to reach new markets overseas.
- Overtime, Coopeassa would like to specialise in ginger production. Being a high value crop, ginger represents a good business opportunity.



CASSIA Co-op

KEY FIGURES

Country: Indonesia

Sector: Spices (i.e. cinnamon, vanilla) and patchouli oil

Investment: Acquisition of grinder and construction of plant to house the grinder

Investment type: Subordinated loan

Investment by Kampani: EUR 500k for (6 years)

Disbursement: June 2018

Above: over 90% of the world's cassia is grown in the hills around Sungai Penuh, Kerinci, Sumatra



An increasing share of the production is sold in powder form, thanks to the Kampani-financed grinder.

THE INVESTMENT

Cassia Co-op specialises in the production, processing, export and distribution of high quality, organic cinnamon (cassia) and patchouli oil. Cassia Co-op is the first and only cinnamon processing and exporting company to set-up in Kerinci, at the heart of the cinnamon plantations. The company supplies high quality, sustainable and organic cinnamon to the export market, sourcing its raw material directly from smallholders, using an integrated contract farming model. Kampani's investment, dating back to 2018, allowed Cassia Co-op to acquire its own grinder for converting crushed cinnamon into powder.

SOCIAL IMPACT

Cassia Co-op's role as a sustainable, organic certified processing and trading business is essentially to make the link between farmers and the market. Because of the company's unique location in the heart of the cinnamon production area, Cassia Co-op reduces the complexity of the supply chain and increases efficiency and transparency by supporting more than 2,000 farmers with better prices, market knowledge, income diversification (patchouli, vanilla) and environmental protection (tree nurseries for carbon capture) certifications (UEBT/RFA/UTZ).

HIGHLIGHTS FOR 2022

- In 2022, the company saw fierce competition from Vietnam. The price differential is currently high.
- Cassia Co-op obtained FSCC 22000 certification.

OUTLOOK AND CHALLENGES 2023

- Cassia Co-op has all the ingredients to be a success: secured supply of certified raw material, strong social impact with additional impact generated by intercropping with vanilla and patchouli, all of the iso-certified hardware (except a steriliser) to deliver a quality product, and a good local management team.
- The company is currently in a transition phase to win over additional market shares, with more competitive prices as well as a wider variety of products.
- Cassia Co-op is looking for a solution to offer sterilized cassia (steam treated) to meet increasing demand from end-users.



FECCEG

KEY FIGURES

Country: Guatemala

Sector: Coffee, honey and panela

Investment: Construction of a new factory for the production of panela (first loan); construction of a warehouse for storage of coffee and honey (add-on)

Investment type: Subordinated loan

Investment by Kampani: USD 500k for 6 years (first loan) & USD 887k for 6,5 years (add-on)

Disbursement: July 2017 & January 2022

Above: Coffee arriving in the processing plant in Quetzaltenango.



Delivery of ripe coffee in Joyabaj.

THE INVESTMENT

La Federación Comercializadora de Café Especial de Guatemala (FECCEG), is a second-level cooperative bringing together 12 small producer cooperatives in the Western Highlands of Guatemala. Originally, FECCEG was a coffee producer and exporter only. While coffee remains FECCEG's core business, thanks to the Kampani investment, the cooperative also been active since 2018 in the production and commercialisation of organic honey and in organic whole sugar (panela). Kampani's first investment in 2017 was used to acquire a panela production factory with the aim of diversifying smallholder farmers' income. In January 2022, Kampani co-financed the building and equipping of a coffee and honey warehouse on the premises of the coffee hulling factory in Quetzaltenango.

SOCIAL IMPACT

In 2022, FECCEG represented 13 cooperatives, amounting to a total of 1,237 smallholder farmers, including 505 women. Some 309 members are young women and men who have few professional opportunities outside the agricultural sector. 70% of FECCEG's members depend on agricultural production for their livelihoods and manage small pieces of land averaging one hectare. FECCEG's core mission is to support its members and improve their income through better commercialisation, income diversification, and training. By integrating new crops (other than coffee) to ensure income diversification, and bringing together members from different regions in Guatemala, FECCEG delivers important social and economic benefits for its members and their communities.

HIGHLIGHTS FOR 2022

- FECCEG had ambitious plans for the year 2022: finishing the construction and equipping of a new warehouse, acquiring a wet mill in Joyabaj, and revamping its equipment to target more farmers.
- The construction of the new warehouse in Xela (FECCEG's HQ) was completed, despite some delay, and was put at use for the first time.
- Despite these developments, FECCEG faced many challenges, caused by both external and internal factors. It was caught in a perfect storm including high coffee prices (requiring much more trade financing), high inflation that delayed the construction of the new warehouse, bureaucratic hurdles with the local bank, and a change of personnel internally.
- Eventually FECCEG faced cash flow issues, and the 2022-2023 harvest season was delayed

because FECCEG did not have the capacity to buy the coffee on time. This led FECCEG to request a restructuring of its Kampani loans, which was approved in early 2023. Kampani believes that FECCEG is strong enough to weather this storm, but patience and resilience will be required.

OUTLOOK AND CHALLENGES 2023

- The coming year will be one of consolidation and focus on the core business.
- The different setbacks with the panela project (cane sugar fields lit on fire on purpose, challenges calibrating the production line) mean FECCEG has had to stop this business line. The balance of Kampani's loan for the panela project will be repaid in small instalments in the years to come.

A man in a light blue short-sleeved shirt and dark trousers stands in a large warehouse. Behind him are tall stacks of brown burlap sacks, likely containing coffee. The word "ORGANIC" is printed in blue on the white wall behind the sacks. The warehouse has a corrugated metal roof and a concrete floor.

ORGANIC

MAMBO COFFEE

KEY FIGURES

Country: Tanzania

Sector: Coffee

Investment: Construction of additional warehouse, acquisition of additional trucks (first loan); construction of a new warehouse in Mbinga and acquisition of a mechanical coffee dryer (add-on)

Investment type: Subordinated loan

Investment by Kampani: USD 320k for 4 years (first loan) & USD 622k for 6 years (add-on)

Disbursement: November 2019 & December 2021

CEO Athanasio Massenha in Morogoro warehouse.



Mambo Coffee prides itself on being able to make a coffee blend that meets exactly the requirements of each client.

THE INVESTMENT

Mambo Coffee Company Limited is a social green speciality coffee trading company which started operations in 2011. The company depends on more than 13,000 smallholder farmers (divided among seven cooperatives) to grow sustainable, high quality coffee in the highlands of Tanzania. Mambo Coffee supports farmers to acquire certifications (organic, Fairtrade, Rainforest Alliance & Utz) to ensure green coffee is of the best quality, while at the same time improving their revenues. Kampani first invested to support Mambo in the acquisition of trucks and the construction of a warehouse in 2019. Two years later, the add-on investment financed a coffee dryer and a warehouse in the Mbinga region, where most of the production of Tanzanian coffee takes place.

SOCIAL IMPACT

Mambo collects coffee from relatively weak coffee cooperatives who lack their own export capacity, or an independent ability to reach the high-margin certified coffee market, and without the technical capacity to report to Kampani. Part of Mambo Coffee's DNA is to add value to smallholder farmers' coffee production, buying their output and exporting to sustainable markets. Mambo Coffee is keenly aware that it depends on its farmers to grow high-quality coffee, and in turn the smallholders depend on Mambo Coffee to purchase their crop. This mutually beneficial relationship with the farmers is maintained through regular contact, creating a long term relationship between the company and its suppliers that is clear added value.

HIGHLIGHTS FOR 2022

- Mambo Coffee faced some logistical problems: due to heavy rainfalls, the coffee season started later than expected, leading some of Mambo's shipment to be delayed.
- This led to cash flow issues at company level and delays in repaying Kampani's loans.

OUTLOOK AND CHALLENGES 2023

- In 2023, activity will start in the newly acquired warehouse in Mbinga, financed thanks to Kampani's loan.
- Over the coming year, Mambo will focus on mitigating the disruptions it faced in 2022, re-instating a relationship of trust with its buyers, and ensuring the company's activities are less vulnerable to external factors.
- Despite these challenges, Mambo Coffee's business is thriving and the quality of its coffee is recognized and appreciated.



VERT

KEY FIGURES

Country: Kenya

Sector: Fresh vegetables for export, fruit pulp for local and regional market

Investment: Construction of new factory on newly acquired land and acquisition of pulping machinery

Investment type: Straight equity combined with a subordinated loan

Kampani's equity investment: EUR 371k
(in Kenyan Shilling)

Kampani's subordinated loan amount: EUR 129k
(for 7 years)

Disbursement: November 2016

Above: Production of dried mango, now the most important business line for Vert.

THE INVESTMENT

Vert Limited specialises in the export of fresh vegetables and fruits for the European markets. Its produce is of the highest quality and is sourced directly from smallholder farmers. Vert aggregates smallholder farmers by grouping them in community-based organisations and supporting them along the production process. Vert's founders, two Kenyan entrepreneurs, want to improve smallholder farmers' living conditions by offering them reliable access to new market channels, technical support, and pre-financing services. In 2016 Vert decided to diversify its activities and ventured into mango puree and dried mango for the domestic and regional market. This new activity has enabled Vert to work with more farmers including in rural areas where poverty remains a real challenge. In November 2016, Kampani provided Vert with an investment to help them construct a new factory on newly acquired land and acquire pulping machinery. The mango pulping plant financed by Kampani became operational in 2019 and has given juice producers in Kenya and neighbouring countries an alternative to pulp imported from India.

SOCIAL IMPACT

Vert strongly believes that sourcing raw materials at the farm level can reduce the disruptive effects of brokers and secure a consistent supply of quality raw materials, at the same time giving smallholder farmers access to stable and predictable prices year round and enabling them to develop more professional agriculture practices. In 2022, Vert sourced its raw material from 4,935 smallholder farmers across the country. In addition to providing them with secured access to the market (contract farming), Vert also assists them through training with field officers on agricultural inputs use, production yields, quality control and improvement of infrastructure. The company also helps farmers achieve certification (organic, global gap and fairtrade): the premiums from the certifications enter a mutual fund for farmers in order to improve their social, economic and environmental conditions (purchase of inputs, improvement of infrastructure, etc.).

HIGHLIGHTS FOR 2022

- Vert's business has been thriving. The diversification strategy has been very successful, allowing the company to have some buffer when external events disrupt the supply chain.
- The dried mango line accounted for 55% of the business revenues, the vegetable line for 26% and the pulp line for 19%.
- Vert increased its supply base to support both the pulping and the dried mango line. The company currently sources fruits from over 3,500 farmers for conventional mangoes and 400 farmers for organic certified mangoes.
- Vert has a total of 91 contracted staff members, 47 of whom are women. The majority of the company's workforce are young people who are hired during the peak of the production season, particularly in the dried mango line where most of the activity is labour intensive.

OUTLOOK AND CHALLENGES 2023

- Kenya faced extreme drought in 2022 which, according to estimates, has left about 5,4 million people without adequate access to food and water between March and June 2023. The drought has had an impact on yields, sales volume and revenue for the company. This, combined with escalating production costs and high inflation rates, are ongoing challenges the company aims to mitigate.
- Vert struggles to keep up with demand for its product, the main bottleneck currently being securing sufficient supply for as big a part of the year as possible. The production of mango pulp in 2024 is projected to be close to the maximum capacity of the plant.

One more container ready for shipping.

HORAMAMA/ COCOCA

KEY FIGURES

Country: Burundi

Sector: Coffee

Investment: Acquisition of a coffee processing plant

Investment type: Subordinated loan

Total loan amount: USD 324k for 5 years (first loan, fully repaid) & USD 150k for 2 years (add-on)

Disbursement: March 2016 & January 2020

Disbursement: November 2016



Horamama is the only hulling plant in Burundi owned by a farmer cooperative. Today, it is the largest in all of Burundi measured by volume.

THE INVESTMENT

COCOCA is a Fairtrade certified coffee exporter, and a union of smallholder cooperatives, representing almost 30,000 smallholder coffee farmers. Kampani provided COCOCA with a subordinated loan in order for the cooperative to acquire a coffee hulling plant in Ntarambo, in the northern part of Burundi (area of Kayanza/Ngozi).

The hulling and storage facility — named Horamama Coffee Dry Mill — allowed the cooperative to gain control over the entire coffee value chain. Previously the hulling and storing were outsourced to third parties. This created an indisputable added value, first in terms of traceability, but also in terms of volume produced. The hulling factory is now the largest in Burundi and COCOCA currently represents about 12% of the national coffee production.

SOCIAL IMPACT

With the acquisition of Horamama (which means "Cheer Up!"), COCOCA manages the entire export chain from cherry collection on. The cooperative offers a perfect service to its buyers, all in the interest of its suppliers — the farmers organised in the 39 cooperatives across the country which comprise the union. A young, dynamic team monitors the quality of the coffee daily and actively supports the cooperatives with the aim of improving the quality of the cherries and reinforcing capacity building at producer level by making available the necessary equipment and services.

HIGHLIGHTS FOR 2022

- Horamama's managing director was replaced in the course of 2022.
- Kampani's first loan was fully repaid in 2021. The add-on investment was expected to be fully repaid in 2022, but due to restrictions imposed by the central bank of Burundi, Horamama had difficulties accessing foreign currency to repay Kampani. The last instalment is expected soon, and Kampani is in touch with the new managing director to monitor the process.

OUTLOOK AND CHALLENGES 2023

- Once the final payment is made, Kampani will re-activate the search for a consultant to carry out the social impact assessment. COCOCA/Horamama will be Kampani's first completed deal.
- Resilience and flexibility have been essential ingredients to ensure the viability of the cooperative. Kampani is confident that these qualities will allow COCOCA to continue to be a thriving and impactful business.

FINANCIAL RESULTS 2022

BALANCE SHEET IN EURO	2021	2022
Fixed assets	134,698	394,719
Financial fixed assets	134,698	394,719
Current assets	4,062,303	8,446,425
Credit portfolio	3,451,978	6,955,972
Cash and cash equivalents	453,044	744,742
Other accounts receivable	10,767	408,828
Transitory accounts	146,514	336,883
Total assets	4,197,001	8,841,144
Equity	2,980,337	8,588,536
Paid-in capital	4,080,000	9,507,600
First loss tranche	0	500,000
Issuance premium	147,600	0
Accumulated results	-1,247,263	-1,419,064
Liabilities	1,216,664	252,608
Long term liabilities (>1 year)	0	0
Short term liabilities (<1 year)	1,144,904	65,275
Transitory accounts	71,760	187,333
Total liabilities and equity	4,197,001	8,841,154

Kampani made a huge jump in 2022. The raised capital increased from just over EUR 4M to just over EUR 10M, and we created a first loss tranche. The credit portfolio nearly doubled.

PROFIT + LOSS IN EURO	2021	2022
Revenues	231,438	488,644
Operational expenses	-248,647	-436,634
Operational results before subsidies	-17,209	52,010
Cross charged to subsidy		78,857
Operational result		130,868
Provisions on the principal	0	-190,944
Provisions on interest	0	-91,217
Latent neg. currency effect	82,469	0
Net result	65,260	-151,294

Kampani is operationally profitable. Even taking into account the expenses forwarded to the subsidy, we made a profit of around EUR 50k in 2022. However, Kampani took back part of the provision for Vert and had to provision part of two other deals. As a result, we have to post a negative net result of EUR 150k.

Thank you to our operational partners



Van Olmen & Wynant

