Building The Indonesian Ag-Tech Ecosystem

Astri Purnamasari
27.03.2019
Which sector has the biggest employment in Indonesia?
The agriculture sector!
A (very) common story of an Indonesian smallholder farmer
Every farmer's dream is to get their harvest sold at a fair price, but the majority have limited or no access to a market and have to rely on layers of middle men.
Unfortunately, this is the same story for **26 million** other smallholder farmers in Indonesia.
How big and important is the agriculture sector for Indonesia?
Condition of farmers

- 75% are still practicing traditional methods
- 74% received elementary level education
- 38% are women
- Average income is $3.2 per day
- 61% are above 45 years old
- 56% are small holder farmers (<0.3 ha)

Source: National Statistics Bureau (BPS), Ministry of Agriculture, Ministry of Fishery and Maritime
Overview of Indonesia’s Agriculture and Fishery Sector

Contribution to 2017 GDP (%)

- Manufacturing: 20.16
- Agriculture: 13.14
- Wholesale: 13.01
- Construction: 10.37
- Mining: 7.57

Second largest contributor to Indonesia’s GDP

Largest employer

~32 million People

Export-import of agriculture and fishery (excluding palm oil) - 2016

- Fishery
- Estate Crops
- Horticulture
- Livestock
- Food Crops

Large contributor to number of imports

Source: National Statistics Bureau (BPS), Ministry of Agriculture, Ministry of Fishery and Maritime
What impact a slight improvement can bring?

Job Creation → Slower (Stop) Urbanization → Higher and spread out economic growth
How technology can help simplify and empower?
Disrupting the inefficient supply chain
DRIVE NEW PURCHASE BEHAVIOUR
- Cut one or more layer on Supply Chain
- Acquire the Market of Demand
- Drive Customer Behaviour through Marketing & Brand Communication
- E-commerce to Online Marketplace
TaniHub – Agriculture e-commerce platform

- Over 300 products in catalog
- Serving B2B and B2C
- PayLater option for B2B
- Same day delivery (FREE*)
- Highly data driven
Impact on Farmers

~60% more income

~30% production
After Access to Market Comes Access to Finance
Outstanding Loans of Indonesian Banks

7% To the agriculture sector
So where do farmers get loans?

52% from non-bank entities

Typically loans farmers take:
1. Limited capital available
2. Extremely high interest rate
3. Unfair terms
4. Dependency on “tengkulak” to sell
Why can’t farmers get bank loans?

- No Formal Credit Scoring
- No Good Way to Monitor Loans
- Systems Not Designed for Agriculture
“So how can I fund my farm?”
How shall we help the unbankable farmers?
Bringing access to finance to the unbankable
Minimum participation is 1 unit = IDR 100k

Tenors starting from 1 month and up to 5 years

Freedom to choose projects and earn higher returns (compared to bank deposits and government bonds)

Payment is Monthly (for fixed rate) or at the end of project (for profit sharing)
What is a peer-to-peer lending platform like TaniFund?

Lenders + Return - fee

TaniFund

Farmers + Return
Step 1 - Feasibility study and planning
Step 2 – Fundraising

www.tanifund.com/explore
Lenders channel funds through our TaniFund platform in accordance with the ongoing agricultural program.

Once fully funded or timeline ends, the project will be closed and farming starts!

Funding Proses
Step 3 – Starting the project and supervising farms
Step 4 – Making sure that our team and farmers complete all documentation for lenders to see
Monitor agriculture activities: cultivation, maintenance, breeding of livestock, etc.

Capable of storing data offline and automatically synchronize them once connected to the internet.

Dual purpose: monitor and assistance of farmers, as well as progress report of funds from lenders.
Step 5 – Preparing **all** harvest to be sold through Tanihub’s channel
. . .distributing them to B2B2C clients in the Tanihub network
Bank Lending

B2B

Suppliers → Supermarket, Restaurant, Shops, Industry → Bank

Loans → Repayment → Loans → Repayment

Farmers

Harvest → Buyers
Bank Collaboration Model (Ecosystem)

B2B Clients
- Loans
- Repayment

Bank
- Loans
- Repayment

TaniFund
- Loan & Profit sharing

Farmers
- Harvest

Supermarket, Restaurant, Shops, Industry

Supply

TaniHub
- Payment

connecting farms with people
together growing the future
THE VISION
AGRICULTURE BECOME MORE REACHABLE

EVERYONE CAN PLAY ANY ROLE IN AGRICULTURE, SO AGRICULTURE BECOME MASS PARTICIPATION AND GENERAL INVOLVEMENT FOR ALL.
Proper cultivation FOR EVERYONE
SUCCESS HARVEST FOR EVERYONE
GOOD Q/C FOR EVERYONE
ON TIME delivery FOR EVERYONE
AGRICULTURE FOR EVERYONE
GOOD FRUIT FOR EVERYONE
FAIR price FOR EVERYONE
DECENT FUND FOR EVERYONE
S M I L E FOR EVERYONE
Some of our partners
Higher production = more work available!
Bringing Indonesian local products abroad
1 tahun lagi,
Thank you

Astri Purnamasari
VP of Corporate Services

Astri.purnamasari@tanihub.com
+62 81773 0110

Get in touch with us
help@tanihub.com | info@tanifund.com
Connect with us!!

Download our app!

GET IT ON
Google Play

@TaniHub

TaniHub

www.tanihub.com

@TaniFund

TaniFund

www.tanifund.com