



Agribusiness Plan Fund

TITLE OF PROJECT: The Agribusiness Plan Fund

OVERALL PROJECT COST AND REQUESTED FUNDS: \$105,600.00

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THE SITUATION

The continent of Africa is home to a quarter of the world's farmland, yet it generates only 10 percent of all crops produced globally. Africa imports far more food than it exports, and the quantity of imports has increased significantly over the last five decades, as per-capita food production has continuously declined. Inaccessible rural areas and areas of conflict are particularly underserved.

More than one in four Africans are undernourished. Additionally, smallholder farmers comprise half of the world's undernourished people and the majority of them live in absolute poverty. The result is that these farmers are unable to feed themselves due to insufficient factors of production at their disposal. Under these circumstances, they are just as dependent as the urban population on the purchase of food. Either they are at risk of hunger or already food insecure and are particularly vulnerable to changes in food markets. The most obvious example is price increases. The average African spends 50-80% of his income on food, compared to 10% for the average American. Under these circumstances, rising food cost leads to reduced intake of calories and/or a reduction in the quantity and diversity of food. Often animal products, fruits and vegetables are replaced by cheaper grains.

PROJECT DESCRIPTION

Economic growth is a great tool in the fight against poverty in developing countries. We invest in farmers and business owners around the world, because we know that having a secure source of income can be truly transformational for families and their communities. This program provides farmers the resources they need – training, access to basic financial services and inputs to improve their crop yields. Families who previously did not have enough to eat will have a steady supply of food, and even be able to sell the surpluses to bring in much-needed income. The Agribusiness Plan Fund generally targets minority females who are considered low-income, and who are unable to access credit from traditional sources.



The Agribusiness Plan Fund has 3 major components:

SECTION I: PEER SUPPORT

It is important that small-scale farmers, have a network of the people with similar goals to rely on throughout the stages of building a successful business. This network provides participants with a forum to exchange ideas, a way to make new contacts and a place to turn when things get tough. This concept of Peer Lending has proven to be a successful model of non-traditional lending.

Peer Groups:

1. A Group consists of 5 to 6 borrowers who voluntarily come together and commit to supporting one another for as long as they participate in the program.
2. Members of groups cannot be related by blood or marriage.
3. Groups can lose or add new members, but groups that fall below 3 members are not eligible to participate in the program.
4. Groups also select a Chair and Secretary who are responsible for making sure that the Group members support one another and are performing according to the policies and procedures.
5. Group Members are expected to get to know one another, both personally and professionally. For this reason, it is extremely important that Groups organize voluntarily.

Centers:

1. Centers are the locations where several Groups meet every two (2) weeks.
2. These biweekly Center meetings are a mandatory part of the program. Groups who cannot maintain an 80% attendance rate at Center meetings may not be eligible for larger loans. Groups who maintain excellent attendance, may be eligible to move to larger loans more quickly.
3. It is at these meetings that borrowers have a chance to expand their network, meet with their Groups, and receive and pay back loans.
4. Meetings typically last 60-90 minutes and are chaired by the Regional Coordinator and the Center Leader who is elected by the members. In addition to co-chairing meetings, Center Leaders are expected to keep the Center running smoothly, keep track of attendance, support and assist all the members of the Center, and act as a problem solver.

**Networking:**

1. Group members will serve as a valuable resource, both the individual, and to the growth of each business. Participants may come to think of their Peer Group members as the Board of Directors of their business and themselves as the President and CEO.
2. Borrowers are expected to set both short term and long-term goals for themselves and it is the Group members who will help one another continuously strive to meet those objectives.
3. Center members will have a regular opportunity to network with one another for the purposes of improving their businesses, making new contacts and increasing sales.
4. Several times a year, all of our Center members will come together to participate at an event where participants will have the opportunity to sell their produce.

SECTION II: ACCESS TO A LINE OF CREDIT

All loans are used strictly for business purposes only. Depending on each borrowers' repayment history and participation in the program. PLAN Fund members will have access to growing line of credit.

General Loans:

1. Initial loans will be up to \$250 and will be paid back over five (5) months in ten (10) installments. If borrower requires a larger loan, she can choose to borrow up to \$500 to be repaid over twelve (12) months in twenty-five (25) installments.
2. Interest is 12% on a yearly basis.
3. Following repayment of the initial loan, borrowers are eligible for larger loans up to twice the size of the last repaid loan (i.e. 250, then \$500, then, \$1000, etc).

Disbursement and Repayment:

1. Two loans per Group can be disbursed at one time.
2. Payments begin two weeks later at the next Center meeting and are expected every two (2) weeks at Center meetings until the loan is paid off in full. (10 Center meetings for the \$250, and 25 Center meetings for the larger loans.)
3. Loans will be made to two other members of that Group after the first 2 full installments have been collected (This should be 1 month after first loans were disbursed.)
4. If a Group has demonstrated excellent participation in the program, new loans can go out to Peer Group members after only one loan payment has been made.
5. One month after loans are disbursed, the borrower must bring receipts to the Center meeting to demonstrate how the loan is being spent.



Loan Approval *(Usually takes 2 weeks from time loan application was submitted.)*

1. Groups must approve the loan applications for each of their members before the loan request is presented at the Center meeting.
2. A borrower will present a loan application to the Center and answer general questions about the loan application.
3. If the Center and the Regional Coordinator supports the application, it will be brought to the Loan Committee for final approval. If approved, the loan will be disbursed at the next Center meeting.
4. If the Loan Application is returned for resubmission, the borrower can request to be reconsidered at the next Center meeting provided her Group supports the revised application.

Default

1. If a borrower defaults on her loan and has not made a serious attempt to become current, all members of that Group are temporarily ineligible from receiving larger loans. Loan amounts can increase when one of the following occurs:
 - a) The remaining members of the Group present a reasonable strategy for repaying the lost loan and begin to implement that strategy.
 - b) The member who defaulted becomes current or makes a serious attempt to do so.
2. Willful Default: In the rare case that a borrower is able to make their loan payments, but chooses not to, an attempt will be made to recover the loan through legal action and the default will be reported to the credit companies.

SECTION III: ON-GOING TRAINING AND TECHNICAL SUPPORT

Borrowers will be provided with technical resources for as long as they participate in the program. These resources are meant to assist borrowers as their businesses grow and expand. However, no amount of training will replace the need for individual commitment and hard work.

Certification

1. Each Group will participate in an 8-hour training that will culminate in a Group Certification test.
2. The training covers policies and procedures, basic bookkeeping, preparing loan applications and business plans, and most importantly, building group solidarity.
3. After certification, Groups are then eligible for loans and will begin attending Center meetings.

Advanced Business Training

1. At most Center meetings a 30-45 minute workshop given to improve business skills. The members of each Center will help determine what topics will be covered.
2. Participants will be encouraged to deliver workshops at the Center meetings to share their special talents of business skills with the rest of the Center members.
3. A network of resource specialists will provide on-going technical assistance to all participants.
4. A Business Resource Manual will be given to each participant upon certification. The Manual will contain valuable information to help small-scale farmers master running a small business.

Benefits and Bonuses

1. Borrowers who demonstrate a serious commitment to the program and whose participation in the program is exceptional will be awarded special benefits. These benefits will change and expand over time, and will include:
 - Short Term Loans: These are loans that can be paid back over a 10-week period. Short Term loans will only be available to participants who have made 20 consecutive full loan payments on time and should be used for an immediate purchase of inventory or similar purpose.
 - Each time a participant successfully repays a loan, it will be reported to the major credit companies at the borrower's request. This will serve as an opportunity for participants to establish good credit ratings, or repair damaged credit histories.

BUDGET

The main inputs that farmers need for conservation agriculture are:

Inputs	BUDGET
Training	8,100.00
Seed/Planting Material	22,200.00
Fertilizer, herbicides and pesticides	48,900.00
Equipment/Hand tools	7,500.00
IPPM Materials	18,900.00
TOTAL BUDGET	105,600.00



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CONTRIBUTION/DONATION FORM

Name: _____

Organization: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Cell: _____

Email: _____

Choose the project to help (print donation amount):

- | | | | |
|--|----------|--|----------|
| <input type="checkbox"/> Adopt-A-School Program | \$ _____ | <input type="checkbox"/> Leadership Training | \$ _____ |
| <input type="checkbox"/> Agribusiness Plan Fund | \$ _____ | <input type="checkbox"/> Medical Missions Outreach | \$ _____ |
| <input type="checkbox"/> Church Building Ministry | \$ _____ | <input type="checkbox"/> Orphan Care Ministry | \$ _____ |
| <input type="checkbox"/> Evangelism Support Ministry | \$ _____ | <input type="checkbox"/> Water, Sanitation & Hygiene | \$ _____ |
| <input type="checkbox"/> Feeding & Nutrition Program | \$ _____ | <input type="checkbox"/> Where Needed Most | \$ _____ |
| <input type="checkbox"/> Indigenous Missions | \$ _____ | | |

DONATION INFORMATION (check appropriate box):

- ☐ No recurring payment ☐ Monthly recurring payment ☐ Weekly recurring payment ☐ Yearly recurring payment

Enclosed Check # _____ Total Amount: \$ _____

PAYMENT BY CREDIT CARD

- ☐ AMERICAN EXPRESS _____ SECURITY CODE ☐ MASTER CARD _____ SECURITY CODE ☐ VISA _____ SECURITY CODE

CARD NUMBER _____ EXPIRATION DATE _____

NAME (As it appears on the card) _____

CARD BILLING ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

SIGNATURE OF CARD HOLDER _____

Mail completed form to:

TEL International · PO Box 763325, Dallas TX 75376