

Scala, Inc.

Digital agricultural cooperative platform centered on credit scoring for farmers

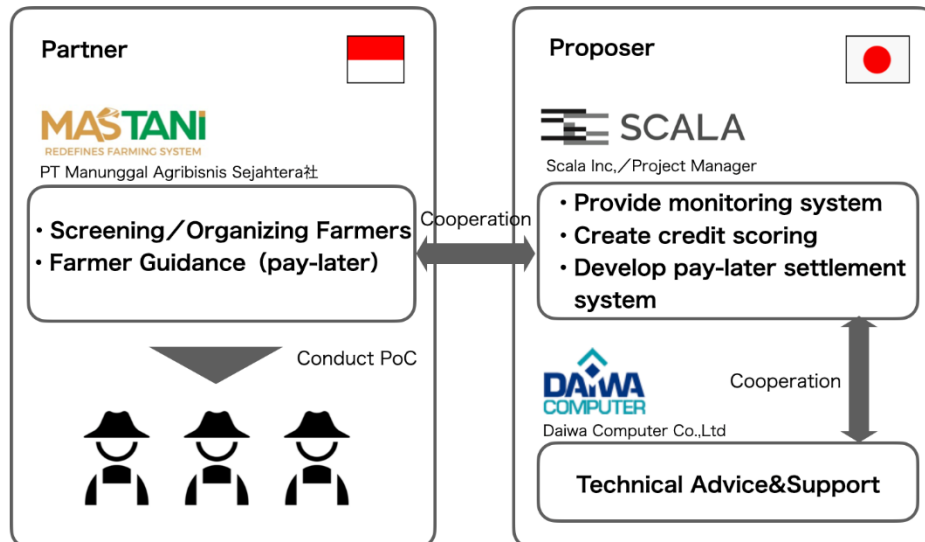


Objective of the project

In Indonesia, where financial inclusion is a national issue, we carried out the following activities with the involvement of emerging farm management players.

1. Integrating system and services to create a business model that utilizes credit scoring for farmers
2. Providing farming guidance, farm inputs, financial services and sales intermediations as a single platform

Cooperation with local companies/governments



Targeted economic/social issues

1. Background

The growing trend of the world's population is directly related to the necessity of increasing food production. Since 97% of farmers are in developing countries, we have spent about 2 years researching the actual situation in 7 countries and developing new businesses targeting ASEAN.

2. Common challenges

Chronic lack of “knowledge” and “capital” regarding farming operation. We have seen many farmers forced to rely on unofficial loan sharks to continue their own production. (Photos: How our services are deployed)

3. Situation in Indonesia

Unique Farm Management businesses have sprung up that are committed to increasing farmers' production and provide farm management services on a post-harvest payment basis. There is a movement to finance farming operations on a project-by-project basis that they form.



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Demonstration period

September 2022–January 2024

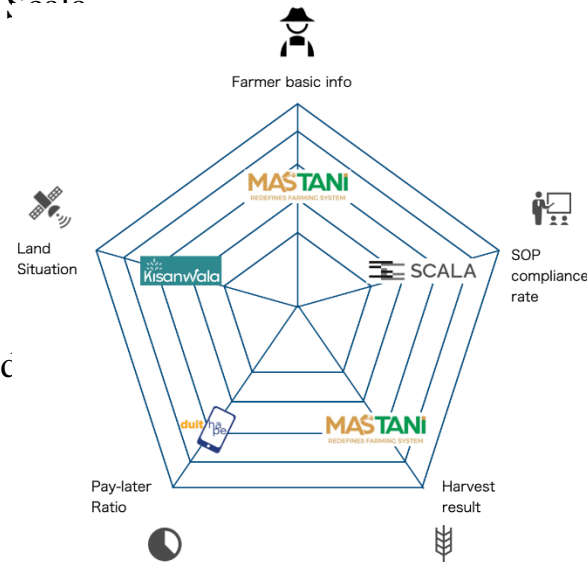
Details of demonstration

Realized a business model utilizing credit scoring by combining the following systems and services, and tested to see if it could provide funds to farmers.

1. Screening and organizing farmers by Mastani
2. Provision of SOP (later-payment system) by Mastani
3. Provision of monitoring system by Scala

Collected the following data to create credit scoring.

- a. Farmers' land area, capital holdings and yield per hectare
- b. SOP compliance rate
- c. Harvest results
- d. Ratio of deferred debt to capital held
- e. Satellite remote sensing



Project outcome / Future plans

1. Achievement

We successfully tested the business model hypothesis and made progress in the followings:

- a. Introduction of agricultural insurance and collaboration with local insurance companies
- b. Creation of a new investment scheme to invest in projects operated by Farm Management businesses

We surveyed 64 Farm Management businesses, and we ourselves became a pilot investor and launched 3 projects with a total investment of approximately 700 million IDR during the demonstration period.

2. Future plans

- a. Establishment of agricultural Corporate Venture Capital (CVC)
- b. Establishment of a digital agricultural cooperative platform (Global Agri Trading Platform)

Our current subsidiary in Singapore will serve as a hub to appeal to investors around the world and accelerate business development throughout ASEAN.

We will expand our sales intermediary function to match large buyers for comprehensive collaboration with diverse Farm Management businesses.