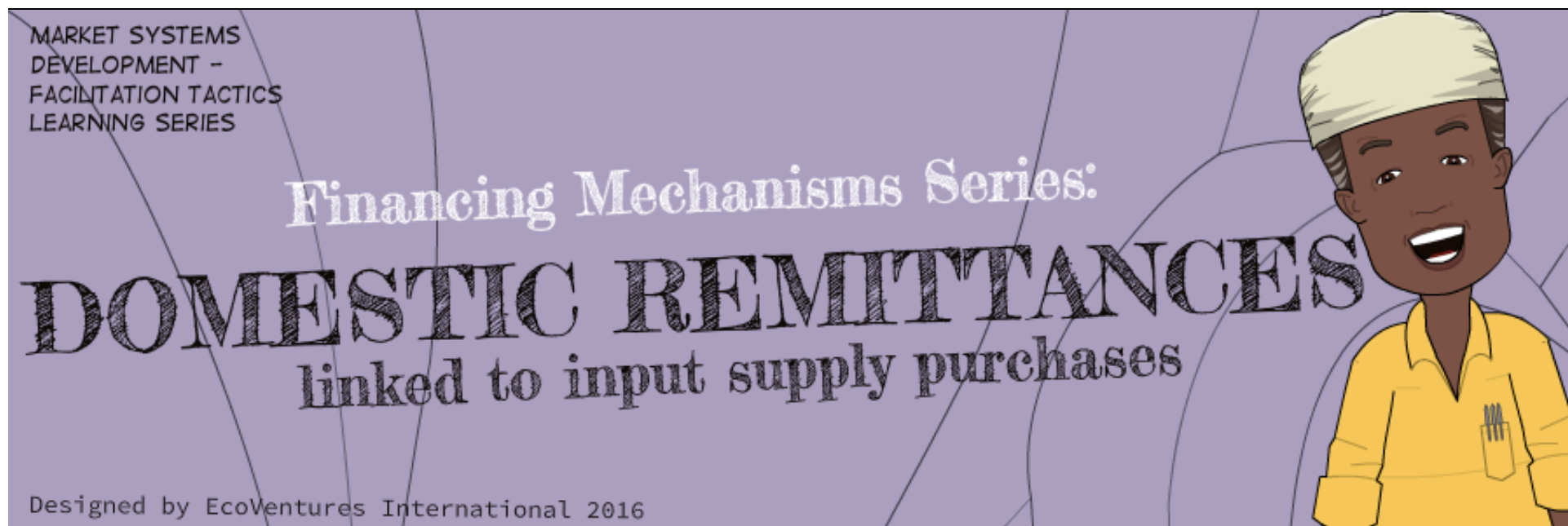


Find the full cartoon learning series at: <https://www.microlinks.org/library/cartoon-learning-series>



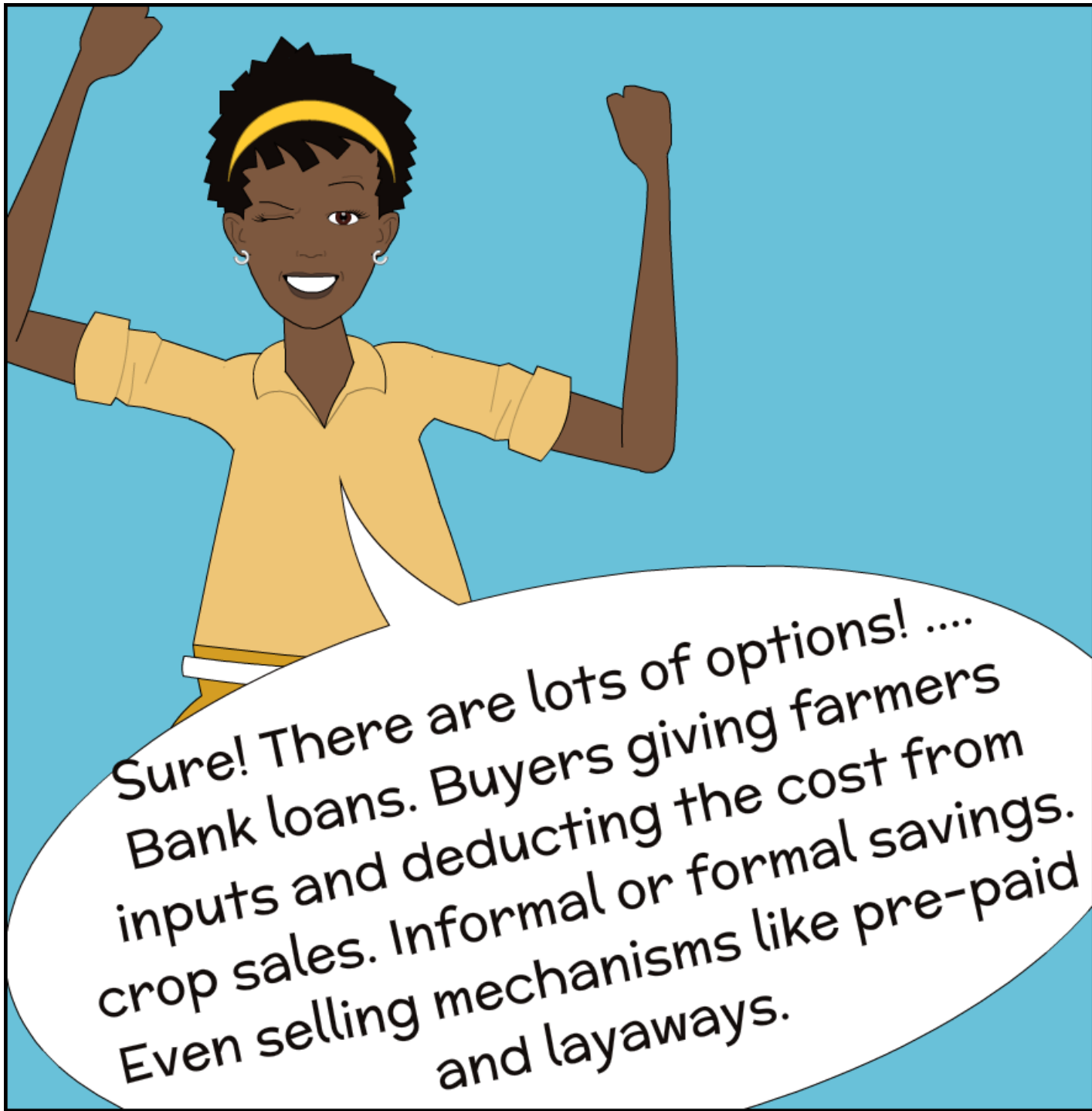
USAID
FROM THE AMERICAN PEOPLE

Produced by EcoVentures International
for USAID's Leveraging Economic Opportunities (LEO) project

LEO
Leveraging Economic
Opportunities



Are there any
financing
mechanisms that
can support
farmers to
become more
productive?



Sure! There are lots of options!
Bank loans. Buyers giving farmers
inputs and deducting the cost from
crop sales. Informal or formal savings.
Even selling mechanisms like pre-paid
and layaways.

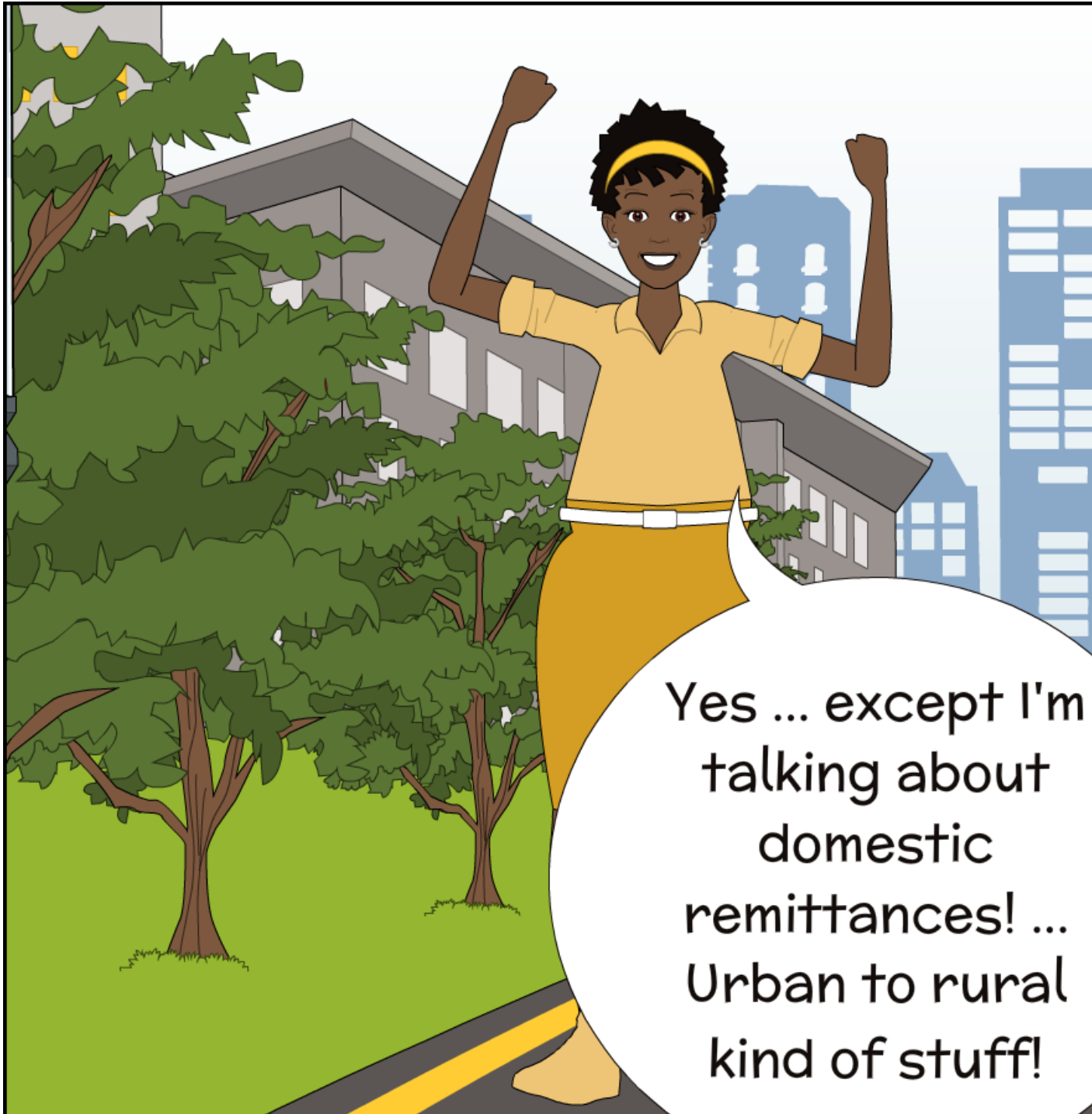


But let me tell
you about my
current favorite
... Remittances!



Aha - you mean when family and friends in one country send money to people in another country?





Yes ... except I'm
talking about
domestic
remittances! ...
Urban to rural
kind of stuff!



I'm
listening!
How's it
work?

There are huge amounts of funds being sent from urban areas to rural areas.



Hi Zola. I'm sending money to Ayanda 'cos she is family and I know she needs to buy more seeds.

Part of the money is often intended to be used for agricultural purposes.



But it is often used for other purposes instead ...



But, er ... our
cousin was sick
so we bought
medicine ...

... and we
needed to
pay school
fees ...

Money is often sent using mobile money, airtime, or formal or informal money wiring services.



Press confirm
to send the
money now.

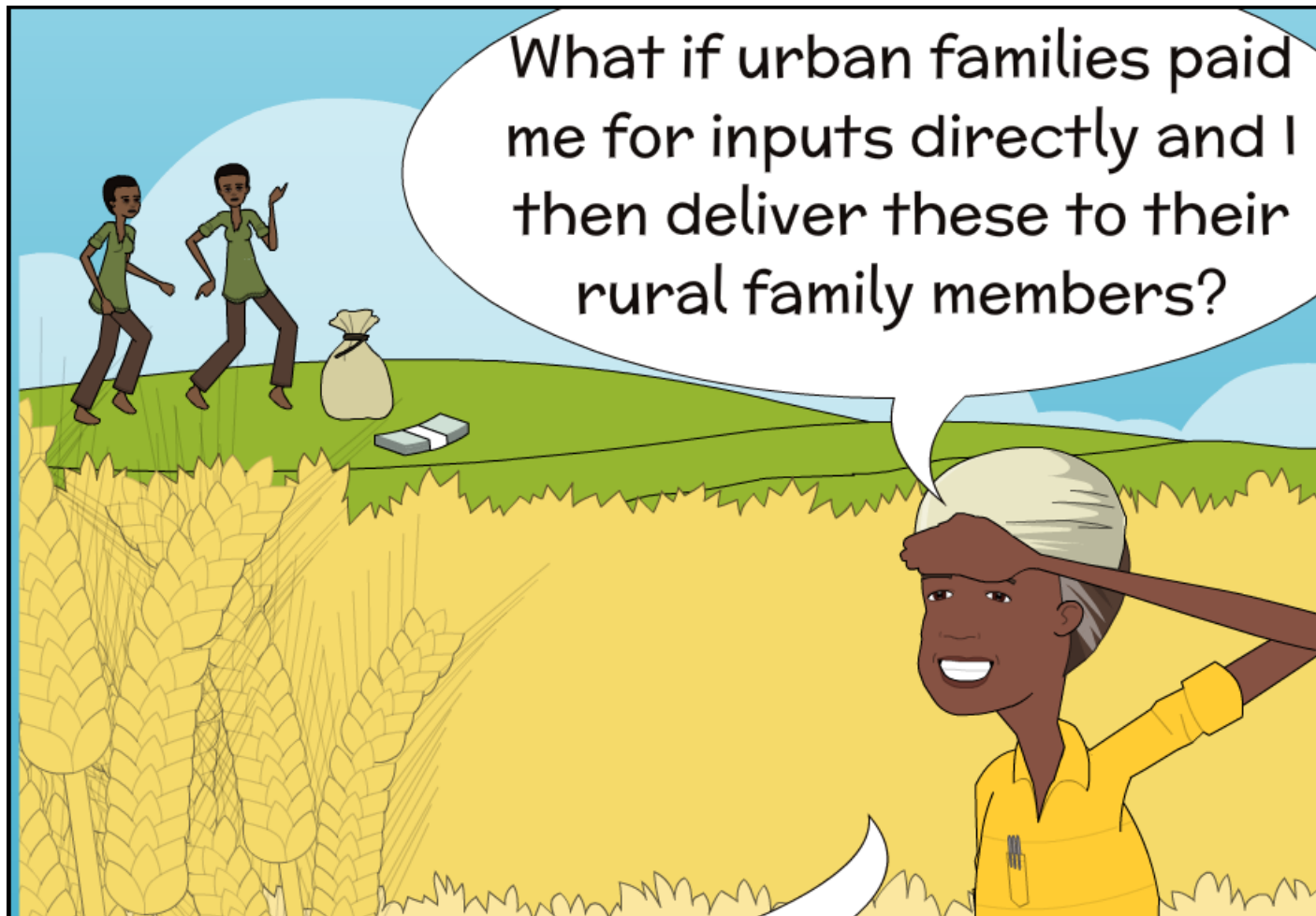


You've got
money!



An inputs dealer might realize how much cash is flowing from urban to rural family members!

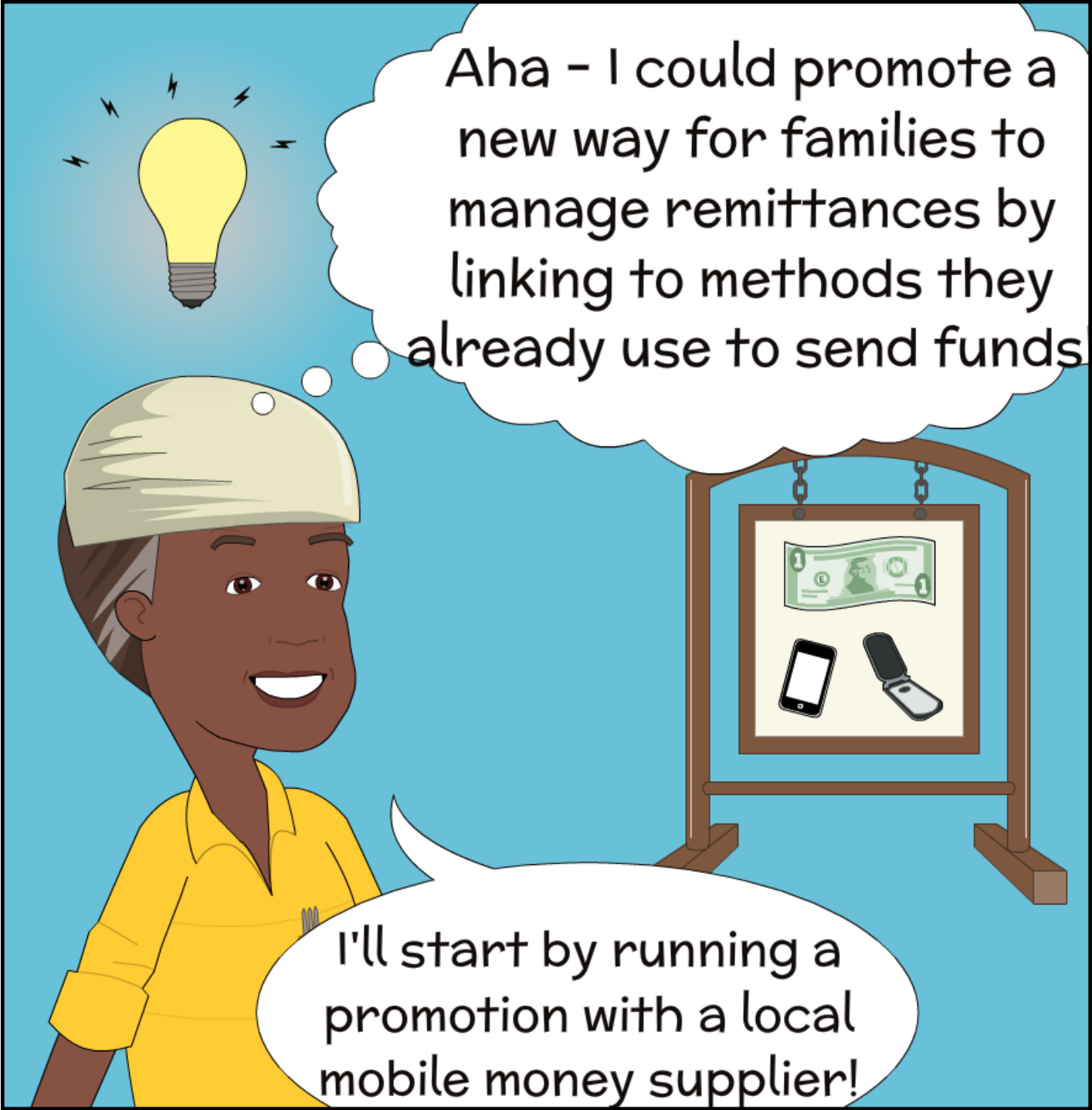




Seems like a great way to grow my business ... while farmers get the inputs they need to grow food to eat and crops for sale!

The inputs dealer could research ways to market to families sending money.





Aha - I could promote a new way for families to manage remittances by linking to methods they already use to send funds

I'll start by running a promotion with a local mobile money supplier!



Let's let urban families know that instead of sending money directly to rural families for inputs it is more sensible to buy inputs for them, directly from me instead...

The inputs dealer organizes a promotional offer to sell to urban family members...



Aha!



... Now I see! The inputs dealer takes orders from urban family members that are delivered or picked up in the rural areas by other friends or family!
Excellent!

The inputs dealer delivers the inputs to the rural family or has them for pick up at their closest store.



Farmers pick up or receive the inputs based on identity check or receipt provided by their urban family.



Farmers sign-off that they received everything in good order.

Yes! I got it!



The inputs dealer has a simple text message system to keep the urban family up-to-date on the purchase.



Great! Our family just received the package of inputs and will get the land preparation services done next week.

The inputs dealer could offer additional technical support that the urban family members can buy.





Okay, okay, so
this sounds
cool, but what
is it really
achieving?

Remittances linked to inputs ...
increase the amount of cash in the
system that is actually used for
productive investments.



Remittances linked to inputs ...
lower the misuse of remittances
intended for ag. production ...



... reducing tensions between rural and
urban families.

Remittances linked to inputs ...
Allow inputs dealers to grow their
businesses by becoming more
customer/farmer driven.






Sounds
glorious!
Let's get
this going!



Sure, but just realize that there are potential risks that you may want to be aware of!



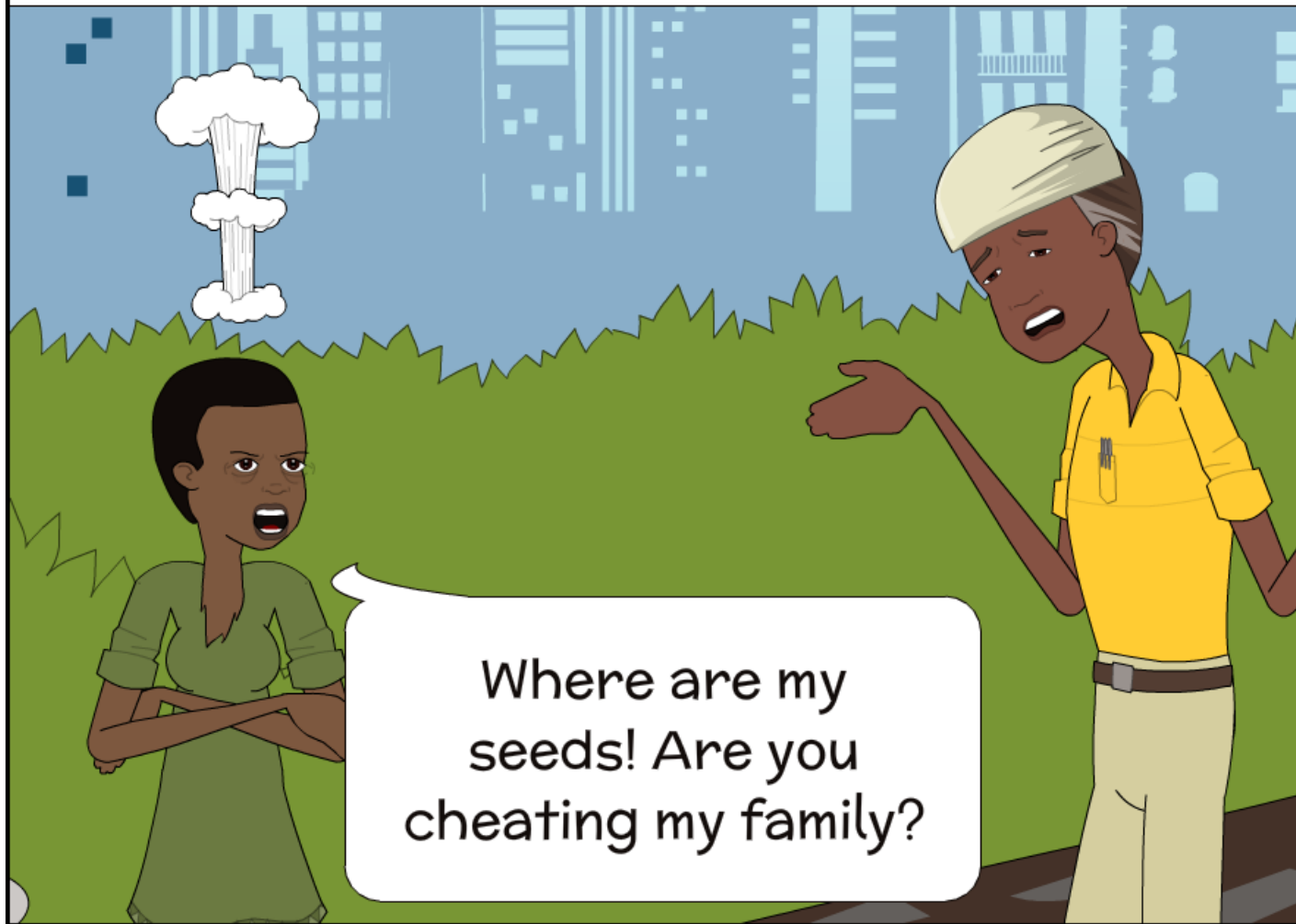
Risks? What risks? Oh no .. go and burst my bubble!

POP

If the inputs dealer misuses cash or mismanages cashflow ... it could create big disputes between family members and increase distrust throughout the system.



The inputs dealer could struggle with managing their increased inventory ... which can increase levels of distrust between farmers and inputs dealers.



Ineffective, inappropriate or
improperly applied inputs
products/services that do not
provide a return to the farmer are
likely to create disputes ...



... increasing the fragility of the inputs
dealer-to-farmer relationship