Addressing Value Chain Finance: A How-to Guide By Leading Bankers
INTRODUCTION & PURPOSE

- Consensus at 2013 AgriFin forum:
  - Importance of using the value chain to reach smallholders in a cost-effective manner
  - The crucial need for in-depth understanding of value chains in order to direct financial institution’s engagement at different levels, and inform their product development
GUIDE OUTLINE – PART I

- Part I: Concepts and principles
  - Defining the value chain
  - Value chain finance vs. conventional lending
  - Leveraging the value of Information in VCF

Broiler Breeder Farm from Yapi Kredi’s value chain review.
GUIDE OUTLINE – PART II

- Part II: Practice of Value Chain Finance
  - Identifying a value chain
  - Mapping a value chain
  - Entry points
  - Tailoring products and services
  - Pricing, risk sharing and cost sharing
  - Adjusting banking structure to account for agricultural value chain finance

Mapping of product and finance flows in the HBL case study.
PARTNERS

BANKAOOL

HBL

HDFC BANK
Seed producers, producer organizers and seed companies in the states of Andhra Pradesh and Karnataka, India

Focus on hybrid seed production
- Farms, shops and processors surrounding Karachi and Lahore, Pakistan
- Dairy cow (buffalo and cattle) production
Producers, off-takers, processors and marketers in Mexico

Fresh vegetable production