

# FarMart

**Critical transitions:**



**Innovation:** Shared services/Fintech

**Geographic focus:** India

**\$:** n/a



FarMart is an agri-fintech platform based out of India, that helps smallholder farmers receive digital credit and farm inputs. Through this, it aims to fill the credit gap (less than 20 percent of Indian smallholders have access to formal credit<sup>124</sup>) faced by India’s rural farmers.

FarMart’s proprietary credit underwriting algorithms analyse smallholders’ creditworthiness based on 50 alternative soft and hard data points. This reduces credit transaction costs and time enabling farmers access to formal credit. No cash disbursement is given to farmers, ensuring zero misutilization of funds. Farmers receive a virtual credit card (a 10-digit credit number on their mobile phone) through which they can buy high- quality seeds, fertiliser and other inputs from offline merchant partners. The loans are tied to a farmers’ harvest cycles and offer flexible repayment options (in small amounts of bullet repayment) as the farmers have seasonal cash flows. This increases farmers’ income by smoothening the entire cycle of credit for the farmer. The resulting flexibility has increased FarMart farmer’s productivity by 15-20 percent.<sup>125</sup> In 2020, FarMart has joined the Catalyst Fund portfolio.<sup>126</sup>

Within its pilot phase, FarMart reached over 300 farmers and, distributed over \$20,000 in credit, of which less than one percent did not perform. FarMart is planning to scale up to over 100,000 farmers, distributing approximately \$13 million in credit as of October 2020.<sup>127</sup> FarMart is also exploring partnerships with advisory companies for weather and crop advisory services for its farmers to further improve their productivity.

**Stakeholders:**

Arthimpact; Catalyst Fund

**Status:**

● Operational