



IMPACT REPORT 2023



**GROUND UP INVESTING**

A man wearing a wide-brimmed hat and a light-colored shirt is working in a field of coffee plants. He is looking down at the plants, possibly inspecting them. The background shows a hilly landscape with more coffee plants under a cloudy sky. The entire image is overlaid with a semi-transparent green filter.

## **ABOUT US**

Ground Up Investing (GUI) launched in 2017 as the impact venture arm of Corus International. As an impact-first agrifood systems investor, GUI funds early-stage businesses that improve economic prospects and support climate adaptation in smallholder farming communities.

GUI envisions a world in which biodiverse agricultural systems foster sustainable and equitable growth for hardworking families in Africa and Latin America.

## **IMPACT THESIS**

Small businesses and start-ups can drive systemic change within agrifood systems through durable, long-term oriented business models that place people and the ecological health of farms at the core of their business models.

GUI has two primary impact objectives - increasing rural incomes and building resilient landscapes. The key metrics we focus on for driving rural economic health are creating more jobs, diversifying incomes, and increasing the profitability of farms through increased yields, higher quality, and trade premiums. Environmentally, we look at adopting regenerative agriculture and climate-smart practices, restoring soil health, preserving and enhancing biodiversity, improving water management systems, and mitigating carbon emissions.

We work with our companies to set ambitious targets and then collect meaningful data to ensure that through their actions we are achieving our impact goals.

## **DEAR GUI COMMUNITY,**

The core of GUI's work involves confronting the entrenched trade economics and long-held farming practices present in tropical agrifood systems, which are extractive to people and the planet.

An ever-present obstacle to this dynamic is that all parties in these markets suffer from short-termism, which hinders long-term progress. This is why we take a long-term approach. We understand the pressure of the "now" that exists in the vulnerable communities in which we work, and GUI aims to finance businesses that have found a way to provide short-term incentives to adopt practices that have long-term impact. We were excited this year to invest in Biochar Life, which does just that: it trains and incentivizes (i.e., pays) farmers to produce and apply biochar to their soils, which helps create more productive farms while sequestering carbon, by tapping into voluntary carbon credits markets. The investment is featured in this report.

This approach has also been on our team's mind as we reflected on 2023, which brought with it a mix of ongoing supply chain disruptions from Covid and the war in Ukraine, while by the end of the year we were seeing dramatic weather-related shifts in commodity market prices in cocoa, coffee and spices. Our companies are not immune to the pain these disruptions cause, but due to prioritizing partner incentives - such as strong value propositions for producers, and trade relationships with customers centered on quality and mission-alignment - several companies pursued growth opportunities this year.

GUI continues testing new approaches as we refine and seek to scale our work. We expanded our lending to existing portfolio companies, providing critical working capital loans to finance raw product purchasing, and issued our first revenue share agreement. We also had the opportunity to get out of our usual zone by leading an initiative to finance women-led businesses in Lebanon through a Corus partnership, which included making an investment in Kamkalima, an exciting edtech startup, while a second investment in Lebanon, in the agricultural sector, is in-progress. In doing so, the GUI team demonstrated its capacity to introduce flexible financing instruments, enter a new, complex market, and invest in the tech sector.

We are excited to build on our work improving lives and landscapes in the "first mile" of agrifood supply chains and are grateful for your support on this journey.

Regards,

Jeremy Bauman  
Executive Director, Ground Up Investing

# OUR IMPACT IN 2023

**19,000+**

*farmers reached*

**\$6.5 million**

*paid directly to farmers*

**600+**

*people employed locally*

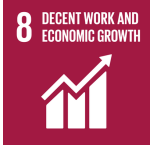
**40,000+**

*hectares of land under improved management*

**2 companies**

*added to our portfolio*

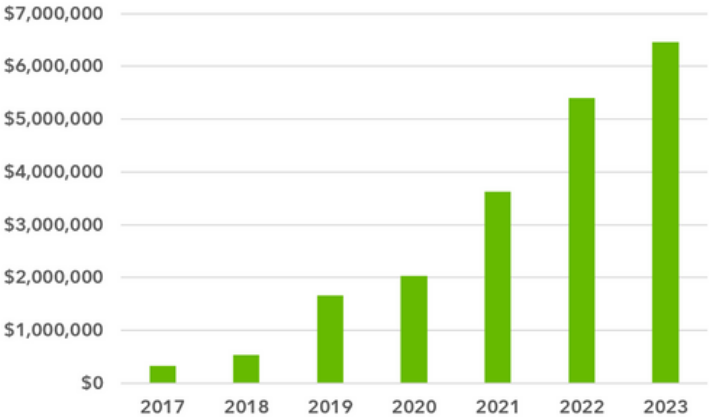
Our portfolio aligns with the following Sustainable Development Goals



A key impact objective is ensuring that more value created from supply chains is captured at the first mile, putting money directly into the hands of farmers

**\$20 million+**

*paid to farmers over the lifetime of our portfolio*



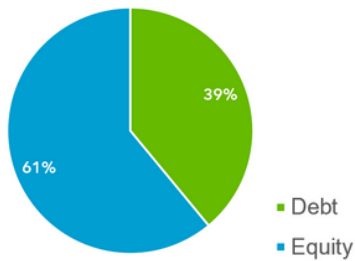
Cash paid to farmers annually

# PORTFOLIO AT A GLANCE

**\$5.4 million**  
*deployed*

**14**  
**companies**  
*in portfolio*

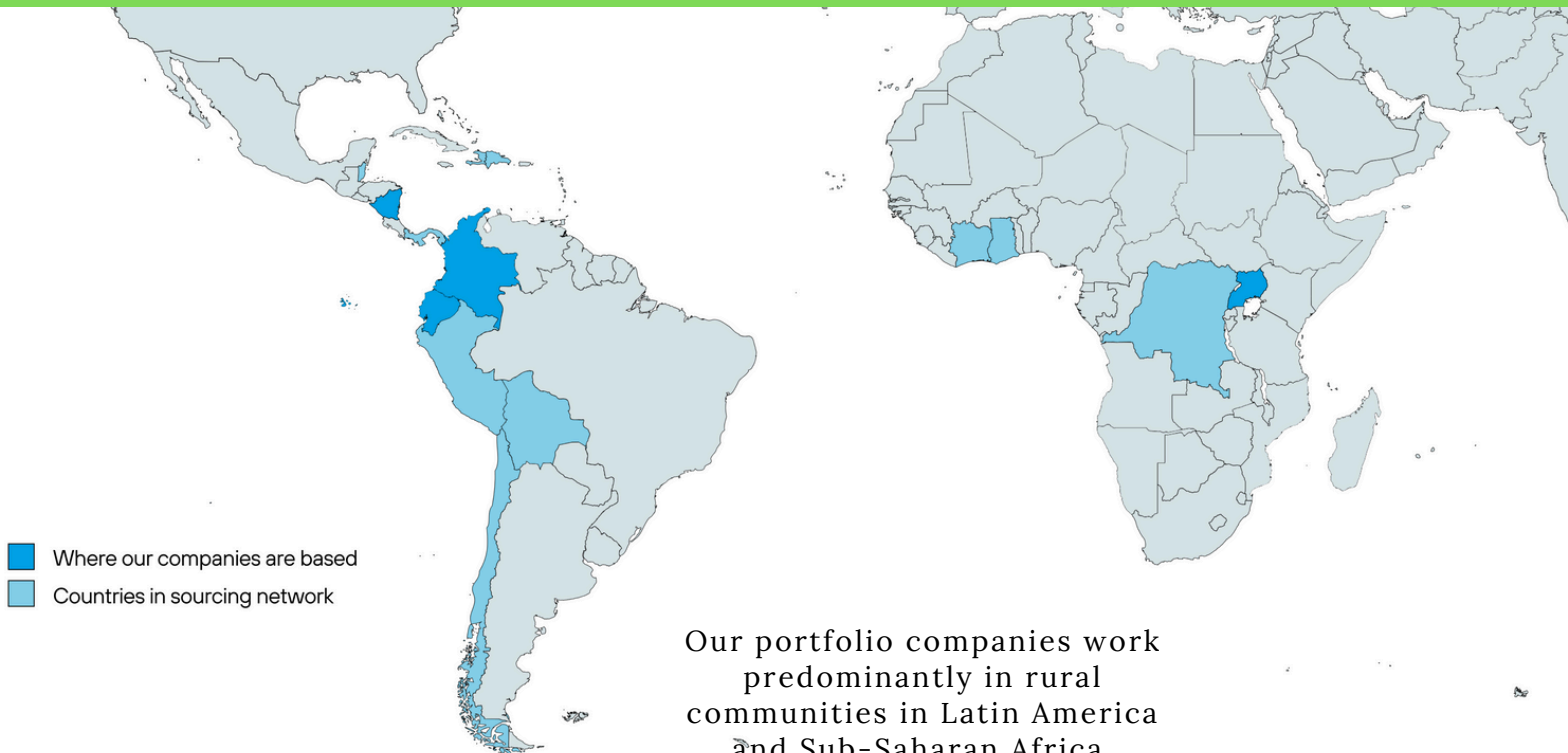
## Portfolio mix



## Portfolio Insights

- GUI provides flexible financing including equity, long-term debt and working capital
- Average investment holding period of 3.2 years - on balance, the portfolio is young
- 7 portfolio companies have averaged 20%+ annual growth post-investment
- \$8M+ in follow-on funding has been raised by our portfolio companies since our initial investments

## Where We Work



Our portfolio companies work predominantly in rural communities in Latin America and Sub-Saharan Africa.



## HIGHLIGHTS FROM OUR PORTFOLIO

- BIOCHAR LIFE: MOVING INTO CARBON MARKETS
- EXPANSION AT MOUNTAIN HARVEST
- Q&A WITH LATITUDE: A VOLATILE YEAR IN COCOA
- CORUS PARTNERSHIP IN ACTION





Biochar Life is on a mission to reduce rural poverty and tackle climate change through a practical, scalable model - by training smallholder farmers and their communities in the production and application of biochar.

Founded in 2021, the company offers farmers an affordable way to increase crop yields without the use of expensive chemical fertilizers and to turn crop waste into profits by participating in Biochar Life's carbon sink program and contributing to reducing GHG emissions.

Smallholder farmers suffer from livelihood vulnerability including large gaps in seasonal income, prohibitively expensive inputs, increasingly erratic weather due to climate change, and an overall lack of knowledge of regenerative agriculture with few incentives to undertake better farming practices that often require upfront investment.

### **What is Biochar?**

Biochar is a "super charcoal" made by burning biomass in a low or no oxygen environment. All non-carbon materials gasify and are burned away, leaving pure carbon.

Biochar production is a carbon-negative process, which means that it reduces CO2 in the atmosphere. Biochar also contributes to the mitigation of climate change by enriching soils and reducing the need for chemical fertilizers, which in turn lowers GHG emissions.



## BIOCHAR LIFE'S IMPACT

**10,000+ TONS CO<sub>2</sub>**

*removed from atmosphere*

**9000+**

*farmers trained in biochar production*

**\$565K+**

*in local economic impact*

**IN 2023**

**750+**

*farmers generating carbon credits*

**\$200K+**

*paid to farmers*

Biochar Life's approach incentivizes the adoption of biochar, which some consider a "first step" in regenerative agriculture, and has compounding benefits by sequestering carbon when sunk into soil. This is potentially powerful, as smallholder farmers contribute an estimated ~500 million tons of GHG each year through crop burning.

Biochar Life is leading the pack on establishing trusted standards required for production, measurement, tracking, and predicting the net CO<sub>2</sub> removed by smallholder farmer production of biochar. They helped establish a new "tropical farmer accreditation" under Carbon Standards International's European Biochar Certification (EBC) standard and subsequently was the first organization in the world to receive accreditation as a C-sink manager of this standard. This has enabled them to begin selling carbon credits on voluntary markets, and Biochar Life ensures that 60% - 80% of each credit sold is distributed directly to the farmer and the local employees.

### External Study on Biochar Scalability

George Washington University master's students in partnership with GUI and Corus International conducted research on the potential for scaling up biochar as a climate-smart agricultural solution in Africa using Biochar Life's operations in Kenya and a Corus USDA program in Togo as case studies. Findings from farmers using biochar in Kenya indicated increased crop yields and cost savings from reduced fertilizer application and in Togo communities expressed overwhelming interest to be trained in biochar production with a willingness to use biochar on their farms even without the prospect of additional income through carbon credits.

# EXPANSION AT MOUNTAIN HARVEST



Since 2017, Mountain Harvest has transformed Mt Elgon's coffee supply chain through a model that bypasses commodity markets and works with farmers to enhance the quality and productivity of their farms while paying

them premiums above market prices – resulting in improved quality of life for smallholder farmers and a healthier, thriving natural ecosystem.

While Mount Elgon is located in eastern Uganda, Mountain Harvest now wants to duplicate its success in the western region in the Rwenzori Mountains.

Many of the same problems Mountain Harvest encountered on Mt. Elgon exist in Rwenzori, so at the end of 2023 the team went to the region to better understand the local value chain, assess the availability and potential quality of the coffee, and gauge the willingness of farmers to adopt new practices. What they found was encouraging, with the elements in place to replicate their model.

To start, the company will target 1000 new coffee farmers, at least 30% of whom will be women and youth, to improve farm productivity and increase their farm gate prices to 30% above market prices. In addition, they will recruit and train 10 new employees in a Community Coffee Entrepreneur model to be trained as extension service providers, farmer mobilizers, coffee aggregators, and data collectors.

The aim is a resilient, equitable coffee supply chain in Rwenzori with high quality coffee. The new region has two harvests per year as well as different coffee varieties so will diversify and de-risk the company's supply chain while helping Mountain Harvest further showcase the potential of Ugandan coffee globally.

# Q&A

**with Jeff Steinberg**

**Latitude, Founder & CEO**

Latitude is a vertically integrated Ugandan social enterprise that produces specialty and premium cocoa products and chocolates. The company works directly with small-scale farmers to build an ethical, transparent supply chain with the aim to put Uganda on the map as a premium cocoa origin.

## 2023 in Numbers

**4116**

*farmers in network*

**49.6%**

*female farmers*

**\$1.6 million**

*paid to farmers*

**188%**

*growth in sales*

**63**

*people employed*

**Q What made you want to start Latitude?**

**A** Well it was a bit of a pipe dream in the beginning. While Uganda was exporting a lot of cocoa, I didn't really see anyone doing anything impactful from a social or marketing perspective to build Uganda as a cocoa origin, and the cocoa farmers weren't seeing a lot of profit. I saw the potential to improve and build the market, put Uganda on the map as a quality cocoa producer, and capture more value for the farmers through premium pricing and a better sourcing model.

I had set a bit of money aside for business school, but instead decided to use that money to buy cocoa and a set of testing machines. I then started producing chocolate and cocoa in my house with just me and my gardener.

There weren't a lot of premium options for chocolate in Kampala at the time,

We gained enough traction in the local market to raise a bit of money to open a boutique chocolate factory in 2020. It's only grown since then.

We started sourcing from 200 -300 famers in the first year, and now work with over 4000. All organic certified, we are buying face-to-face from these individual farmers and controlling the process throughout the supply chain, which allows us to guarantee the quality and to do some unique sustainability projects that not a lot of other companies can do.

**Q Can you tell me more about how you work with farmers?**

**A** All of our farmers are organic certified, so we work with the same farmers every year, which has positive environmental effects as well. Land management needs continuity, so we train and refresh the farmers every year, both on organic practices and helping to handle any new challenges they need support with.

Our model is set up to ensure full traceability. We have multiple buying and collection points spread throughout the villages, where farmers deliver cocoa walking distance from their farm. One farmer, one receipt, one bag, one tag. We purchase wet cocoa at posted, transparent prices. A farmer is registered and either cash or a mobile payment is generated there and then. Farmers get an 5%-15% additional saving in the form of labor, theft and losses they get to forgo.

**Q The supply chain tracking system you've developed seems like a benefit considering the upcoming EU Deforestation Regulations which have strict traceability requirements for the entire value chain of many crops.**

**A** Yeah, we are in a great position to generate a premium in January 2025 when the EUDR policies come into play, and are getting a lot of new requests from suppliers who need the level of detail around sustainability we already have. And we are continually embarking on opportunities to improve traceability and data quality and integrity. We are implementing a mobile money pilot with the support of Rabobank as a way to get farmers away from cash and onto digital payments, not only as financial capacity building, but also to help ensure traceability as the money is going directly into the farmers hands, and mitigating risk in the supply chain.



**Q How have you been dealing with escalating cocoa prices?**

**A** It's been tremendously challenging for everyone in the market, every trader and exporter is managing much higher cash requirements and much higher degrees of risk across the board.

Under the circumstances, we're not as concerned about paying a premium, as the premium price we were paying in earlier years was around \$2.50 per kilo, when the normal market price was around \$1.75/kilo. Now, in this marketplace, we are paying as much as \$8-\$9 directly to the farmer. Yields in Uganda haven't suffered as much as they have in other regions, so farmers on a whole this year are better off, they are getting 3-4x increased income as in previous years.

Of course, those prices make it challenging for processors and traders! To cope we are maintaining relationships with all kinds of customers - high end, medium, big and small companies to help mitigate risk. And we are pushing value addition on the ground to try and stay relevant with the farmers.

When the price comes down, which it will, farmers are going to want a trustworthy buyer. I think the growth of our volumes and farmer base this year is proof that we are doing something that is valued and beneficial to those farmers.

**Q What's next for Latitude?**

**A** I am most excited about continuing to grow the farmer base and deepening our relationships with these farmers. I also want to deepen our environmental impact, to go beyond the low bar of not deforesting, and instead help bolster biodiversity and agroforestry and improve the positive environmental impacts of the farm.

We are also expanding to new regions. It is exciting, we are growing the amount of chocolate that is being produced in the country, which results not just in jobs for the local community, but also in upskilling, developing confectionary experience, building a more mature chocolate sector as a whole. We are also now expanding to Nairobi, where we just launched distribution - it is a great opportunity for us.



# CORUS PARTNERSHIP IN ACTION

This past year, Ground Up Investing has also worked to leverage our partnership with Corus International to bolster private market solutions to development challenges.

## Farmers Market Brands & Qori Warmi

Qori Warmi, a women-led cocoa cooperative from Peru, has been supported by Corus through the MOCCA project in the region for nearly six years. What started as a group of 33 female cocoa farmers has grown into a cooperative with 85 women members that produce nearly 200 tons of cocoa annually.

To help build up the local economy and drive value at origin, in addition to selling cocoa, Qori Warmi began producing their own top-quality bean-to-bar chocolates to export internationally. GUI's portfolio company Farmers Market Brand has stepped in to help bring their product to market, as the company's first US-based importer. Farmer's Market Brands worked closely with Qori Warmi to improve the quality of the product and develop the brand and packaging. Qori Warmi's chocolate bars are now for sale in the US on the FMB's website, priming the way for sales expansion to other platforms and markets and increasing the sustainability and value of Corus' Latin American cocoa initiatives.

Qori Warmi means "women of gold" in Quechua. Their brand new packaging highlights their roots and promotes their story



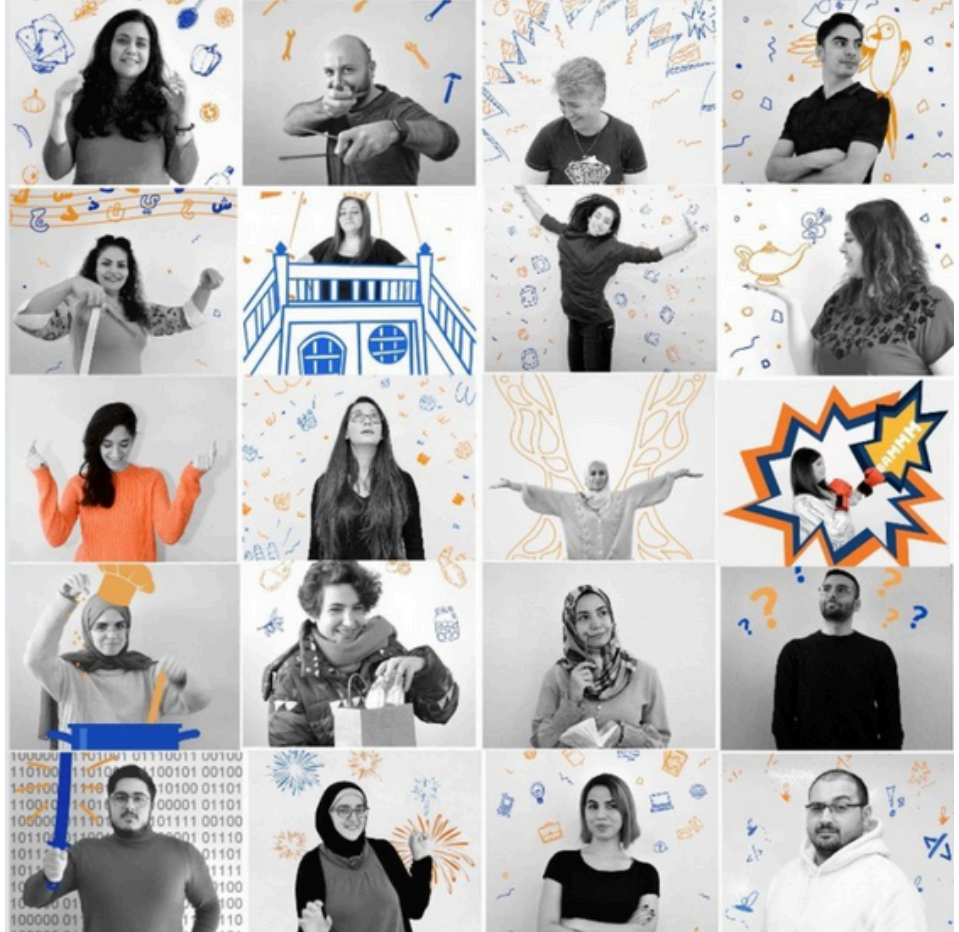
[Available on the Farmers Market Brands website](#)

# CORUS PARTNERSHIP IN ACTION

## Ground Up Investing & Kamkalima



QUEST, funded by Netherlands-based Kerke in Actie and implemented by Corus, aims to provide access to sustainable sources of income while uplifting dignity for women in Lebanon. GUI came in to support the program by providing a loan guarantee for a local microfinance institution to provide microloans to hundreds of women entrepreneurs while also making direct investments in female-owned social enterprises.



GUI provided a critical six-figure investment in Kamkalima, founded by two female entrepreneurs, who developed a digital Arabic literacy solution to address the urgent problem of declining literacy rates in the MENA region, where as many as 59% of children are unable to read a grade appropriate text at the age of 10. Kamkalima offers schools an e-learning platform that drives better learning outcomes and increases children's confidence and engagement in their mother tongue.

Kamkalima is currently being used in  
**~100 schools** across **11 countries**, reaching **~25k children**.

**NORA "ENMA" MENDEZ SINCHITULLO,**

*Emma, from the La Florida community, is a founding member of the Qori Warmi women's cacao cooperative*



# OUR PORTFOLIO COMPANIES AT A GLANCE

Company	Location	Business Model	Impact Metrics
	Uganda	Vertically integrated agribusiness producing specialty coffee sourced from smallholder farmers	Sources from 1K+ farmers and pays 10-30% above commodity prices, implements income diversification projects and facilitates access to credit
	Colombia	Vertically integrated agribusiness producing specialty coffee sourced from smallholder farmers with water-saving processing techniques	Saves ~4M L of water annually. Sources from 49 families paying ~25% above commodity market prices
	USA (HQ), Guatemala, Belize,	Transparent sourcing and trading of cacao from its own farms and global producers	Global sourcing networks of 9K+ farmers, with \$2M+ paid to farmers in 2023
	USA	E-commerce platform disintermediating trade between producers and consumers	Provides additional sales channel to 3 portfolio companies
	USA, Latin America & SE Asia	Superfoods consumer products sourced from smallholder farmers	Sourcing from 4000+ SMH, donates 5% of profits to eco-social projects
	Colombia	Monetizing regenerative agriculture & income diversification services	Working with 218 farmers around regenerative agriculture & income diversification approaches, such as bio-fertilizer and intercropping beans
	Colombia	Rehabilitating a coffee processing facility to empower a small growers association to produce and sell specialty coffee	Supports ~12 families with a new business activity
	Colombia	Sources & trades premium coffees from Colombia & Panama	Sources from 1300+ farmers & pays ~10% above market. A profitable business with partial proceeds going to supporting Biodiversal initiatives
	Ecuador	Vertically integrated agribusiness producing luxury chocolate from endangered cacao varietal	Works with ~13 families, pays 200%-700% above market prices in part by paying farmers to convert land to sustainable agricultural practices
	Canada Sources from Nicaragua	Produces and markets coffee leaf teas and ready-to-drink sparkling beverages	Provides additional income to 40+ farm laborers with an average of \$343 per year, which is 4x typical off-season wages
	Uganda	Vertically integrated business sourcing cacao from smallholder farmers and exporting specialty cacao and craft chocolate products	Sources from 4100+ farmers paying 15-25% above market, one of the first to produce premium bean-to-bar chocolate in-country
	Nicaragua & Honduras	Vertically integrated botanicals (spices) business that sources from smallholder farmers	Sources from 400+ farmers while helping them diversify into high value crops (3X+ per hectare value compared to commodity crops)
	Kenya, Malawi, Thailand, Indonesia	Trains smallholder farmers in the production of biochar for farm and soil health, while certifying and selling voluntary carbon credits	\$200k+ paid to 750+ farmers through carbon credits, trained 9000 in biochar production, removed 10,000+ tons CO2 from atmosphere
	Lebanon	Arabic e-learning platform for use in MENA schools to improve literacy rates in youth	In use by 97 schools and 629 teachers across 11 countries, reaching 25k children. ~2X reading and comprehension rate per year

## ABOUT CORUS

Corus International is an international development organization that unites an array of nonprofit organizations and businesses, each with specialized expertise – from health to economic development to education and emergency response. Alongside communities and local partners in fragile settings, our expert teams integrate disciplines, approaches and resources to overcome poverty and suffering for those living in the world’s toughest and most difficult circumstances. Our traditional and nontraditional approaches bring together the multi-dimensional, holistic solutions needed to truly achieve lasting change.

Corus features global public health leader IMA World Health, international development and aid organization Lutheran World Relief, technology for development consultancy CGA Technologies, Ground Up Investing, and direct-trade company Farmers Market Brands.

## CONTACT

Email: [info@groundup-investing.com](mailto:info@groundup-investing.com)

Ground Up Investing: [www.groundup-investing.com](http://www.groundup-investing.com)

Farmers Market Brands: [www.farmersmarketbrands.org](http://www.farmersmarketbrands.org)

Corus International: [www.corusinternational.org](http://www.corusinternational.org)





GROUND UP INVESTING