Building Sustainable Agriculture Supply Chain in Indonesia Through Technology and Innovations

TaniHub group
High Inefficiencies in The Supply Chain of Fresh Produce

Highly fragmented industry with multiple middlemen, low market transparency, and high supply-demand mismatch which lead to high waste and volatile prices

- **Preharvest**
  - Limited access to financial resources (loan from middlemen)
  - High cost of inputs = High production cost
  - No demand forecast requires farmers to plant more

- **Harvest**
  - Minimum knowledge in agronomy to produce high quality
  - Poor harvest scheduling
  - Sharp drop in prices causing the farmer not to harvest the crops

- **Post-Harvest**
  - Minimum information on market demand and price
  - Quantity and quality mismatch
  - Indonesia’s archipelago landscape creates huge demand-supply gap between cities

- **Transport, Storage, and Distribution**
  - Multiple layers between farmer and user
  - Absence of adequate storage facilities and cooling chains
  - Supply inconsistency (quantity, quality, timing)

- **Processing and Packaging**
  - Inadequate processing and packaging capacity
  - Higher error rate and longer processing time due to lack of automation
  - Inefficient operational costs due to segregated orders
TaniHub Group is Disrupting The Indonesian Agriculture Industry

Transforming the traditional value chain into a modern and efficient food supply chain

Financing

- Moneylenders

High-interest loans for unbankable farmers

Current supply chain flow

- Smallholder farmers
- Farmer Group
- Co-op
- Local Wholesaler
- Provincial Distributor
- Provincial Wholesaler
- Agent(s)
- Consumer

Average 100% - 200% price disparity

Potential reduction: 30% to 50% price disparity

Inputs

- Wheat

Information

- Knowledge

Funding

- Capital

Sorting and Processing

- Infrastructure

Fulfillment of demand

- Efficiency

Distribution

- Transport

Marketing

- Promotion

B2B

B2C
Empowering Network of Farmer
Delivering strong impact to farmers by providing end-to-end access of agricultural services

TaniHub Group is committed to empowering farmers with access to market and capital, delivering better prices for customer, and eliminating inefficiency.

- **30,000+** Farmers Impacted
  - 20% income increase
  - 100% have bank account

- **1,500+** Farmers Impacted
  - 30% income increase
  - 28% harvest yields
  - 100% have bank account
Supporting Sustainable Development Goals (SDGs)
By improving livelihoods of farmers and consequently their climate resilience, and by improving access to credit through TaniFund.

- Increased incomes
- Access to microcredit
- Income stability

Through efforts to encourage end-consumers to eat more fresh fruits and vegetables instead of processed foods, towards better health in the long term.

- Encouraging Better Eating Habits
- ISO 22000 Food Safety Implementation
- HAS 23000 – Halal Assurance System
- Campaign towards purchase behaviour

By increasing the incomes of both female and male farmers

- Increased incomes
- Access to microcredit
- New job creation
- New SME opportunity (Entrepreneurship)

Through demand-supply matching and aggregation leading to waste reduction

- Waste Reduction through Demand-Supply Matching and Operational Efficiency.
- Implementing Cold Chain
- In the future, we also intend to explore waste recycling in support of the circular economy, through potential partnerships with companies like Nutrition Technologies which turn food waste into animal feed using black soldier fly larvae

Through the promotion of sustainable agricultural practices, increased operational efficiency, and waste reduction

- Reducing Water Consumption
- Discouraging Excessive Use of Chemicals and Fertilizers
- Less Miles Travelled, Lower Emissions (Reduce first mile, enhance nid mile by consolidating logistics through PPC)
The Team
Strategic team with well-rounded experience and skills

Pamitra Wineka
Co-Founder/President

Ivan Arie Sustiawan
Co-Founder/CEO

Sarlyo
Director of TaniSupply

Edson Tobing
Director of TaniFund

Alex De Vries
Director of Commercial

Astri Purnamasari
VP Corporate Services

Diasha Kashatri
VP Legal

William Setiawan
VP of Product

Jannes Santoso
VP of Engineering
Building an Ecosystem which Support Growth and Sustainability

1. Feasibility Study
2. Launching of project and fundraising
3. Farmers start working, TaniFund closely monitors and supervises
4. 100% harvest goes to TaniHub
5. TaniHub sells to clients, later pays TaniFund
6. TaniFund distributes profit sharing
7. Modern retailers
8. Industry
9. Hotels, restaurants, and caterings
10. Local traditional markets
11. Exports
Strategic Partnership

Supporting in expanding the network of supply and demand
Higher Accuracy on Demand-Supply

Demand Forecasting for Improved Quality and Better Pricing

Gross Margin Across Customer Type

Stage I: Initial Built-Up
- Demand-supply matching
- Demand forecasting capability

Stage II: Improving Margin
- Demand-driven procurement
- Addition of more buyer segments and product SKUs
- Improving blended margin

Stage III: Stable and Strong Projected Margin
- Stable, high margin
- More efficient procurement and distribution
- Extended product selection at higher quality

Target of blended margin ≥ 15%
Indonesia Agriculture consist of

Large plantations
- Either owned by state or private companies
- 15%

Smallholder production modes
- Mostly family owned and run by traditional agricultural households
- 85%
How does TaniHub Group Solve the fragmented Multi-model logistics play in Indonesia?

To serve over 15,500 islands, covering 1.905 million square kilometers?

Stable temperature with lows around 22/25 °C (72/77 °F) and highs around 30/32 °C (86/90 °F) all year round
Solving Supply and Demand Challenge Simultaneously

Solving sourcing problem with PPC

Solving distribution problem with Warehouse
Growing Closer to the Source and to the Market

Regional distribution and fulfillment network to reach smallholder farmers and households

- **Bogor** West Java
- **Bandung** West Java
- **Kartasura** Central Java
- **Surabaya** East Java
- **Denpasar** Bali

**Distribution Facilities**

- **326 +** Sub-districts delivery coverage
- **1,100 +** Fresh Products SKUs
- **30,000 +** Farmers partner
- **900 +** Groceries Products SKUs

**Packing House Facilities**

- **Bandung** West Java
- **Makassar**
- **Malang** East Java

*Planned to be opened in 2020-2021*
End-to-End Technology
Continuously upgraded technology stack to build a scalable and integrated system

Master Data Management
Master data management as the baseline of TaniHub Group enterprise product catalogue that will be able to be used across entities.

Realtime Scheduling
Incoming vendors will be automatically scheduled to meet with request from the customer to maximize the efficiency of stored products in warehouses.

Farmer Schedule & Availability
Product tracing starting from the farmers to ensure the supply and demand forecast implemented correctly.

Product Completeness
Listing more than 2000 SKUs worth of products, our customer could pick any item required for their needs.

Automatic Order Allocation
Customer order will be directly match with current stock to reserve what they want to buy and confirmed after payments.

Wave Picking & Packing
Picking will be divided per category and will be done simultaneously to increase efficiency and consolidated on the packing table.

Fleet Management System
Customer will be able to track their order real-time to ensure the proactive customer service enablement.

Loyalty System
Retaining users is one of the spearhead on TaniHub Group where we incentivize customer to frequently buy our products.
Crop Monitoring Apps

Lender Website

End-to-End Technology
TaniFund – Invest on local farmers

Monitor agriculture activities: cultivation, maintenance, breeding of livestock, etc.

Capable of storing data offline and automatically synchronize them once connected to the internet.

Dual purpose: monitor and assistance of farmers, as well as progress report of funds from lenders.
COVID-19 crisis impacts everything & everyone

How can TaniHub Group face this crisis as a company?
Contactless Delivery

Tidak bersinggungan, bukan berarti berjauhan
Tidak bersinggungan, bukan berarti meninggalkan
Karena justru saat ini, tidak bersinggungan berarti mendekatkan

INFO TAMBAHAN
Taru Depan Pintu Saja CLS
The fuel of Growth
for Indonesia’s Agriculture

- Infrastructure
- Research & Development
- Policies & relevant regulations
- International market access
- Linkage to other sectors – more partner
- Post-harvest and packing house technology (low cost, low investment)
- Big data involvement, data gathering and analytics
- More focus on on-farm (production) grants
- Introducing more renewable energy for agriculture
“Keep planting, keep growing”

Thank You