



From Colombia to Guatemala,

BREAKING INTO RURAL AREAS TO IMPACT THE COMMUNITY



The difficulties SiembraCo faced when entering a new country were challenging and full of learning experiences. Moving from being on the verge of "throwing the towel" to completely transforming its business model, SiembraCo gives us a clear example of resilience, adaptability, and impact.

How did SiembraCo's story start?

Yuly Galindo and Camilo Ramos founded SiembraCo in 2020, in Colombia, with the aim of reducing the gap between producers and the market. Their aim was to support producers with commercial linkages, technical advice and sustainability.

In Colombia, SiembraCo is a 100 percent digital agtech that directly connects customers (individuals and companies) with small and medium-scale farmers.

This connection happens from the moment of planting through "virtual planting" to the harvest delivery. Customers are given the opportunity to plant virtually from their cell phones: with one click they can plant virtual crops and the SiembraCo team assigns them to the partner farmers who make that virtual crop reality.

Innovatech as a milestone in SiembraCo's development.

SiembraCo arrived at Innovatech with the firm purpose of replicating its Colombian business model in Guatemala, where they wanted to materialize new virtual crops through different groups of producers, to whom SiembraCo financed a technological package, provided advice, monitored, and did end-to-end follow-up during the cultivation process.

With Innovatech's grant, SiembraCo had the opportunity to create a team, open a market, finance producers at a 0% rate and acquire the material resources to make everything happen.

The first steps in Guatemala were firm, achieving a strong partnership with the Ministry of Agriculture, Livestock and Food (MAGA) as a strategic ally. The work was planned directly with one of its Vice Ministries: The Vice Ministry in charge of Petén Affairs (VIPETEN).

The department of Petén is the largest department in Guatemala, covering one third of the national territory, with a population of over 600,000 inhabitants, and agriculture as one of its main economic activities, along with handicrafts and tourism. In El Petén, more than 60% of the population lives in poverty or extreme poverty, according to the "Strategic Framework for Sustainable Development Cooperation 2020-2025" of the United Nations for Guatemala.¹

First actions in the El Petén field.

Through VIPETEN, first approaches were made with small-scale agricultural producer organizations and four of them started producing beans, onions, bell peppers and cobanero peppers to carry out the first pilots of the solution in Guatemala. Individual contracts were signed with 121 producers, which included the technological package financed by SiembraCo at a 0% rate, technical advice, satellite monitoring and a purchase guarantee, with previously agreed prices. On the commercial side, first links were made with restaurants and some other potential clients in the capital, who showed interest in buying the crops.

First challenge, what a challenge!

At the beginning, the weather did not help much; torrential rains caused delays in the activities of the program. Once planting began, things started going according to schedule—field visits were carried out as planned and satellite monitoring showed significant progress in crop growth. Everything was going smoothly!

However, when the harvest got closer, SiembraCo had several surprises; many of the producers were far from the expected results, with harvests far below the estimate! The SiembraCo team noticed that farmers had not used supplies according to the established guidelines, they noticed a lack of attention to crop care recommendations

¹ [PowerPoint Presentation](#)

and, with some of the members of the producer organizations, non-compliance with the sale of their harvest, according to respective contracts. Although some producers exceeded expectations, SiembraCo had not contemplated the possibility of such a low production, which at that time was a big problem. However, as time went on, this was a great lesson for the team.

After the disappointing results in three of four organizations, Yuly and Camilo thought about withdrawing SiembraCo from Guatemala. They started running out of their Innovatech grant and they would not have the expected cash flow due to lack of product to sell, which would make it impossible for them to finance future technology packages. In addition, the commitment with potential buyers could not be fulfilled, as they did not have available the volume or quality of goods agreed upon.

At that time, Camilo explained what had happened to both the Innovatech and VIPETEN. Together, they tried to find a solution and to endorse the commitment of all parties to SiembraCo and its development in Guatemala, particularly in El Petén. For VIPETEN, these events generated an even greater commitment to support SiembraCo in Guatemala, as they were convinced that the solution could impact positively many of their producers.

The little product they had was moved in the local market, selling it directly to the consumers by means of cold calls, and in the street using speakers to avoid the logistics costs involved in bringing the merchandise to the capital. This is how they obtained one of their main findings: the local market in Petén was neglected, and its market prices were much higher than those that SiembraCo applied to its agricultural products.

Another great learning experience for SiembraCo was the enormous differences between the ministries of agriculture in Colombia and Guatemala. In the former, the ministries' job was mainly to generate statistics on agriculture, while in the latter, it played a much more central role for producers, giving them direct support. This puts into context the complexity for SiembraCo implementing its business model through financing, while maintaining a zero percent interest rate, since producers in Guatemala could receive free support from the State. This is why their business model had to change.

A little help never hurts.

A few days later, VIPETEN representatives shared some very good news that would completely change Yuly and Camilo's feelings: they needed SiembraCo's services to

generate the traceability of approximately one hundred demonstration plots. The inputs for the plots would be provided by MAGA; however, they needed to know what results were obtained from this support, information that, until that date, they had never had.

Therefore, the SiembraCo team started working with the producers responsible for these plots to provide them with technological support for control, traceability and monitoring of the crops, information that was shared with MAGA. In addition, SiembraCo committed to buy the crops at a fair price. With this agreement in place, they continued to develop the local market. They rented a warehouse and acquired a vehicle to sell and deliver their products. Today, more than 900 producers in Guatemala have benefited from the new SiembraCo model, of which more than 60% are women, achieving in some cases incomes 150% higher than in previous cycles.

SiembraCo's good performance in El Petén led them to sign a collaboration agreement with MAGA for the next three years. This is how, in a very short time, a very complicated situation was changed completely. SiembraCo found a way to develop a new business model in Guatemala and closed a high-impact cycle, both for clients and producers, respecting 100% their value proposition.

"At SiembraCo we improve the productive conditions of small-scale farmers. Our customers enjoy healthy, fresh harvests while positively impacting the farmers we work with."

SiembraCo