



SUCCESS STORY

With Affordable Loan, Farm Expands

USAID-supported micro-finance helps a young entrepreneur grow his fledgling produce farm



Photo Courtesy of USAID- Tijara

A \$5,000 loan, made possible with assistance from USAID, helped Khalil Ismail Elyas expand his farm and nearly double his monthly revenue. As soon as he pays back this loan, Elyas said, he will secure another to further grow his business.

USAID-Tijara improves access to microfinance loans for entrepreneurs and business owners throughout Iraq's 18 provinces. Since 2004, USAID microfinance programs have helped distribute more than 257,209 loans.

U.S. Agency for International Development
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Khalil Ismail Elyas, a farmer from Ninewa Province, is growing more than tomatoes and peppers. Thanks to a USAID-supported microfinance loan, the 25-year-old is expanding his business, hiring workers and increasing revenue.

“The microfinance loan helped me to keep my farm growing up through provided a motor to pump water for irrigation, fertilizers and pesticides and buy an electrical transformer” Elyas said.

Elyas' farm, a 70-acre plot south of Tallafar, produces tomatoes, eggplant, watermelons and three kinds of peppers. Elyas borrowed \$5,000 from the Tallafar Economic Development Center, a microfinance institution supported by USAID's Provincial Economic Growth project (USAID- *Tijara*). The center's 14 percent interest rate was much lower than anything offered by local banks, allowing Elyas to buy vital equipment and hire four extra workers while making payments.

Because of the loan, the farm's net monthly revenue jumped from \$300 to \$500. Once Elyas pays off his loan at the end of 2011, he said he plans to use another to set up a greenhouse and break into the livestock industry.

The Tallafar Economic Development Center, founded with assistance from USAID- *Tijara* in 2010, has helped farmers survive periods of bad weather and price fluctuations. Since its inception, the center has helped 3,600 Ninewa residents secure more than \$4.4 in financing. The loans have allowed farms in the province to hire more than 100 workers.

Since 2008, USAID- *Tijara* has provided loan capital and trained staff at nine indigenous microfinance institutions across Iraq. More than 98 percent of *Tijara*-supported loans are paid back within one year. More than \$539 million in loans have been distributed by USAID-backed microfinance since 2004.

USAID- *Tijara* also works to support small-medium enterprise development, build the skill of business managers, support young entrepreneurs and promote trade and investment in Iraq.