LONG TERM INDUSTRIAL DEVELOPMENT CO., LTD.

- Address: 2-24-8, Jindaiji, Mitaka-shi, Tokyo, Japan
- Employees: 6
- Established in 2020
- Business: AI, FinTech, Trading

https:///www.ltid.jp/

Outline of the demonstration project

- New AI Driven Agriculture Machine Finance

Cooperation with local companies/governments

- Local partners: KUBOTA Philippines/CROPITAL
- Details of Cooperation and Collaboration: Pilot implementation in the Philippines/introduction of rice farmers participating in the project/provision of farm equipment

Targeted economic/social issues

- In the Philippines agricultural industries, mechanization is delayed and has led to low productivity and rural poverty. Also given the human resource cost increase and a decreasing agricultural population in recent years, the need for mechanization of crop produce and the finance for it is getting strong, especially agriculture machine finance is almost requisite because the farmers who can buy in cash are rare.

Details of demonstration

- In collaboration with local partners, about 100 participants from medium-sized rice farmers with a cultivated area of 3-5 hectares are selected and financing for the purchase of agricultural equipment is provided by pledging the crop as collateral. Our AI calculates credit risk values from photos of the farms, and credit management is conducted based on these values.
- Since rice in the Philippines can be harvested in 3-4 months, this process is repeated 1-2 times to accumulate data and improve the accuracy of AI, which will be gradually introduced to the field around the third harvest season about 1 year later.

Expected outcome of beneficiary effects

- The farm equipment is introduced to medium-sized rice farmers, who account for about 40% of the farmers in the country and have a cultivated area of 3-5 hectares. It has been proven that agricultural machinery improves productivity and increases farm net income by 2-3 times. If about 60% of the country's rice farmers adopt the equipment, the harvest would increase by 2-3%, and the self-sufficiency rate is expected to improve.