

Successful Impact Investing at Scale: Arvind Narula and Urmatt Organic Farming

As the second keynote speaker at the TBLI Conference Nordic 2016, Arvind Narula tells the story of his organic farming company, Urmatt, and shares with the audience the tremendously positive outcomes of rolling up your sleeves and getting your hands dirty.

Business cases. A proof a concept. A way to demonstrate to the rest of the world that an idea actually works. While it is not always easy to be the first one through the door, Arvind Narula did just that with Urmatt, his organic farming company. Narula presented his trials, tribulations, and successes throughout his company's thirty-year journey, and highlights the positive impacts possible when companies align their values with their mission.

Today, Narula's organic farming company, Urmatt, is the largest organic farmer in Thailand and the largest organic jasmine rice farmer in the world; however, this was not always the case. Originally, Urmatt started out as a traditional, non-organic farm. It wasn't until one day while Narula was walking through the fields that he saw something that would forever change his life.

One day, Narula had stumbled upon one of his workers. A worker who was spraying the fields with pesticides. A worker who had this tank of pesticide strapped to her back while at the same time shouldering the weight of her young child strapped to her body - fully exposed to the noxious chemicals. It was in that moment that Narula decided to transform his farm and begin practicing organic farming.

For the first seven years, Urmatt had to work doggedly to dispel the misconception that organic food sourced from the East was not genuine and of poor quality. Narula, unwavering in his conviction, persevered through the initial tough years, and over time expanded the business to today's expansive line of products including rice, chia seeds, noodles, coconuts, and eggs. But in an even more herculean effort, Narula and Urmatt had also achieved the lofty goal of becoming zero-waste through further processing byproducts to create a line of oils, bran, supplements, and sugar. Presently, Urmatt is working with more farmers, training them to farm using organic practices, and helping them go through the certification process so that the farmers can eventually partner with Urmatt.

One venture that Narula was particularly excited to share with the audience was Hilltribe Organics. Hilltribe was a venture created by Narula and five French and German MBA students as an impact study. The group gave hens to farmers in Thailand to care for and bought the chickens' free range, organic eggs back from the farmers. Though the concept was simple, what happened next was incredible. Not only did the income from the social enterprise triple the farming families' earnings, but also the daughters who had been previously working as sex workers decided to return home and help the family with the successful family business. These incredible results had validated Narula's convictions to pursue organic farming.

Urmatt the company, however, is ultimately the means to an end. At its heart, the company is a way to provide better lives for the farmers with whom they employ and partner. The farmers are better off for working with Urmatt, and Urmatt is rewarded for the way they do business. However, these farmers' dependence on Urmatt makes the company's success vitally important to the farmers' livelihoods. To this end, Narula understands that one of the biggest risks to the farmers is not bad weather, but rather if Urmatt were to fail. To address this, the company, in a rather clever deal, presells all of its products 12-18 months beforehand. By doing this, the risk is eliminated to the farmers and their crops are guaranteed to sell. The buyers, in exchange, use Urmatt's social enterprising story in their marketing efforts prior to receiving the products.

Currently, Narula has a project in the works with the lofty aim to transform deserts into arable farmland, using hydroponics without chemicals or hormones, which will help expand the business, re-forest the desert, and provide new opportunities for farmers to build better lives and participate in the prosperity that Urmatt has brought to its other farmers.

"We as living beings, we reinvent ourselves. That's survival. Every living thing – every plant, every seed, ever bacterium needs to reinvent themselves. And when you find good things to reinvent, as we think we have, we multiply. And that has been our mission to continue to try and do things using models that we have established." Arvind Narula's words underscore the necessity to reinvent ourselves – to find out what works and replicate it. When we find out what works, we share it. And how best to share these findings? Business cases.

*Guest Blog Post by Andrew G. Wong about the Keynote **Arvind Narula Successful Impact Investing at Scale:***

Views and opinions are that of the writer and are not the official views of TBLI CONFERENCE.