



AGRF 2016 – SIDE EVENT REPORT

Day 2 - Tuesday, September 6

14:30- 18:00

Side Event

The Digital Harvest: How to Grow and Sustain ICT4Ag Solution

SESSION BRIEF

Context: In order to realize Agricultural Transformation, capacity building of smallholder farmers, their organizations and agri-preneurs in good agronomic practices, postharvest handling, marketing and (financial) management is a prerequisite alongside access to financial services. In the past 5 to 10 Years, 150+ so called 'ICT4Ag' solutions have been developed to deliver information and marketing services to the agricultural sector through mobile phones and other ICT. Two key challenges in providing ICT4Ag solutions have been identified: (1) the low sustained use of the solution (smallholders subscribe but become inactive) and (2) the dependency on donor funding for sustaining the solution providing companies.

Session Objectives: To discuss and address these challenges and to gain better understanding on how to sustainably deliver agricultural solutions to farmers and agri-preneurs. In the session delegates were taken through a deep dive in ICT related financial sustainability and about how to better achieve sustained uptake of ICT4Ag solutions by sector experts, users and solution providers. They also heard from farmers from Kenya, Tanzania and Ghana and learned about why they use the solutions, what they liked about them and how the services can be improved.

Key Issues/ Questions:

- 1) What makes or breaks the ICT4Ag solution providers?
- 2) What makes farmers tick when it comes to accessing agricultural information and services through their phones?
- 3) Free services versus paid services for farmers: what are the revenue models?
- 4) Digital only or combined with 'high touch' on the ground presence?
- 5) Which channels are most effective?
- 6) How could ICT4Ag solutions measure their performance?

Outcome Desired:

- Understand how ICT4Ag solutions can become sustainable
- Learn how uptake of ICT4Ag solutions can be improved

Organizers: AGRA





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The Digital Harvest: How to grow and Sustain ICT4Ag Solution

| Name | Picture | Discussion |
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| <p>Ms. Carol Kyazze Kakooza, Chief Technical Advisor & Chief of Party for G4AW-MUIIS, Uganda</p> |  | <p>Ms. Kakooza is an ICT specialist with extensive experience in ICT. She began the session by talking about the evolution of ICT in agriculture and about her experience in mobile services.</p> <p>She emphasized the fact that entrepreneurs investing in ICT services who said that it is for the benefit of small holder farmers who really need to understand what farmers need and how to package and disseminate information.</p> <p>Another important aspect she mentioned is that some if not most would be service providers do not remain in business for long due to poor planning and lack of adequate systems. Further reasons for attrition in the sector include: 1) there are handful of service providers offering the same products to farmers but packaged differently and this seems to confuse many potential customers; 2) most do not have experts in house (i.e. in agriculture, agribusiness, scientists, ICT data specialists for mobile apps etc..) before launching their pilot projects and before they truly understand what farmers needs are so they can make sure that the information shared is relevant to what they need, want to do, and/or are trying to find (i.e. market information); 3) most do not develop proper business plans and models and as a result fail to deliver on the farmer’s expectations; 4) projects don’t always have a 3-5year programme plan with a clear path that can show farmers’ benefits (and this is still an issue not addressed in most agriculture forums).</p> <p>Carol also emphasized that there were certain service offerings that perhaps needed to be offered in bundles and she then asked the audience to think about aggregated services and compare the concept with the fact that most services are fragmented and this creates confusion more than anything.</p> |
| <p>Role: Moderator</p> | | |





AGRF 2016 – SIDE EVENT REPORT

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| <p>Mr. Joseph Wairungi, MD Advantech Ltd and Lead, Review of Business Models of ICT4Ag</p> |  | <p>Mr. Wairungi is the head of Advantech Ltd., a management consulting firm that offers advisory services in areas such as strategy, ICT, monitoring and evaluation, procurement, supply chain management, financial and grant management, leadership and oversight etc.</p> <p>Mr. Wairungi emphasized that entrepreneurs who come up with projects without a proper study of the services they want to launch and the long term benefits or the markets they need to serve, end up spending more money than projected to implement projects. He explained that entrepreneurs need to consult with the right actors before entering any market. He talked about business failures that happen because of wrong partnerships and explained how small mistakes sometime lead to big businesses failures after only 5 years operating in the market.</p> <p>During his remarks, he stressed that entrepreneurs need to consider checking their projections and assumptions with experts who understand their business models and who can advise if their plans need to be revised to adapt to new market trends, competitors, customer behavior and/ or new policies or regulations.</p> |
| <p>Role: Keynote Speaker</p> | | |
| <p>Panelist</p> | | |
| <p>Ms. Hillary Miller – Wise, CEO, Esoko</p> |  | <p>Ms. Miller-Wise introduced the delegates to her company, Esoko, and explained that she was proud to share the success of Esoko and to reflect on how far it had come since inception.</p> <p>She explained the various services they offer to small scale farmers in countries across Africa that they are active in, particularly Kenya and in Uganda, and the various benefits realized over the years. Esoko evolved out of a precursor company called TradeNet, which was founded to provide market prices via sms. TradeNet was then renamed to Esoko in 2009 and began offering more than just SMS information on prices but also a bundle of services in mobile technology (mobile app, monitoring and field services).</p> <p>The aim of Esoko is to increase markets for farmers, educate them about new technologies to feed crops and to help in marketing, distribution and accessing supply chains. Ms. Miller-Wise supported what Carol stated at the onset in saying that Esoko would have not been where it is today without studying the markets it entered carefully.</p> |





AGRF 2016 – SIDE EVENT REPORT

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| | | <p>Startups and other business entrepreneurs also need to work on multilateral partnerships if they want to remain in business. Her priority was to know that farmers were being served and served well and encouraged to pursue more education and to adapt to the constant changes in agriculture and agribusiness that they faced.</p> |
| <p>Ms. Neema Lyer, Regional Director of Programs, East Africa at VOTO Mobile</p> |  | <p>Ms. Lyer is an expert whose background is in public health and epidemiology and she spoke about her passion for technology in health.</p> <p>In her presentation, she introduced the audience to her work for TTC Mobile in Uganda and its massive impact on small holder farmers who lack modern technologies and who do not have access to a variety of major services. She emphasized that they helped educate farmers by sharing tips, information about credits opportunities etc. and stressed that they found that service provision to farmers needed to be packaged in such a way that they would also use them to educate themselves to upskill themselves on important aspects of the agriculture value chain, distribution and where the market is.</p> <p>She also explained how TTC mobile offers extension services to small scale farmers and the tangible benefit they witnessed in the farmer’s productivity and sales through the provision of text and/ or radio voice messages on crops handling, about quality fertilizers, and through their efforts to use technology to monitor the farmers’ behavior and to promote the adoption of various health tips regarding disease control, post-harvest management, and accessing financial services etc.</p> |
| <p>Mr. James Nguo, Regional Director, Arid Lands Information Network</p> |  | <p>Mr. James Nguo introduced Sokopepe as an initiative of Arid Lands Information Network (ALIN) that offers paid services for market information and farm record management services such as integrated supply chain solutions that collects agricultural commodity information from the farmer’s field for dissemination via various media (SMS, WAP, Email and Web) in packaged products to the end users. Dubbed Sokopepe — Kiswahili for virtual market — the initiative is an agricultural commodity trading platform that aims to link small-scale producers to final retailers or bulk purchasers. Some of the services that are being provided include commodity prices, farm inputs, linkage with other service providers, and farming and livestock tips as well as secure mobile payment systems. It is a project spearheaded by a local Kenyan NGO, the Arid Lands Information Network (ALIN).</p> |





AGRF 2016 – SIDE EVENT REPORT

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| | | <p>It was noted that the two year old Sekopepe had developed an information platform that is accessible to all types of farmers (small scale, commercial farmers, women and youth) and that also offers capacity development and knowledge transfer about local markets and keeps users abreast of the latest information beneficial to their farming enterprises.</p> <p>Mr. Nguo surmised that Sokopepe was successful because of its strong business model and clear strategy about what products and services it was meant to provide hence its success across the regions (i.e. Tanzania, Uganda, Kenya included...)</p> |
| M Farm | | <p>A representative of Kenya based M Farm began his remarks by sharing the company's concern about what they believe are the key problems that small scale farmers face in terms of using ICT technologies sustainably.</p> <p>M Farm offers paid mobile app services that deliver market prices, distribution information, and buyer link services to the farmers by way of SMS messages. Farmers are notified by SMS about an order and the address where the goods have to be delivered. Payments to farmers are only processed once Mfarm receives confirmation from the consumer(s) that the goods have been delivered and checked.</p> <p>M Farm has partnered with MPesa for transaction services and takes a fee for every transaction made on its platform. The system is believed to be helpful to small scale farmers as they can help farmers sell big volumes of goods in groups and not have to rely on brokers/middlemen to reach the market.</p> <p>M Farm's representative has stressed however that they have had challenges with regard to some farmers who are sceptical to use this service as many have dealt with other service providers who have either not settled on time or at all. They believe nevertheless that the culture is changing favorably with the results they've seen so far and they use this as their marketing tool to call on more farmers to subscribe to their services.</p> |
| Q & A | <ol style="list-style-type: none"> 1) Most farmers want to take advantage of mobile services for free. Why aren't all services providers offering free services to farmers? 2) Can business entrepreneurs know if their business plans are working as they predicted? 3) How are business models embedded in business plans? | |



AGRF 2016 – SIDE EVENT REPORT

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| | <ol style="list-style-type: none"> 4) How will businesses survive their operations once their donors pull out? What is the plan? 5) Is the government prepared to help the private sector by investing with further capital once donors will pull out? 6) How can commercial farmers meet with the growing demand of small scale farmers in terms of providing more seed, fertilizer, risk insurances etc. |
| <p>Responses</p> | <ol style="list-style-type: none"> 1) Service providers cannot meet their operational costs with the same capital invested in their businesses and offer valuable services for free! It needs to be at a minimal cost. Farmers need to understand that services offered require processes and requirements that need to be paid for. 2) The business environment is never predictable however to invest in a business requires knowledge of the product, market, the right partnership and capital investment, the right climate for investment and leadership. If these are 100% well put together, chances are that the business will be successful. 3) Business models need to be prepared after careful study research of the markets, segmented markets, consumer’s behaviours, distribution channels and the investment climate in terms of political stability and leadership. There is a need to form the right partnership and agree on responsibilities so that all parties what they are accountable for. Governments need to enable businesses to operate and these are just the basics. |
| | <ol style="list-style-type: none"> 4) This goes back to the need for strong business plans that can demonstrate the sustainability of the business even from inception. As most businesses fail within the first three years of operation, it is imperative to know what capital is needed for its inception and how to manage overall operational costs and overheads. With the right strategy in place – and the right partnerships from whom additional investments can be sourced (donors can pull out at short notice, leaving the business they invested in at risk). 5) Governments’ investments generally operate following certain national agenda areas for investments specific to sectors of priority etc. Government should also work in partnerships with the private sector and encourage start-up businesses / entrepreneurship etc. It is not a guarantee for governments to support the private sector with capital when donors pull out however they may do so selectively for businesses that consecutively drive and or boost the overall economy. Insurance industries, medical industries and real estate industries etc. would fall in this category. 6) Commercial farmers are not meant to work alone to satisfy the growing demand of the population. The government has a role to engage in multisector partnerships that include technology companies who provide and improve communication / management of data, information, etc. Others in such partnerships can include universities and research centres for research purposes, the private sector associations to help with external partnerships – and of course from government, clear and consistent policy and regulation are needed for market stability! With all the above, both commercial farmers and small scale farmers should ideally be able to contribute to the growing demands for food in Africa giving the growing population. |





AGRF 2016 – SIDE EVENT REPORT

Summary

This session was about small scale farmer's ICT use practices, and how technology is being introduced by ICT entrepreneurs seeking to harness their technical skills and to succeed in the world of business related to agriculture and agribusiness. There was an emphasis on the importance of business planning and various questions were asked related to the matter of why mobile services are priced and not free and why small scale farmers should pay at all.

The audience was presented with a number of short videos showing the value of introducing well researched services to the market. The moderator and the panelists stressed that it can help to find the best solutions and aggregate them for offer in one bundle present them to farmers.

Innovative initiatives such as Esoko, Sokopepe and M Farm were also introduced to the delegates and shared their rich experiences in the marketplace.