Bringing markets to smallholder farmers

Presentation by Richard Yona, Field Operations Manager, Lima Links Zambia
INTRO TO ZAMBIA

- Population: 15.5 million; Urban population along line of rail, estimated growth of 4.2% per annum

- 31% of 743,398 sq km ready for agricultural use

- ~85% of workforce in agriculture industry; 1.3 million smallholder farmers and increasing

- ~11 million mobile phone subscribers
For-profit Zambian agri-tech company founded in August 2016

Established by International Development Development Enterprises (iDE), international agriculture NGO

Built off results from pilot project implemented by iDE Zambia – now started up as a separate entity

Aims to provide agriculture information services for smallholder farmers
THE ZAMBIAN MARKET

MARKET DYNAMICS

- Markets are run by informal brokers who smallholder farmers must sell through
- Markets are not regulated and do not allow for price transparency
- Brokers often give farmers unfair prices due to farmer’s lack of negotiating power
- 90% of fresh vegetables consumed by urban population pass through these markets
- Estimated USD 13 million worth of tomato, onion, and kale pass through these markets annually
THE ZAMBIAN FARMER

PROFILE
• Over 1.3 million smallholder farmers in Zambia
• Smallholder farmers found 15-200km from urban population
• Grow 0.5-5 hectares; grow field and vegetable crops
• Own a basic, non-smart phone

FARMER CHALLENGES
• Farmer only finds market price after taking crop to market
• Fresh vegetable prices are extremely fluid
• Transport costs are high
• High perishability rates and lack of knowledge
• Often makes a loss on crops
SOLUTION 1: MARKET PRICES

- LL works with active wholesale brokers
- They input price data on horticulture crops
- They agree to a set of standards
- Farmers access price data
- Farmers go to market, negotiate better, and trade with the brokers inputting price data
SOLUTION 1: EFFECTS

FARMERS

• Can compare prices across markets

• Cheaper access to info

• Real time price – ability to monitor price trends

• Helps farmer to bargain at market or farm gate

BROKERS

• Safe keeping of records as opposed to paper

• Can monitor price trends

• More business from new farmers
OTHER SERVICES

- Inputs/Adverts – gives farmer access to input market
- Messages – targeted communication platform to reach farmers of a particular demographic
- Crop status – farmers can monitor sale of crops sold through LL brokers
- Future services – farmers will be connected to other markets for vegetable and field crops
• Partner with finance institutions to make smarter financial products

• Work with input suppliers to drive farmer product awareness

• Partner with mobile money provider to drive demand for payment platforms

• Work with private companies entering the market to give detailed agricultural reports
www.limalinkszambia.com

Thank you! Questions?