AgTech for Smallholders: Keys to a sustainable business model

Presentation by Sophie Aigner, Strategic Director, Lima Links Zambia
• For-profit Zambian agri-tech company founded in August 2016

• Built off results from pilot project implemented by iDE Zambia, International Development Enterprises (iDE), international agriculture NGO

• Aims to build an agriculture technology service in Zambia that becomes the smallholder farmer’s trusted business tool
INTRO TO ZAMBIA

- Population: 15.5 million
- 31% of 743,398 sq km ready for agricultural use
- ~85% of workforce in agriculture industry; 1.3 million smallholder farmers and increasing
- Agriculture contributes to 9.2% of GDP
- Predicted economic growth of 4% in 2017
1: SMART SEED FINANCING

- Donor
  - Donor that is looking to invest in sustainable local companies

- NGO
  - iDE, strong reputation as an international organization, able to fulfill donor requirements, manages donor grant

- Funds come from a donor, Comic Relief (UK), that is looking to make unique investments

  Routed through a non-profit, iDE, who then was able to use the funds for the set-up of a company

  Funds used through NGO to flow into setup of a new company
END USER: SMALLHOLDER FARMER

- Grows 0.5 - 5 hectares of crop
- Lives in very rural areas (0.5-4 hours from tarred road)
- Has a basic, non-smart phone
- Usually takes 5-200 boxes of tomato to market for sale
- No internet access
- Low access to ag services and products
- Has one phone per household
- Few services connecting to buyers

Product Aim: Give smallholder farmers access to agriculture information via tech
2. ACCESSIBLE TECH: SOLUTION

USER: SMALLHOLDER FARMER

- Lives in very rural areas (0.5-4 hours from tarred road)
- Has a basic, non-smart handset
- No internet access

TECH SOLUTION: USSD

- No internet access required
- Accessible on minimum network coverage
- Doesn’t require talk time – only registered SIM card
- Farmer familiarity

Product Aim: Give smallholder farmers access to agriculture information via tech
3. END USER TRUST

CHALLENGES

Farmers have been ‘advised’ by various actors – scared to trust new companies

Farmers have been routinely cheated by various market actors

Very high cost of reaching end user to build trust from zero

SOLUTION: PARTNER WITH A TRUSTED NETWORK

iDE has worked to connect farmers to markets in Zambia for over 20 years

Network of more than 20,000 farmers

Network of more than 200 community leaders
4. LOCAL HOSTING

**CHALLENGES**

- Developing countries becoming stricter with data hosting laws
- Application response time
- High cost of running servers
- High cost of running USSD applications

**SOLUTION: PARTNER WITH TELECOMS COMPANY**

- Looking for exclusive services to offer users
- Ability to host servers in secure, gov-approved environment
- Cuts costs in USSD hosting
- Large network of resources
**5. UNIQUE BUSINESS MODEL**

Lima Links becomes farmer’s trusted business tool

- Farmers login at least average 2x per week
- Lima Links accesses agric and location info on previously off-grid farmers

“facebook for un-facebooked”

- Input Suppliers
- Bulk Buyers
- Vegetable Traders
- Organizations/Government
Thank you! Questions?

Lima Links
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