



# Virtual Farmers' Market

A digital solution connecting farmers to markets

# INNOVATION ACCELERATOR

## Key functions of the Virtual Farmers Market app:

- Provides **information on farmers' supply and buyers' demand**, identity and location to everyone through a smartphone application
- Facilitates farmer-buyer **discussions and price negotiation**
- Facilitates **the sale** of farmers' produce through a payment system where WFP acts as a guarantor

**Virtual Farmers' Market (VFM) is an app-based e-commerce platform where farmers' surplus and buyers' demand for crops are advertised and traded. VFM provides a transparent, open and trustworthy space for smallholder farmers and buyers to negotiate fair prices and deals.**

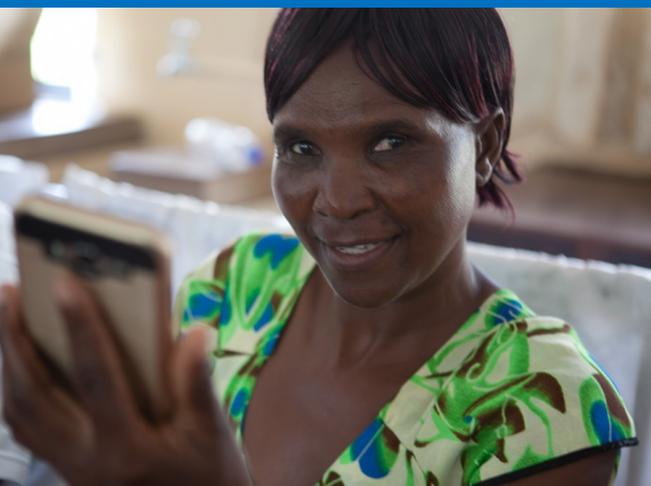
## Background

Africa is the fastest-growing mobile market in the world, and is the biggest after Asia. Half of Africa's one billion population already has a mobile phone. The use of more advanced mobile technology and applications to do banking and agri-business continues to grow. Meanwhile, rural smallholder farmers are faced with numerous obstacles, particularly as they struggle to reach markets where they can gain better prices for their crops. The VFM app is a new WFP initiative that builds on the momentum of this information and communications revolution to provide new business opportunities and improved livelihood options for smallholder farmers.

## Online market place to help farmers

Purchase for Progress (P4P) is WFP's flagship programme connecting smallholder farmers to markets. VFM builds on this concept. Through WFP's reputation as a reliable buyer of quality crops, the virtual market infrastructure of VFM will help bring together farmers, buyers and other stakeholders. The VFM platform supports smallholder farmers organized by lead farmers (VFM Ambassadors), to estimate their community's production and selling price, and advertise this information on the online market. Allowing buyers to access this information and communicate directly with the farmers gives them the opportunity to increase their business by accessing larger volumes of quality produce. As smallholder farmers become more visible to new buyers, VFM increases competition between buyers for farmers' produce, thus helping farmers get better prices and more favorable marketing options.

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*Before becoming a Maano Ambassador farmer Albertina Hamusikili had never used a smartphone*



*During workshops, farmers and buyers successfully learned to use a smartphone and the Maano app*



*Trader Charity and her mother at their market place, ready to expand their supply base through Maano*

## Piloting VFM in Zambia

In July 2016, the WFP Innovation Accelerator provided seed funding to prototype and pilot the VFM platform with farmers from rural areas in three districts in Zambia.

In consultation with Zambian farmers and market actors VFM began prototyping in late 2016. WhatsApp and other existing mobile applications were used to simulate an online market place. The participating farmers helped refine the innovation and decided to name the app Maano, which means intelligence in the local language Tonga.

The Maano app was launched in May 2017 and since then it has reached over 1,000 smallholders through 50 Maano ambassador farmers. During the pilot harvest season over 100 transactions were made, with some 150MT of produce worth US\$50,000 traded through the app.

During the pilot, the VFM project has proven to be particularly beneficial for the "last-mile" smallholders, the most disconnected from stable access to markets. By providing early-adopter advantage to an otherwise disadvantaged market segment, Maano has the potential to disrupt the unequal market dynamics.

## Sustainable business model

VFM essentially follows the same 'three-way handshake' modality used by successful online businesses like Airbnb, Uber and Alibaba. Considering the fast growing revenues of these and similar companies, this model also has the potential to revolutionize WFP's work in providing market access and fair business opportunities for smallholder farmers. VFM would become sustainable through a 5 percent transaction fee paid by buyers on each purchase. At the moment, smallholder farmers are not paying anything to use the market place, thereby increasing client acquisition and the speed with which the system will have the critical mass of data and users to spur its growth.



## Way Forward

In Zambia, WFP is preparing to double both the user-base and value of transactions during the 2018 harvest season May-October. Further testing of scalability and sustainability assumptions are underway. Simultaneously, the replicability of VFM app will be tested in two other countries in 2018.

The VFM business model is designed to become sustainable once it reaches the break-even point after three to five years. Until then, new partnerships and additional investments will contribute to the expansion within Zambia, further testing in new countries, effective knowledge management, continued app development and maintenance of the platform.

**Got ideas on how we can work together? Get in touch!**

For more information, contact  
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[Read more about the VFM project on innovation.wfp.org/project/virtual-farmers-market](http://innovation.wfp.org/project/virtual-farmers-market)