



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.

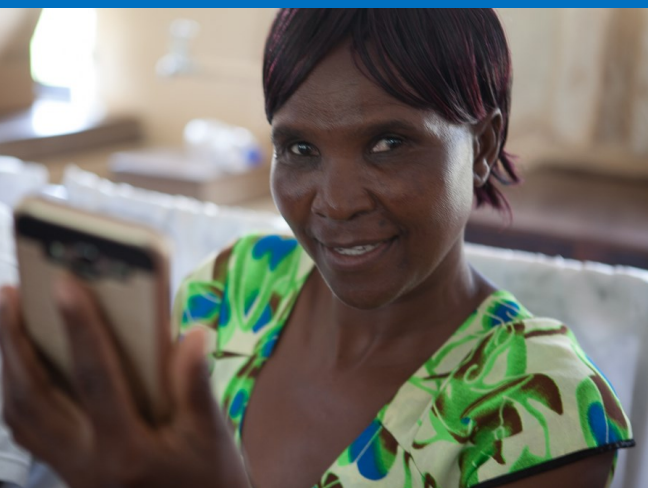
Background

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, launched in May, is targeting 2,500 Zambian farmers during the 2017 season. They will be engaged in the pilot through 50 'Maano ambassadors' aggregating on behalf of their communities. Some 70 national and international buyers expressed interest in purchasing crops through Maano. The first transaction of 40 bags (2mt) of cowpeas was made through the Maano app in the first week of June.

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

WFP will test and implement the Maano app during the 2017 marketing season, May—October. Once the first phase of the VFM pilot has been completed, WFP will continue to refine and scale up this promising innovation within Zambia and other countries.

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.

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Read more about the VFM project on innovation.wfp.org/project/virtual-farmers-market