



e-Agriculture Good Practice ZFU EcoFarmer Combo



A promising practice of a cross-sector partnership between Econet and the Zimbabwe Farmers Union

Key facts

- **Location:** Zimbabwe with the AgriFin Mobile focusing on Manicaland, Mashonaland Central and Mashonaland East Provinces.
- **ICT used:** Mobile based services
- **Area of work:** Financial and extension services
- **Target group:** Members of the Zimbabwe Farmers Union
- **Stakeholders:** Econet, Zimbabwe Farmers Union, Mercy Corps, University of Zimbabwe, other smallholder farmers
- **Timeframe:** Since 2013

AgriFin Mobile, a program implemented by Mercy Corps, facilitated the partnership between Econet, the largest Mobile Network Operator in Zimbabwe, and the Zimbabwe Farmers Union (ZFU) to develop a bundled product for smallholder farmers.

The bundle of services costs US\$1 per month and includes: weather index insurance, funeral insurance, ZFU membership contribution and access to EcoFarmer advisory services. This bundle is called the ZFU EcoFarmer Combo. The ZFU EcoFarmer Combo allows ZFU to collect membership dues gradually and ensures they can provide advisory services and insurance products to their members.

EcoFarmer is a platform developed by Econet, to deliver agriculture services to smallholder farmers via USSD (Unstructured Supplementary Service Data) and SMS (Short Message Service)¹. Currently, farmers who are signed up to Econet can contact a toll-free call center to learn more about agriculture inputs and market prices. Farmers can also subscribe to EcoFarmer to receive agronomic SMS messages, and eventually access additional mobile based financial services.



Over 20 000 farmers have
subscribed to the ZFU
EcoFarmer Combo since
2015

Context and problem addressed by technologies

Smallholder farmers in Zimbabwe lack access to timely and reliable agriculture extension services. In 2013, Econet began developing EcoFarmer, a mobile platform to reach smallholder farmers and provide them with a suite of services, more specifically extension services. In 2013, Econet launched EcoFarmer as a free service to provide weather and agronomic information to farmers via SMS. Mercy Corps supported Econet to develop and roll out EcoFarmer and worked on human-centered design research to better understand the needs of the farmers and to ensure the product is well accepted and adopted.

Despite farmers' affirmation that they would be ready to pay for their extension services, during the rollout of EcoFarmer, it became clear that farmers did not value solely SMS messages and that additional services would need to be bundled into EcoFarmer to provide a value proposition that farmers were willing to pay for. The partners worked closely together to develop a more comprehensive bundle of services that not only were value for the farmer, but would generate revenue for ZFU and Econet. ZFU already had agents located throughout the country, had the capacity to work with farmers to make payments over mobile money and collect payment for their monthly fees – which offered an opportunity to bundle the payment of EcoFarmer with ZFU monthly fees and for ZFU to provide additional services to their members.

The ZFU EcoFarmer Combo is targeted to meet the needs of smallholder farmers throughout Zimbabwe. Initially, the combo will be sold only to

farmers who are already Econet subscribers, and ZFU members. The product will be adapted depending on the needs of the farmers, in different natural farming regions.

The practice of developing a partnership between Econet and the Zimbabwe Farmers Union began in 2013. While both Econet and ZFU had the same goal, helping smallholder farmers, the partnership took time to develop. An agreement was reached in 2013 between Econet and ZFU to work together on developing and rolling out services for smallholder farmers.

Role of the different stakeholders

Mercy Corps:

- Builds the ecosystem of partners and assists with the relationship management
- Conducts assessments to evaluate product performance
- Assists in EcoFarmer product development, including collecting farmer feedback
- Supports system development
- Aids in developing marketing materials for enhanced visibility and conducts financial and digital literacy trainings

Econet:

- Co-product champion and owner
- Leads on system development
- Leads on production and design of marketing material
- Provides data for monthly indicator reporting
- Supports training of agents

Zimbabwe Farmers Union:

- Co-Product champion and owner
- Promotes the ZFU EcoFarmer Combo through the agents network
- Leads training of agents on ZFU EcoFarmer Combo

University of Zimbabwe:

- Leads on reviewing EcoFarmer agricultural content

The development of the ICT used: ZFU EcoFarmer Combo

The ZFU EcoFarmer combo was developed to provide farmers with bundled services including the EcoFarmer platform, funeral insurance, weather index insurance and ZFU dues. The cost of these services is US\$ 1 per month, to be paid directly through the mobile payment service Ecocash. ZFU agents assist in the distribution of the services and help farmers with any queries related to the product.

The bundle's three main components - EcoFarmer, insurance and ZFU membership - complement each other.

- EcoFarmer is a USSD based platform that provides its users with extension services via SMS; access to a toll-free call center for farmers to communicate with input suppliers and a bid offers platform for farmers to sell

their crops directly to buyers. Additional extension and financial services are under development.

- The insurance for farmers is a combination of weather index insurance to cover maize crop from extreme weather conditions such as drought or excessive rain, and is complemented by funeral insurance. The insurance products are provided by Econet's insurance division, Ecosure underwritten by Econet Life (Private) Limited which is responsible for verifying claims, ensuring payouts and managing the insurance portfolio.
- Farmers are able to pay for their ZFU membership, which entitles them to work with ZFU district and provincial structures and ZFU agents to access discounts on inputs, buy inputs in bulk.

While the ZFU EcoFarmer Combo meets the needs of farmers, the innovation that has led to its success has been the partnership between ZFU and Econet.

The ZFU agents are able to be the face of the Combo and provide on the ground customer support. Additionally, ZFU is a well-respected institution with Zimbabwean farmers and the partnership was able to build upon that relationship to build trust. Most importantly, ZFU and Econet have a shared financial incentive to sell the Combo to help increase outreach and the number of members/clients.



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Farmer
using the
ZFU
EcoFarmer
Combo on
his mobile
phone

Impact

The business model developed between Econet and the ZFU has already increased the number of paying users of EcoFarmer and increased the number of ZFU members who were regularly paying their dues.

The EcoFarmer Platform has over 700 000 registered farmers and since the partnership began in 2015, over 20 000 farmers have subscribed to the ZFU EcoFarmer Combo.

As for the impact to the farmers, Mercy Corps is currently collecting data from farmers who are using the combo to determine if there have been increases in yield or income due to using EcoFarmer. Mercy Corps is also looking to see if the insurance products being offered have increased farmer resiliency.

Innovation and success factors

There are many organizations that are working to provide farmers with agriculture SMS extension messages, insurance, or access to markets. The innovation in Zimbabwe has been a business model built off the commercial agreement between Econet and ZFU. The partnership between Econet and ZFU has succeeded because the partners financial and social goals were aligned and the organizations were able to complement each other: ZFU by providing on the ground access and coaching to farmers, and Econet providing farmers access to a series of services needed by farmers to improve their activities, i.e., extension messages, trade platforms, and insurance.

The ZFU Combo model is a unique example of a farmer's organization and the private sector partnering successfully. Too often, large companies try to reach farmers through their existing network of agents with high costs and low returns.

Mercy Corps is working to replicate the Zimbabwe model to the banking industry in Indonesia, whereby local farmer group unions assist banks in their roll out of an agent-banking platform.

In addition to the partnership model, the bundle of services being provided in the ZFU EcoFarmer Combo offers a unique selling point. Mercy Corps, Econet and ZFU were able to work directly with farmers to identify their needs: insurance,

information services and better access to buyers. Working together, the partners created an affordable bundle that met these needs, and developed a product that farmers valued and were willing to pay for.

The macroeconomic conditions in Zimbabwe and specifically the cash shortage have increased the number of mobile money transactions, which facilitated the adoption of Ecocash for service payments. Farmers can easily subscribe to the service and not worry about finding scarce physical currency to pay for ZFU membership or EcoFarmer.

Constraints and challenges

Challenges for the ZFU EcoFarmer Combo have been:

- Managing both developmental and commercial objectives. Although both institutions are clear on their objectives there is need for partners to continue to contribute to the achievement of both objectives to achieve a win-win outcome. Mercy Corps has worked with both parties to identify barriers, and to determine how to ensure working together, Econet and ZFU can reach more farmers and achieve set objectives.
- In Zimbabwe, mobile phone penetration is above 90 percent however access and use of smartphones in the rural areas is limited. This also limits the sophistication of the services that can be developed for smallholder farmers, as the services have to be inclusive. EcoFarmer is built on USSD and complimented by SMS messages. By working with ZFU agents, farmers are able to access EcoFarmer and have someone on the ground to guide them through the USSD menu. There are extension workers on the ground who are able to compliment the information shared to the farmers over SMS.
- Farmers limited knowledge about weather index insurance has affected the adoption rates of the ZFU EcoFarmer Combo. Weather index insurance is a fairly new concept amongst smallholder farmers in Zimbabwe.
- The agents are restricted in their mobility and hence have constraints to mobilize farmers.
- Farmers cash flow is dependent on the planting season which has a direct impact on when farmers can pay or use the platform. Farmers

do not have monthly inflows of income as they depend on a “marketing” season once or twice a year depending on the crop. Farmers therefore have challenges in paying the monthly premium. This has resulted in inconstant payments for the service.

Lessons learned

Key lessons learned from trying to deliver technology solutions to smallholder farmers include:

- The importance of having an on the ground presence who can introduce the technology solution and provide on the ground feedback to farmers. It is important that these on the ground representatives already have a relationship with the farmers, as this trust will help when introducing new concepts.
- For farmers organizations and the private sector to partner successfully, it is important for the incentives of both organizations to be aligned. Econet and ZFU both gained from signing farmers up to the ZFU EcoFarmer Combo, and this relationship increased accountability on both sides.

Sustainability

The partnership between ZFU and Econet is commercially sustainable if both organizations are able to continue to grow the number of subscribers. This will be dependent on farmers continuing to see value in the combo and subscribed farmers being able to increase incomes and to afford the combo.

Mercy Corps, will be conducting a gender audit of the ZFU EcoFarmer Combo. The findings will work to capture any unintended gender externalities of the service and also provide a specific set of recommendations for Econet, to ensure that female farmers are included in EcoFarmer’s ongoing expansion.

Replicability and upscaling

AgriFin Mobile, the Mercy Corps Program operating in Zimbabwe, is also in Uganda and Indonesia.

In Indonesia, the team has replicated the private sector-farmer organization partnership model developed in Zimbabwe. Mercy Corps worked with the largest commercial bank, Bank Mandiri, to partner with local farmer unions to expand the banks mobile banking service. Bank Mandiri’s partnership with local farmer organization evolved in a very similar manner to Econet, where the initial rollout of the mobile banking service did not reach the uptake that was anticipated. Looking for assistance in reaching rural Indonesian’s Mercy Corps worked with the bank to identify specific farmer group organizations to train and become Bank Mandiri agents. Bank Mandiri has found the farmer group agents to be great ambassadors for the mobile banking service and is replicating this model to new districts within Indonesia.

Farmer’s story

Motion Muziti, a farmer from Buhera talks about the EcoFarmer advisory tips: *“In this district we had a problem. Our cows would have many calves, sometimes as many as six. But for every six calves born, perhaps three would survive. The rest would die. Through the ZFU EcoFarmer Combo, we received messages that both the calves and mothers need to be vaccinated soon after birth to prevent any diseases from spreading from mother to calf and from calf to mother. Our herd size began to grow. The four cows you see were born this year. There were no mortalities. There are outbreaks of diseases that occur. Through the messages, we heard of them before they spread to our area. We then buy vaccines to protect our livestock. So our losses have been minimized. Prevention is better than curing. We will save on treatment money through prevention. We are truly grateful for the support ZFU EcoFarmer Combo is giving us.”*

More testimonies can be heard in the following video: <https://youtu.be/MxQioYjwd2I>



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Trey Waters is the director of AgriFin Mobile, which started in 2012 and is currently working in Indonesia, Uganda and Zimbabwe. AgriFin Mobile is working with private sector partners, including both the financial services industry and the telecommunications industry, to provide bundled financial and agriculture services to 280,000 smallholder farmers. Trey has a master's in Social Enterprise from American University and is currently based in Chicago, USA.

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Resources and footnotes

- Website: www.agrifinmobile.org
- Unstructured Supplementary Service Data (USSD), sometimes referred to as "Quick Codes" or "Feature codes", is a protocol used by GSM cellular telephones to communicate with the service provider's computers. USSD can be used for WAP browsing, prepaid callback service, mobile-money services, location-based content services, menu-based information services, and as part of configuring the phone on the network. USSD messages are up to 182 alphanumeric characters long. Unlike Shore Message Services (SMS) messages, USSD messages create a real-time connection during a USSD session. The connection remains open, allowing a two-way exchange of a sequence of data. This makes USSD more responsive than services that use SMS. (Source: Wikipedia: https://en.wikipedia.org/wiki/Unstructured_Supplementary_Service_Data)
- All pictures © Mercy Corps/AgriFin Mobile Zimbabwe

E-AGRICULTURE CALL FOR GOOD AND PROMISING PRACTICES

This document was developed in the framework of the 2017 e-Agriculture Call for Good and Promising Practices on the use of ICTs for Agriculture and Rural Development in collaboration with the Food and Agriculture Organization of the United Nations (FAO) and the Technical Centre for Agricultural and Rural Cooperation (CTA).

e-Agriculture is always happy to review your good or promising practices! You can submit a proposal, following the sections in this document to e-agriculture@fao.org
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