



The company helping Kenyan farmers get a fair price

posted by *Alison Ratcliffe* in *Supply chain*

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While some of Kenya's 7m or so small farmers live near highways, which allows them to achieve relatively competitive prices, many more live in remote locations that are isolated from the market.

The issue is familiar to one enthusiastic reviewer on online Kenyan women's 'talk shop', *FemmeHub*.

"As an example among many, my mother has dozens of mango trees and, during the season, her compound is teeming with brokers who try to buy sackloads at a song," she writes.

"Where they sell these mangoes and the mark-up they attach is not in the farmer's knowledge, but one thing is for sure. They are making thousands at the expense of the farmer because they have maintained a level of mystery in the supply chain and farmers do not know what is on the other side."

Markit Opportunity aims to solve that problem, citing urban onion trader Wanjiru as an example. She won't trust a third party to guarantee quality produce, so she travels long distances to producers, losing out on income from her city stall in the process, spending money on travel and risking the theft of the large amounts of cash she must take for her purchases.

Markit Opportunity's initial solution is elegantly simple, if arduous, to set up. *Onabei* is a common Kiswahili phrase meaning 'check the price'. The website onabei.com displays Markit Opportunity's SMS number. Users can text it to access market information ("What's the price of tomatoes in Nairobi?"). The service also functions as a double-sided auction platform for matching buyers and sellers, who can submit a bid or ask about specific crops at specific locations. It promises match-ups that are both more profitable for the farmer and cheaper for the trader.

The hard work comes in providing Markit Opportunity's quality guarantee, which the company blog explains will be ensured by "tedious registration verification techniques and the implementation of our newest Trust Score to ensure each farmer on our platform is well known to us and carrying out the best farming practices."

Users' locations and identities will be tracked and every action on the platform traced. The eventual aim is to additionally offer a logistics service, organising trades and transportation.

Markit Opportunity's fees, 1Ksh (£0.0067) per kilo for matching and 3Ksh, for organising a trade were arrived at through consultation. A pilot – concentrating on red onions – began in October last year and runs until February. It involves two groups of 100 farmers in western and central Kenya, and dozens of traders in western Kenyan cities. One farmer group will be subject to crop monitoring, to see if this makes the scheme a better sell.

Matching was due to begin last month and experiments earlier last year were promising: "Farmers, brokers and traders went on to ask us where they could buy or sell at the price we were quoting them," says the company. "It proved that connection to information was not only critical to decision-making, but that the prices we found in urban markets are sometimes better than the options they have closer to the farm." Funds raised from the pilot will go only to direct costs.

Last November, *Markit Opportunity won the Barclays Africa Supply Chain Challenge*, open to 18 to 35-year-old entrepreneurs, which aims to redefine a more transparent supply chain, with judges lauding its mix of experience and its scalability.

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