



AGRIMANAGR

Area of Focus: Supply chain management

How it works: VirtualCity, a supply chain management solutions company in Kenya, has been selling its AgriManagr software for five years. AgriManagr is a software platform used by outgrowing companies to improve their efficiency by automating the procurement process. The farmer's registration information, GPS coordinates of the transaction location, and time of delivery are recorded at collection points using a mobile device (e.g. tablet or smartphone) enabled with AgriManagr. The product is then weighed on a digital scale and recorded directly to the system (via a wireless connection) which calculates the payment owed. Farmers are sent an electronic receipt by email or given a printed receipt. The software also tracks transportation from collection point to the warehouse in real time and can be accessed by management. Drop-off weight at the warehouse is compared with pick-up weight and an exception report is automatically generated if the difference is greater than an allowable margin of error. The system immediately uploads information onto the network through mobile devices, or stores information offline until a data connection is available. All data is backed up to a cloud system. VirtualCity also trains users in the use of the technology, as well as farmers to trust the technology and understand the benefits it creates.

Technology Used: Smart phone and tablet software, digital scales, GPS, email, and a database

Implementer/Funder: Paid for by companies out of their own operating expenses.

Fees: There are no fees for farmers. Prices to companies vary, with a base price of \$25/month per buying route plus additional costs based on the complexity of the supply chain.

Primary Markets: Kenya and Tanzania

Users: Several thousand smallholder farmers benefit from the Kenya Tea Development Agency's use of this software, as well as those company staff who receive VirtualCity's training.

Business Model: Agribusiness companies procuring through outgrowing operations are using this software, including the Kenya Tea Development Agency. VirtualCity sells licenses to use its software through a monthly subscription service where companies are charged for their use based on the number of buying routes, number of collection hubs, factories and processors within the supply chain. Companies implement this system into their procurement operations. Improvements to their supply chain can offset the costs of using the system. Farmers are not directly charged for use of the service. Agribusiness companies sourcing through outgrowing operations on a large scale, especially for the export market where traceability is essential, are ideally positioned to benefit from implementing such a system.

Impact: Results from existing users have shown reduced weighing time at farm gate and a reduction of up to two months in the time it takes to pay farmers. In addition, farmers now have a balance sheet and record of all their transactions which can be used as proof of income to banks or other institutions. This data trail is important, because farmers might not otherwise have any documentation crucial for getting loans.

For more information visit: www.virtualcity.co.ke

Source: Information provided by Silas Macharia of Virtual City in May 2012

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