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# ICT and AG Profile

## DUNAVANT

**Area of Focus:** Mobile payments

**How it Works:** Dunavant, the largest cotton company in the Zambia, is pilot testing the use of e-vouchers that are redeemable for cash, merchandise, and other services including school fees. During the redemption process, retailers confirm the farmer's identification and are immediately credited with the redeemed e-voucher's value. The entire e-voucher system and network was developed, and is currently maintained, by a private third party IT solutions provider, Zoono (formerly Mobile Transactions). All of the relevant actors (i.e., company, farmer, and retailer) must establish an account with Zoono, which enables them to track, administer, and manage their money transfers via the network. Using e-vouchers improves Dunavant's ability to track, monitor, and administer payments to a large network of suppliers.

**Technology Used:** SMS

**Implementer/Funder:** Dunavant pays for the Zoono service out of its operating expenses.

**Fees:** There are no fees for farmers. Dunavant covers the cost of Zoono transaction fees.

**Primary Markets:** Zambia

**Users:** Dunavant is piloting within its network of over 40,000 cotton farmers.

**Business Model:** Dunavant is using e-vouchers as a more efficient and secure means to pay their outgrowers. As the developer and administrator of the e-voucher network, Zoono charges a transaction fee which is paid by the company. Dunavant deposits the full value of the e-vouchers into their Zoono account, which is used to make immediate payments to participating retailers upon redemption by the farmers. Zoono provides 'real time' reports on the distribution and redemption of e-vouchers by their targeted farmers. With reduced administrative costs and improved targeting, Dunavant also hopes to increase its outreach of contracted outgrowers.

**Impact:** Parmalat claims that the security concerns of remote rural staff associated with transporting and disbursing numerous cash payments have been reduced. Moreover, the registration of farmers has enabled Dunavant to build a database of its suppliers for the dissemination and compilation of information via mobile phones, increasing long term efficiency. The system has also facilitated the ease of doing business by expanding farmer payment options at participating retailers. This reduces the risk generally associated with cash transactions to both farmers and retailers.

**For more information visit:** [www.zoono.co.za](http://www.zoono.co.za)

**Sources:** Interviews with Hans Hesse, eVouchers Payments Manager at Zoono and Gracious S. Hamatala, Yield Program Manager at Dunavant Zambia in May 2012

### DISCLAIMER

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