



## PLANT AGRICHEM SERVICES

**Area of Focus:** Discount coupons

**How it Works:** Zambian input supplier Plant Agrichem Services Ltd. distributes discount coupons, good for a discount of 5% off purchases of specific inputs, to the rural agents that represent the company and sell their products. Each coupon contains space to note the rural agent's name and identification number as well as the name and identification number of the farmer that receives it. Farmers can then redeem these coupons at the nearest company outlet to receive a discount on their purchase, while the respective rural agent receives a commission on the sale. The system is facilitated by an electronic agent database and tracking system that was developed to manage the payment of commissions and monitor product sales. Once the discount coupon information has been entered into the database by branch office managers, it is automatically sent to a corresponding system at the company's head office where it can be used to monitor agent and branch sales. Some farmers still prefer to purchase inputs from a company outlet in town rather than from an agent who may have travelled directly to a farmer's field and provided extension advice. Therefore, Plant Agrichem Services began offering this service to improve commercial incentives for their rural agents and increase sales. In addition, by allowing farmers to purchase products at reduced prices, it offers further incentive for them to purchase through rural agents.

**Technology used:** Electronic agent database and tracking system

**Implementer/Funder:** This initiative is fully paid for by Plant Agrichem Services Ltd.

**Fees:** There are no fees for farmers.

**Primary Markets:** Zambia

**Users:** At present, 25 of Plant Agrichem Service's 63 rural agents issue discount coupons and have issued 500 coupons to farmers since beginning the program in August 2011.

**Business Model:** Plant Agrichem uses the discount coupon scheme to: 1) provide incentives for farmers to purchase its products, and 2) encourage its rural agents to increase their outreach to rural areas and provide useful information to the farmers. The coupons provide incentives for farmers as well as the rural agents (to expand outreach and sales). The agent commissions range from 5% to 20%, depending on the sales value and type of product sold.

**Impact:** As the program is new, the impact of the discount coupon program has not yet been measured. Plant Agrichem hopes that the program increases input sales through agents and improves the productivity of small-scale farmers through increased access to information and appropriate inputs. The database developed to administer the discount coupon scheme is helping the company monitor and manage its rural agents. The improved efficiency of commission payments helps to increase product sales and improve the commitment and enthusiasm of rural agents.

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**Sources:** Interview with Plant Agrichem Services in May 2012

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