

The Commercial Market Opportunity for Weather and Climate Services in Africa

“Making Weather Information Commercially Relevant to the end user”

15-17 March , 2016 , Avani Falls Livingstone, Zambia

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Structure of the Presentation

- Market Information – Service definitions
- Service delivery models
- Opportunities
- challenges/barriers
- Critical Success factors
- Conclusion

How we Define Market Information

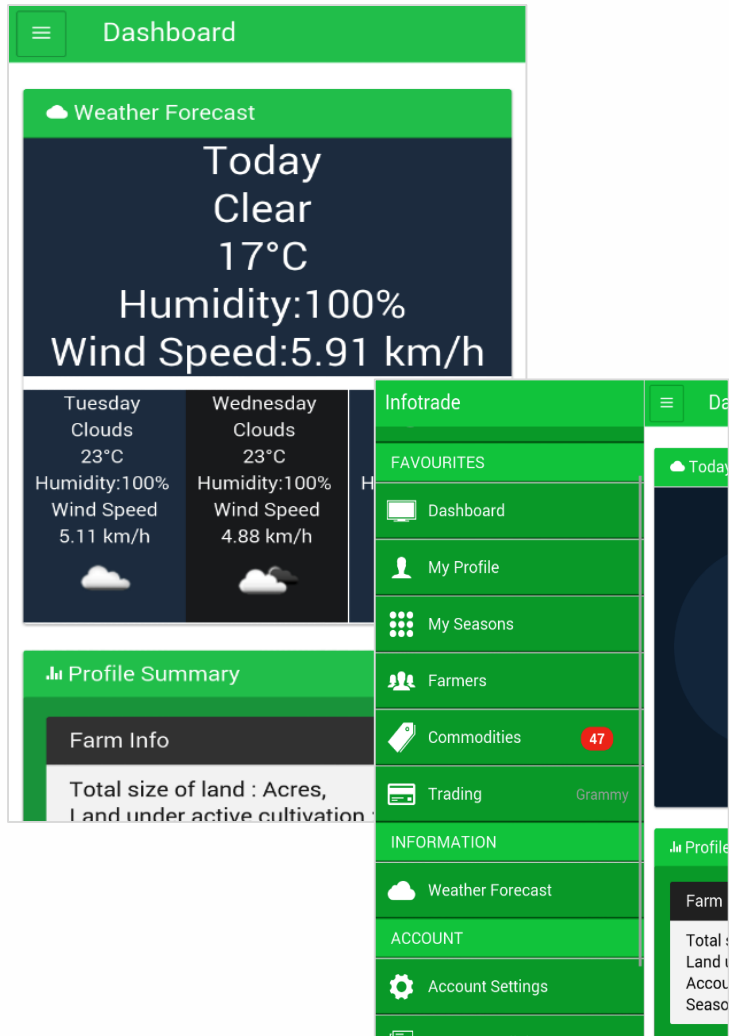
- Market information is a business resource that contributes to the know – how and increases the chances for agricultural chain actors to manage **prevailing situations** and **plan for the future market** opportunities
- It includes data from :



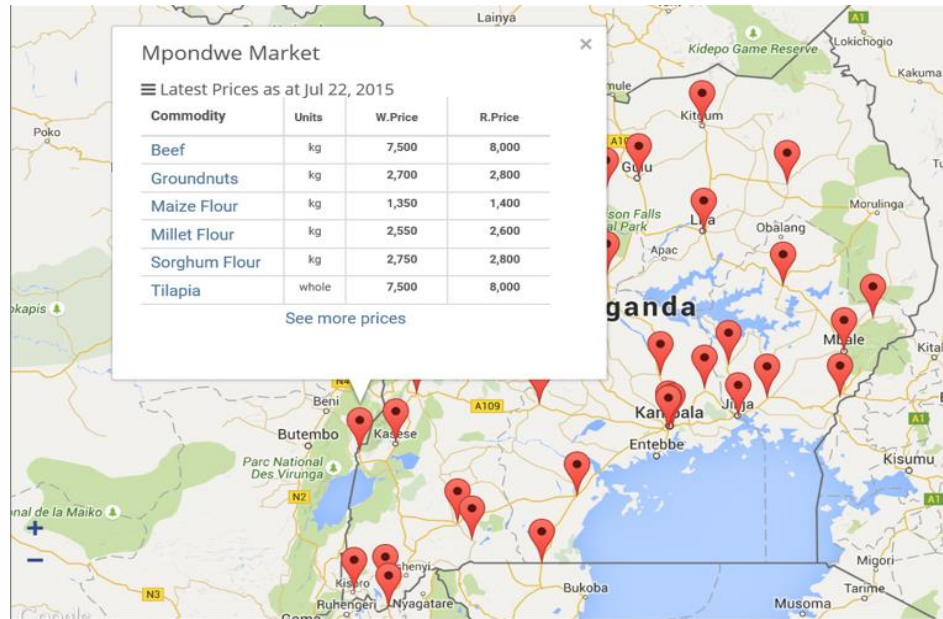
Market Information as a bundle services desired by the end user

- It is beyond price
 - **Transaction option** : *farm gate or spot prices, relative market prices*
 - **Market**: *buying association, post harvest storage services, transport costs /services, Quality expectations*
 - **Production** : *It is info about the seed type, soil type, planting time, soil moisture content, gap distance between crops, water management*

Weather Info is part of MI & considered as a 'public good'



- Needs to be offered as bundle to other services
- Packages in relation to the community /area of interest
- Crop or Agricultural Zone Specific
- Simplified interpretation



Coverage of Business Information (Infotrade)

- Markets covered with 35 Data Collectors (Retail and Wholesales prices)
- Prices collected 3 times a week
- Collect prices about 47 commodities / crop varieties.
- **SMS 8555 – 679,000** via mobile

UNDERSTANDING OF AGRIBUSINESS IN CONTEXT OF WEATHER

Area	Facts in the Operating Environment
Market Review	<ul style="list-style-type: none">• Farmers are aware of the impact of weather on the yields and market outputs.• Farmers have experienced bad and good weather during the farming life cycle• Some crops are abandoned in bad weather for survival
Production	<ul style="list-style-type: none">• Low production and Quality of produce does not match the standards due to mismatch in market expectations and production potential of the area.• Choice of crops for production does not match soil types, zonal climatic and water use patterns.
Transaction	<ul style="list-style-type: none">• Poor prices are obtained with crops affected by bad weather• Late or early harvests affecting the end price in the market• Increase transaction costs for farmers borrowed cash for the farm.• Financial insecurity due to unforeseen changes in weather

ISSUES TO BE ADDRESSED

Production

- **To have :**
- *Agricultural Zoning*
- *Soil types*
- *Historical weather trends per area*
- *Farm Profiles & area practices patterns*
- *Farm Records & yield information support the weather information.*
- *Means of dissemination and interpretation.*

Markets

- **Expectations**
- Regular Market Information
- Commodity Based market Intelligence indicating the low supply for season type or calendar year
- Product handling information in relation to weather.

Transaction

- **Needs :**
- Price variations per season
- Appropriate credit solutions for crop insurance against bad weather
- Farm Risk Reduction
- Crops risk analysis model per region and season.

Commodities on the Platform

Commodities

Listing market commodities by current average Price

List All

List with Current Prices

List by Category

List by Type

Average Prices across all Markets ▾

Agwedde Beans



Wholesale: 2,350
Retail: 2,550
Unit: kg
Category:
Pulses

Apple Bananas



Wholesale: 1,850
Retail: 2,250
Unit: kg
Category:
Fruits

Beef



Wholesale: 8,200
Retail: 9,250
Unit: kg
Category:
Animal Products

Cassava Flour



Wholesale: 1,100
Retail: 1,300
Unit: kg
Category:
Root Crops

Cassava Fresh



Wholesale: 950
Retail: 1,250
Unit: kg
Category:
Root Crops

Cavendish (Bogoya)



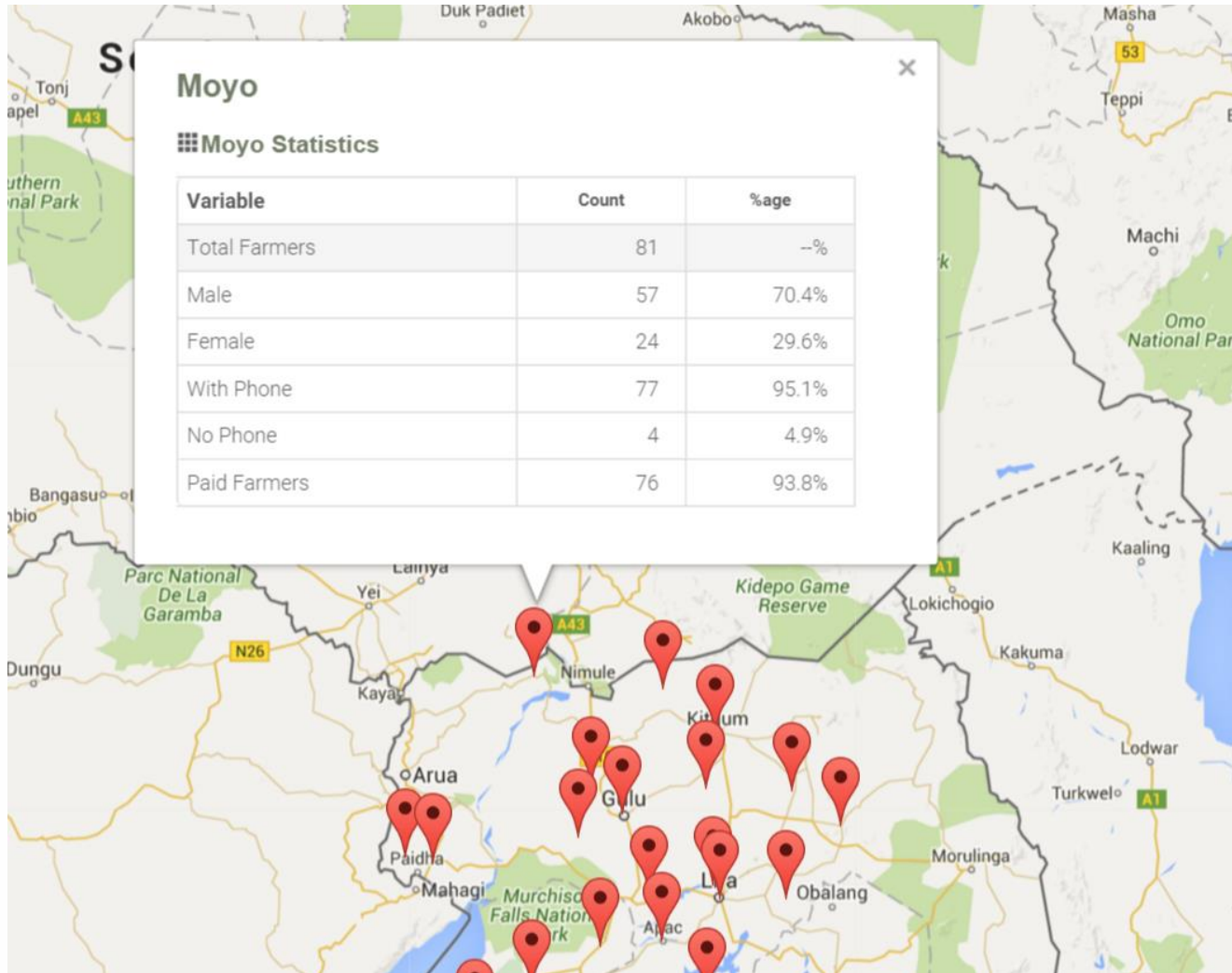
Wholesale: 2,650
Retail: 3,150
Unit: kg
Category:
Fruits

Coffee (Arabica)

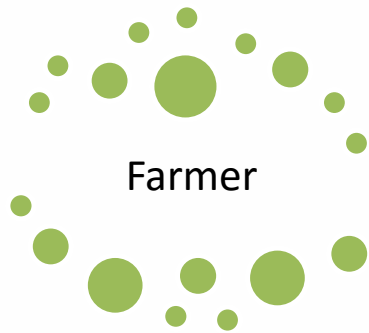
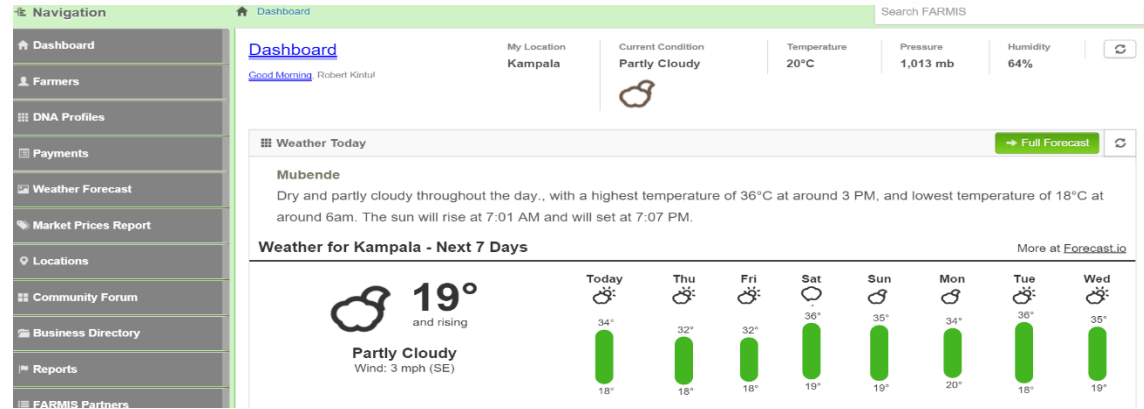
Cow Peas

Dry Fermented Cassava

Paid up Farmers for Bundles services



DESIRED OUTCOMES *for the stakeholders*



- Increased Yields
- Access to Credit
- Predictable Weather patterns
- Agricultural Risk Reduction



End
Markets

- Sustainable supply
- Price stability
- Good Quality produce
- Visibility & buying options/ choices per season



Services Provider
MIS

- Continuity of Weather content and its linkage to the other data in production and marketing.
- Good analysts for the end users.
- Sustainable business relations and partners
- Revenue shares



- Introduction to Clients
- Enhanced Farm KYCs
- Farm Performance tracking
- Access to farmer Credit Rating
- Zone Based Agricultural financing package per crop

Approach to Integration of Weather data in Market information Services

Service Integration Model

- Mapping of Areas
- Service packaging
- Linking content to the Services model
- Content sustainability models
 - Content Generations
 - Data entry & Analysis
 - Capacity building of end users
 - Service Delivery
 - Feedback and Client Survey
 - Documentation & Reporting
- Business partnerships and alliances
- Signing Collaborative MOU
- Revenue sharing arrangements

Sustainability /Position of Weather Information as a service

Business Linkages and Partnerships For Holistic Service Delivery

Content Sourcing

Storage /Distribution/
Education Content Packaging and regular updates

Technology development /Connectivity Linked to Traditional channels

Social /Public /Private Activity Funding and Revenue share

Packaging the Service for a fee



1. Annual Subscription
2. Price and collected at the marketing outlet / buying store
3. Price collected at service provider E.g. financial institution etc.

Questions,

- ***who pays for the content sourcing , generation and its sustainability ?***
- ***Is the bundled Service affordable ?***
- ***What is the role of public sector Vs Private ?***

Public Sector -Interventions Areas

Farmers

- Awareness and Public engagement activities
- Marketing and Service packaging for the rural farmers
- Cluster training of weather for farmers
- Service Extensions in partnership with service providers

Local MIS

- Cooperatives Membership and client development
- Interpretation of the weather information
- Facilitating and Monitoring Service delivery
- Rural Extension support
- Technical training and staff support for content generation
- Public – Private Partnership brokerages
- Re- packaging the content for different audiences

Other Partners /Services

- Facilitation of Marketing and Rollout initiative
- Service promotion and modeling
- Bundling and distribution strategy (jointly managed)

Barriers of Entry

- Farmer profiles and their linkages
- Channels of disseminations – associated cost of delivery of the information
- Storage services
- Interpretations
- Sourcing and Payment for the technical personnel in data interpretation and simplification.

Critical Success Factors

- Content sourcing
- Sustaining the flow of information
- Finding the local service partners
- Establishing a the role of government
- Nature and value of the other bundled services



Business Revolution and Service Cores since 1997

Business Development Services

- Ground Research
- Pilot Projects,
- Value Chain Development
- Consultancy Services
- Publications

Business Tailored Training

- TOTs
- Training Methodologies
- Professional Enhancement

Business Information

- **Basic**:-Market Intelligence
- Market info
- Weather Info
- **Premier**:- F-Profiling
- F-Record Keeping
- F-Credit Rating
- F-Market Linkages

Rural Financial Inclusions

- **Markets**:
- Rural Cash Systems
- Virtual Marketing
- Financial Loops
- Storage linkages
- Input linkages
- Loan linkages
- Crop Insurance

ISO CERTIFICATION AND MEMBERSHIPS

FIT UGANDA LIMITED was incorporated in 1997, with its Head office in Kampala, Regional Office in Gulu,

Licensed Services : Kenya with Sokopepe

Affiliate Companies : - FIT Kenya , FIT Ghana

Achieved ISO certification in 2008, becoming the **first Business Development Services & Consultancy in Uganda** to receive the certification and further consolidating its status as a key leader in innovation.

ISO certification inspires confidence in clients that FIT Uganda adhering to high standards of service delivery. Audits are conducted by bureau VERITAS once every year to ensure that the company abides by its corporate policy and service is delivered by the indicated timeframes and standards.

We are members to :

MIS Agriprofocus – Network in Uganda

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Thank you



Questions and Answers