AGRO-HUB: Building the next generation of agricultural markets in Cameroon: Enhancing agricultural markets in Cameroon through a food cooperative.

Buea, Cameroon

Colong Nyiwung

Year Founded:
2010

Organization type:
for profit

Project Stage:
Growth

Budget:
$250,000 - $500,000

Website:
http://www.agro-hub.com

Twitter:
http://twitter.com/agrohub

Facebook:
https://www.facebook.com/agrohub

- Food security
- Poverty alleviation
- Rural development
- Rural

Project Summary

Concise Summary: Help us pitch this solution! Provide an explanation within 3-4 short sentences.

AGRO-HUB is a food distributor and retailer co-operative aimed at upgrading Cameroon’s agricultural markets by setting up of a chain of food stores offering fresh foods sourced from multiple smallholder farmers. We exist to bolster smallholder farmers' access to dedicated agricultural markets.

WHAT IF - Inspiration: Write one sentence that describes a way that your project dares to ask, "WHAT IF?"

What if farmers have a ready market for their produce even before they harvest?

About Project

Problem: What problem is this project trying to address?

Cameroon has huge untapped agricultural potential; 70% of the active population is employed in agriculture while only 26% of arable land is being cultivated. Farmers want to grow more food but are discouraged to do so because they are unable to sell or gain fair prices for their products when productions are high due to poor and volatile food market conditions. Farmers need access to better markets to enable them take risk to grow more food.

Solution: What is the proposed solution? Please be specific!

Each community will run at least a storehouse and a fresh food store managed by our AGRO-MART chain of fresh food stores. Farmers will supply their produce at the storehouse(s) from where they will be sold wholesale to bulk buyers or transported to our fresh food stores offering
modern shopping experience to consumers. At the backend, AGRO-HUB marketing and sales team will actively find new ways of reaching consumer and seek out sales leads with companies, exporters and buyers on the internet. We act as smallholder farmers’ marketing and sale department freeing them of the burden of finding markets for their products, expanding their markets from local to global and we’ll own the most reliable database of farmer activities in Cameroon.

Example: Walk us through a specific example(s) of how this solution makes a difference; include its primary activities.

Mama Nkeng is a farmer who grows maize and vegetable in Muea. She made a good harvest last year but 40% of her vegetable was wasted while she sold her maize at half the market price during the peak season. This year she is worried and she thought of halving the size of her farm but then she learned about AGRO-HUB and became a member. She finds hope and pledges to double the size of her farm instead because she knows AGRO-HUB will handle marketing and sales of her produce in a wider market and her annual income will quadruple if AGRO-HUB delivers the promise. This year after harvest, she supplied her vegetables to AGRO-MART (paid at supply) where it was packaged and sold off the shelves in our fresh food store. Problem solved for Mama Nkeng!

Impact: What is the impact of the work to date? Also describe the projected future impact for the coming years.

We have engaged over 50 young Cameroonian into agricultural entrepreneurship. The co-op board and management consist mostly of young professionals under 30. We have an active member base of 505 members including some 405 farmers (whom we have helped increase their customer base and boost their incomes) and some 100 consumers. Over 500 customers now prefer to shop at our food store monthly. Our members believe AGRO-HUB is the solution to unlocking Cameroon’s agricultural potential. We have carried out mobile/Twitter SMS training with about 100 of our member farmers who are now using the service to access information and stay connected to news around the world. We plan to increase our member base to above 1000 by next year and 5000 by year 2. We shall move to other communities, identify early adopters and encourage them to replicate our co-op model in these communities.

Spread Strategies: Moving forward, what are the main strategies for scaling impact?

Our main spread strategy is to identify early adopters (individuals or co-op groups) in other communities all across Cameroon and who will replicate our co-op model in their communities. We have received requests from members in more than 5 other communities to launch our co-op model in their community showing the strength/potential for replication. Our most powerful marketing tool has been word of mouth to start a tribes’ movement. Our chain of food stores will grow as the tribes grow spreading over the country transitioning the open-air market to a co-op driven chain of fresh food stores.

Sustainability

Financial Sustainability Plan: What is this solution’s plan to ensure financial sustainability?

The co-op will depend on contributions/investments from members and grants from government and other donors to support the early/loss stage of the co-op. As the member base grows and the co-op gains reputation and popularity, our financial sustainability will switch and rely mainly on sales and exportation of food stuffs and products sourced from our member farmers and sold through our food stores.

Marketplace: Who else is addressing the problem outlined here? How does the proposed project differ from these approaches?

AMIS and The Government are two actors in this sector. AMIS approaches the problem using SMS based market information system which brings information to farmers but not buyers or income. Farmers need more than just market information to help them sell their products. The Government builds local markets which largely help villagers to trade between each other but does little to drive demand especially during peak harvest. Furthermore, these markets are characterized by all kinds of customer service fails acting as deterrents to consumers. We provide modern shopping experience to consumers.

Team

Founding Story

I grew up between the ages of 8 and 19 assisting my parents in the fields. We worked laboriously planting crops and harvesting abundant quantities, yet on market days, we will not earn commensurate income from the sales. I remember my father always complaining “there is no money!” Even during a good harvest, my parents still lack enough funds to pay my tuition fee($25). While a freshman, I took a course in marketing and sales that helped me narrow down the problem my family was facing to marketing. Like most farmers in Cameroon, my parents grow crops neglecting the market and expect to somehow sell at better prices on market days. I knew I have to fix this problem.

Team

The lead team comprises of the co-op board and management. The board and management is made up of highly motivated young professionals with background in Finance, Management, Accounting, Software Engineering, Agronomy, Marketing and Sales. The board was elected by the members and each board member was elected based on competence and entrepreneurial capability. Our manager was appointed by the board and this too was based on qualification.
## About Your Project

**Organization Name**

AGRO-HUB Co-operative Society Limited

**Organization Country**

, SOU, Buea

**Country where this project is creating social impact**

, SOU, Buea

**How long has your organization been operating?**

1-5 years

The information you provide here will be used to fill in any parts of your profile that have been left blank, such as interests, organization information, and website. No contact information will be made public. Please uncheck here if you do not want this to happen.

## Your Solution

**Founding Story: Share a story about the “Aha!” moment that led you to get started and/or to see the potential for this to succeed.**

I grew up between the ages of 8 and 19 assisting my parents in the fields. We worked laboriously planting crops and harvesting abundant quantities, yet on market days, we will not generate commensurate income from the sales. I remember my father always complaining “there is no money!” Even during a good harvest, my parents would still lack enough funds to pay my school tuition($25) in time.

While a freshman, I took a course in marketing and sales that helped me narrow down the problem my family was facing to marketing. Like most farmers in Cameroon, my parents grow crops neglecting the market and expect to somehow sell at better prices in the food market. This practice is not sustainable and I knew I have to fix it after graduation.

**Select Sector(s): To which of Unilever's categories of sustainability does your solution apply?**

Smallholder Farmers.

## Measurable Impact

**Audience: Who have you identified as your customers/recipients and why? How will you get your solution to them or engage them in your initiative?**

Our primary customers are smallholder farmers(15 million) all over Cameroon. They have shown willingness to take risk and increase production if provided with organized food markets. Farmers register to become members of AGRO-HUB. Consumers and bulk buyers form our secondary customers. Consumers and buyers want easy access to fresh foods but find it challenging to reach farmers who grow these foods. Consumers will shop from our fresh food stores while bulk buyers will buy from our storehouses.

**Impact: What is the impact of the work to date and expected impact in the future?**

With 8 employees and 210 member farmers, AGRO-HUB is the first to pilot a fresh food store initiative (launched in March 2013) called AGRO-MART in the South West Region of Cameroon. Our AGRO-MART initiative has helped ¾ of our member farmers sell their products and served over 1000 unique customers. It is still too early to measure the impact on income and production but we forecast a double increase by the end of next year.

We are building what we believe will become the next generation of food markets in Cameroon. We hope to register and help at least a million farmers by 2020 gain access to dedicated markets and roll out AGRO-MART as a franchise country wide. The initiative has been praised by agricultural experts as the best market innovation our food markets have seen in over two decades – reason why the World Bank Group in Cameroon finds us worthy as development partner.

## Growth, Finance & Leadership

**Scaling the Solution: How do you intend to scale your activities over the next two years (e.g., reach new markets, diversity solutions, etc.)? What will make this possible?**

The pilot of our AGRO-MART initiative has proven that it is a service that both farmers and consumers are craving for and AGRO-HUB can in fact be a profitable and sustainable business model.

We want to move from a pilot to full scale operations with the launch of a second of our fresh food store in the town retail center of Buea where we expect to serve additional 50,000 unique customers next year. The prize money will help us reach more farmers and purchase highly needed vehicle(truck) to assist in sourcing of foods to meet growing demands at the first fresh food store. Publicity on the other hand exposes to trade
leads, investors, business connections and coaching which are success factors we need in our business at this time.

**Financial Sustainability: What is your business model to ensure financial sustainability?**

The key to AGRO-HUB's financial sustainability is commission charges. By becoming a member, each farmer agrees to pay 15% of the shelf value of their goods as commission. Therefore the more food we source and sell, the more money we make.

Other future revenue sources we shall exploit include: sales of discounted farm inputs to farmers, advertising (interior and exterior) at the food store and on our website and sales of agricultural market data.

**Experience: Please provide examples of any previous entrepreneurial initiatives you have pioneered.**

With over 10 years experience as a young farmer, I have a mastery of the local food market and rural psychology. I have cofounded 2 successful ICT startups (Zinger Systems and AfroVisioN Group) and a Technology hub, ActivSpaces.

I challenge you to give me the opportunity to make my childhood nightmare go away by helping farmers gain access to markets and alleviate poverty among rural farmers.

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