

Opportunities, Challenges and Recommendations for Agricultural Platforms driving Smallholder Ecosystem Change

Introduction

This summary report was created based on discussions at the Workshop on “Agricultural Platforms driving smallholder ecosystem change”, held online May 4th, 2020, arranged by GIZ, Münchner Kreis, World Food Programme and the World Bank. The workshop was split into two focus areas: (1) inspirational showcases from leading actors implementing or working with agricultural platforms for development, and (2) conducted analysis on [Digital Agriculture Platforms](#) and [Agricultural “Platforms” In A Digital Era](#). Both focus areas were guided by leading experts presenting specific solutions, use cases and approaches. In addition, the workshop used break-out sessions to draw on the extensive knowledge represented by nearly 100 participants. Overall, the exchange explored current challenges and potential opportunities to provide recommendations for the conceptualisation and institutionalisation of agricultural platforms.

Note: there was general consensus that platforms in this context are to be considered as an amalgamated term of digital options to create exchange of demand and supply (market clearing) as well as enable networks and interactions, increase efficiency and effectiveness, create price transparency, exchange and collect data, and other secondary services.

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Platforms are a combination of resources, open access, synergies and collaborations across communities and across rural area

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- Quote Minister Ibrahim Guimba-Saidou, CEO of The National Agency for the Information Society (Ansi), Niger. Keynote video <https://www.giz.de/expertise/html/61637.html>

Opportunities

- **Aggregate and organise** fragmented users, making it easier for them to engage with each other.
- Enforce **minimum standards** and support Platform users to transact.
- Actively **matchmake** between users to create interactions where there is more likely to be an exchange of value.
- Enable scouting, incubation, and acceleration of the innovation ecosystem.
- Capture, aggregate and analyse interaction and customer profile data, and share these to help Platform users make **informed decisions**.
- Enhance **female farmers’** agricultural productivity, yields and income through eLearning, access to credit and guaranteed markets, and increased control over their finances.
- **Expend** farm businesses where multiple services can be offered.
- Improve farming **profit** due to larger market access, cross-selling, eLearning, and improved planning mechanisms.
- Use of platforms can enhance the **digital footprint** which can be used for improved credit scoring and access to credits.
- **Integrated** agricultural platforms have the potential to offer a whole range of products like insurance models, weather forecasting, seed sourcing, or soil testing, all of which can make farming more **resilient**.
- Agriculture **lends itself well** to be managed through platforms as they have:
 - Multiple layers of intermediation
 - Numerous and fragmented market participants
 - Opaque and underused market information
 - High coverage of digital connectivity across market participants.

Challenges

- The digital ecosystem at large is struggling with **access** to information and data to inform their decision-making process, pricing, and product development.
- **Field force** is a main cost driver as it results in high operational costs.
- Platforms and private sector data collectors are **not incentivised** to share their data. Public sector should follow open data regulations, but often struggles with **data quality and reliability**.
- Establishing **field networks and farmer outreach (user base)** is cumbersome and expensive, leading to diminished potential for customer acquisition. This is also due to missing connectivity and/or low-tech capacities from the user base.
- System relevant **partnerships** with the private and public sector to create synergies and influence policies are hard to establish.
- Volatile prices, low transaction values, and geographically unique and seasonal production bedevil the **economics and forecasting ability** for farmers and platforms.
- Expensive and complex **last-mile delivery, storage and communication** are required to connect supply and demand end-to-end.
- Necessary **investment capital** at seed and growth stage is hard to source. In combination with the increased initial costs to build outreach, access data, and grow the network this protracts the non-profitable growth phase.
- **Trust** still depends on a human interaction to help with onboarding and training. These additional resources need to be in place and full reliance on the digital mechanisms is not advisable.
- **Trust and compliance** with local laws requires personal data to be collected and processed in a transparent manner and within control of the data subject.

Recommendations

- Keep the **farmer at the centre** to offer goods and services that are needed, affordable and robust.
- Enable farmers and key actors to strengthen the **user base** (e.g., support access to smartphones).
- **Learn** from developed markets to understand the potential and plan a systemic change that includes all stakeholders whilst managing risks.
- Equally, businesses and public sector should recognize the local complexities and limitations to allow for innovative solutions (e.g., banks should consider available information for credits).
- **Governments** need to provide the necessary regulatory framework especially on data sharing standards, open data options, platform development and growth, building an ecosystem incl. access to broadband and smartphones, and avoiding 'reinvention of the wheel'.
- These frameworks should support data minimisation policies that encourage the sharing of data so that data does not need to be re-collected for each use (e.g., farmer registries).
- Platform providers should aim to **bundle** offerings and act as a **broker** of services which can be packaged or offered individually to react to market demand.
- Work with **human centred design** approaches to fully understand the available capacities, the required partners and the value to be created. This approach should take specific focus on typically **marginalised** groups like woman or people with disabilities.
- Do **not be side-tracked** by the 'hype' around platforms but gain a deeper understanding of different models to shape an overarching agenda.
- Rather than creating new platforms, a focus on **protocols** can help connect existing platforms and providers to collaborate towards an integrated market model to extend scale and scope of the ecosystem as a whole.
- **Protocol-, open standard-, or open source-**based technologies allow to build trust and compliance with local laws and data subjects, as well as open for competition and innovation.
- Explore options on **community, county and national level** to ensure commitment and uptake.

- **Funding** needs to follow innovative mechanisms but should be linked to impact and business model to transform markets in an inclusive, sustainable and commercially viable way. Equally, funding needs to recognize that profitability should not be expected too early.
- Create **Public-Private-Partnerships** to establish access to data, information and farmers as a public good that encourages product development and integrated market opportunities to ultimately enhance productivity and profitability for farmers.
- Platform providers should consider if they plan for a B2C or B2B offering and establish their products and network accordingly.
- Strengthen the digital agricultural platform ecosystem with **strong collaborations** including venture firms, technology partners, and development organisations.
- Lower efforts to grow **field force** by sharing services, offers, and information.
- Work with the **given capacities** on the ground to achieve higher reach (e.g. feature phones vs smart phone based solutions)
- Ensure the necessary coverage of **human** support to provide physical onboarding and training capacity on a local level.