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# Tech startup crowd-sources funds for small-scale farmers

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**R**aised in a village where every family depended on subsistence maize farming for a living, he experienced the challenges of traditional farming first hand. He witnessed farmers suffering heavily from a lack of capital, poor timing of seasons and post-harvest losses.

Derrick Gakuu, who was raised in Kakamega County, also realised farming, which was not technology-driven, was unscalable because of inaccessibility to affordable finance.

But while attending an innovation boot camp in November 2019 in Germany, Mr Gakuu and his friend Milka Owuor witnessed how digital farming was being done on large-scale and embarked on a journey of replicating it through crowd-farming.

They would later team up with fellow innovators Fredrick Juma and Astrid Knoblauch to concoct Ifarm360, a startup that has in the past nine months been connecting potential farmers with financiers.

"Together with my co-founders, we developed Ifarm360, a digital innovation that connects smallholder farming groups to agricultural finance sourced from crowd investors globally with the goal of empowering farming as a business," the 29-year-old mar-



western Kenya counties, Narok, Taita Taveta and Embu.

"We have more than 300 impact investors. Seventy per cent of farm investors are in Europe and 30 per cent are Kenyans who believe in the empowerment of farmers," says Mr Juma, who is the Ifarm360 chief agronomist, revealing that that they source funds from crowd investors from all over the world.

The platform's model leverages crowds to empower farming as a business, linking small-scale projects by local farmers to affordable finance from crowd investors, supervise production and create a sustainable revenue-sharing model.

Farming production is coordinated as a partnership and mutual relationship, the archetypal sharing economy model like global tech startups like Airbnb and Uber, where they do not own the factors of production, but provide a robust digital business platform.

While nine in 10 start-ups fail within the first five years after establishment, according to Forbes, Mr Gakuu, who has a post-graduate degree in Innovation and entrepreneurship, believes that they are already tackling the hurdle of a lack of a ready market, one of the major factors that force startups to collapse. "We are confident that Ifarm360 will survive because our solu-

Milka Owuor and Derrick Gakuu at their Ifarm360 office in Westlands, Nairobi.  
—FAUSTINE NGILA

tion has a market on three-tier levels who are smallholder farmers actively looking for affordable finance, while crowd investors are actively looking for investment opportunities that have an impact," he says.

Ms Owuor, the Ifarm360 chief operating officer, says agricultural value chains themselves have guaranteed market opportunities. "We are innovating the agricultural value chain with tech-driven approaches that will revolutionise the sector. We are passionate about smallholder farmers and believe that proper farming is a powerful lever," she says.

The startup has had to learn how to build resilience in time of a global crisis, building a more self-sufficient business that has survived the Covid-19 pandemic.

Many firms born under the pandemic face numerous challenges, especially monetising their services, with some ending up closing down.

"For Ifarm360, a percentage of the farm investments goes directly into operations involved with the projects. However, our core business is in agricultural commodity trade since our production is market driven.

"We actively source for off-taker contracts for specific value chains at harvest time. We share net revenue accrued between the farmer, the investor and ourselves. This way, all of us benefit," expounds Mr Knoblauch, the investments manager.

## BRIEF



## UBER UPGRADES COVID-19 SAFETY MONITORING FOR DRIVERS, RIDERS

**T**axi-hailing app Uber has upgraded its portal, enabling real-time monitoring of compliance with Covid-19 protocols of social distancing and donning of masks. Country manager Brian Njao said riders must take a selfie before boarding an Uber taxi where they will be required to sit at the back with the app giving the rider or driver a leeway to raise a complaint where the other party removes a mask while in the car. "We have advised riders to practice social distancing and wherever possible to keep their windows open to allow clean air to flow in," he said as the global firm celebrated its virtual 2020 Uber Tech Summit. Mr Njao said they had also introduced a parcel delivery service, Uber Connect for its clients working from home or at work who would wish to have official documents delivered to their offices or purchases delivered to their homes. "Covid-19 pandemic has witnessed an upsurge of e-shopping where Kenyans pay via cashless modes for items bought online. It is a solution to many sellers keen on service requests of their loyal clients. Every Uber driver carrying parcels is informed of the nature of the parcel to enable them to handle them with caution," he said. Speaking in Nairobi, the Uber boss said they had also opened their visualised traffic movement data for public viewing for free, enabling public and private institutions to moot a seamless and smart technology platform to improve traffic in Nairobi. He said Uber was also sponsoring a hackathon with ambulance service provider-Rescue by Flare, Zindi and Al Kenya where techies were looking for solutions that locating ambulances for faster response and evacuation to hospital. The taxi-hailing app he said had also released its pay gateway platform, Ubercash wallet that customers can load from their mobile phone money platforms or via their bank online platforms ready for use for paying for Uber services.

—James Kariuki

keting expert told the *Business Daily*.

Considering that most farmers are in rural Kenya are not tech-savvy, Mr Gakuu says upstart is looking at different models that will aid their technology adoption in the most seamless way. The team, which dealt with startup teething problems, especially gaining investor trust in the initial months, has watched its credibility and trust grow during the Covid-19 period where agribusiness attracted thousands of small-scale investors.

"So far, we have worked with more than 1,500 smallholder farmers in

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