

Desert Green Africa, addressing food insecurity in the agri value chain



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Launched in 2016, Desert Green Africa, founded by Tumelo Chiloane, is an agritech startup founded on the core mission of tackling food inefficiency in the informal agri-value chain of Africa. The company builds mobile tech solutions that improve productivity, profits and livelihoods for Africa's small-scale farmers and informal traders while driving investment.



Tumelo Chiloane, Founder, Desert Green Africa

Desert Green Africa helps brings the youth back to farming through the business's connected value-chain products DesertGreen and GreenKart. DesertGreen is a farmer app that provides automated real-time crop nutrition, extension support, machine, and labour sharing for small-scale farmers.

GreenKart on the other hand is an informal trader app that connects street vendors directly to Desert Green Africa's network of small-scale farmers for on-demand fresh produce delivery and cold storage, allowing traders to 'Order Just Enough' to match their daily sales.

"Africa can play a leading role in helping to tackle the global food security problem since more than 60% of the world's arable land is located on the continent that features an ageing pool of farmers, the greatest number of informal traders, the world's youngest population and enough annual food waste to feed every hungry human being. There are plenty of problems affecting small-scale farmers and traders, but we chose the three most functional problems to solve: First and foremost, the lack of technical resources including scientific knowledge for farmers and extension officers, as well the high costs of machinery for farmers.

"Secondly, no access to markets which creates a plethora of issues since it is a paramount requirement in retail, while this also leads to additional issues like inconsistent demand/supply between farmers and traders, and the high costs of logistics. And finally, the lack of access to finance as a result of contributing factors such as having no collateral, not possessing proof of transactions, not being creditworthy - affects both farmers and traders," explains Chiloane.

Here, we chat with Chiloane to find out more about Desert Green Africa, the challenges the company has faced, and a few trends that will be shaping the industry.

III Briefly tell us about Desert Green Africa

Desert Green is an agritech startup developing mobile solutions to improve the informal agri-value chain in Africa. We are currently based in Sandton, Gauteng, operating primarily in Joburg and Pretoria as the largest consumer market of fresh produce in the country.

GreenKart is our current focus product. A B2B marketplace platform for small-scale farmers to sell their fresh produce directly to informal traders, allowing traders to access more affordable stock at farm-gate prices, with shared logistics services, delivered directly to their market stall within 24 hours of placing an order.

How and why did you get started?

We started the business back in 2016 with the intention to build a crop nutrition platform to help small-scale farmers improve their yields and quality in order to supply larger retailers with guaranteed demands. After securing some off-take agreements from a retail and wholesale buyer, we quickly realised that many small-scale farmers were unable to satisfy these off-takes due to limited scale and lack of infrastructure and investments to comply with retail certifications, but nevertheless, farmers were somehow still selling produce, so we decided to follow the value-chain.

Like many other African countries, a majority of South Africa's farmers are small-scale farmers, up to 93%. These farmers rely heavily on informal market channels to sell their produce and are also more directly responsible for food security at household level.

The problem? There's a significant disconnect between informal traders' and small-scale farmers' demand/supply needs across South Africa and Africa as a whole. The demand/supply of fresh produce is Invisible and unpredictable in the informal value chain, causing a lot of Instability for Traders; Income losses for farmers; unstable prices and produce wastage along the value chain.

We believe this can be done cheaper, faster and more transparently than it currently is. That's why we are building Mobile solutions to enable small-scale farmers and informal traders to buy directly from one another, at farm-gate prices.

Ⅲ Tell us about your app

For GreenKart, our current focus product, We are working on a web-based platform while looking into USSD integration in order to accommodate feature phone users, to allow them to place orders just as seamlessly. One of our key features is the geo-trading functionality, which geo-maps informal traders close to one another, mostly clustered in cities, enabling them to buy fresh produce from the closest farmer to leverage better prices. Also, if a farmer is unable to fulfil an order alone, they are able to invite another fellow farmer based on geo-location to fulfil that order as a group.

III Could you share some of the key challenges you've faced establishing your business?

The problem we are trying to solve is a double-edged sword and trust is a very valuable currency in the informal value chain. Both farmers and traders are used to working offline and fulfilling transactions physically themselves, so they are initially sceptical about adopting new ways of doing things until they see the benefits.

How would you like to see Desert Green Africa grow or evolve over the coming years?

We are planning to grow Desert Green Africa into a full-service platform, from crop nutrition to market access with cashless transactions utilizing mobile money payments. The aim is to improve efficiencies across the value chain in order to eventually impact or reduce the price of fresh produce sold through our farmer and trader network and thus improve food security in Africa.

As an entrepreneur, what would you like to see changed in the South African startup landscape?

The funding landscape in South Africa and Africa as a whole needs to get used to funding tech startups with an infrastructure element to it because that is the nature of the problems most startups are solving across Africa. We are solving problems while building the infrastructure that should have been built by governments in order to reach our customers and if the Investor sentiment could meet us halfway, Africa would produce a lot more Unicorns with lasting impact, especially in the agritech space.

What trends do you predict for the industry?

The informal agri-value chain is big business in Africa with over 60% of Trade happening Informally, estimated at over \$30bn in the SADC region alone and is expected to increase in line with urbanisation rates. The future of food systems in Africa remain fragmented and decentralised because by 2050, over 70% of Africa's population is expected to be living in Cities and we are building a strong case for the fragmented retail and supply of fresh produce in Africa in order to help 'feed the future'.



What advice do you have for aspiring entrepreneurs?

Fall in love with the problem first before the product or the solution. When you live and breathe the problem you are trying to solve, you are more likely to build product-market faster, cheaper and more effectively than most competitors who obsess over products and features prematurely.

Also, if you are married to the problem instead of the solution, you are more likely to iterate faster, get feedback and pivot when it really matters the most.

Where would you like to see Desert Green Africa in the next five years?

In the next five years, we'd like to see Desert Green Africa operating in all major Agriculture Provinces in South Africa (Mpumalanga, Limpopo, KwaZulu Natal, Gauteng and North West) as well as some of our major Neighbouring markets, particularly Zambia, Zimbabwe, Angola and the DRC, with our full suite of products, from farm to market.

ABOUT ROBIN FREDERICKS

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