



mAgri and Weather Content

How mobile operators benefit from mAgri services and what weather content brings to the product mix





Business Model Considerations for Mobile Network Operators (MNOs)

What are mAgri applications and services for?

Key Challenges

Productivity Losses

Poor knowledge of agri-inputs & nutrition, new technologies
Non-availability of prices for crops across markets
Lack of accurate weather information



mAgri Applications & services

Information & Advisory service

Agriculture, livestock & nutrition services
Market prices
Weather forecast service

Supply Chain Inefficiencies

Gap in supply-demand match
Intermediaries act in silos
Poor logistics – causing wastage



Supply Chain services

Raw materials sourcing and enhancement
Real time visibility of supplier networks
Track & trace facility of products in supply chain

Financial Exclusion

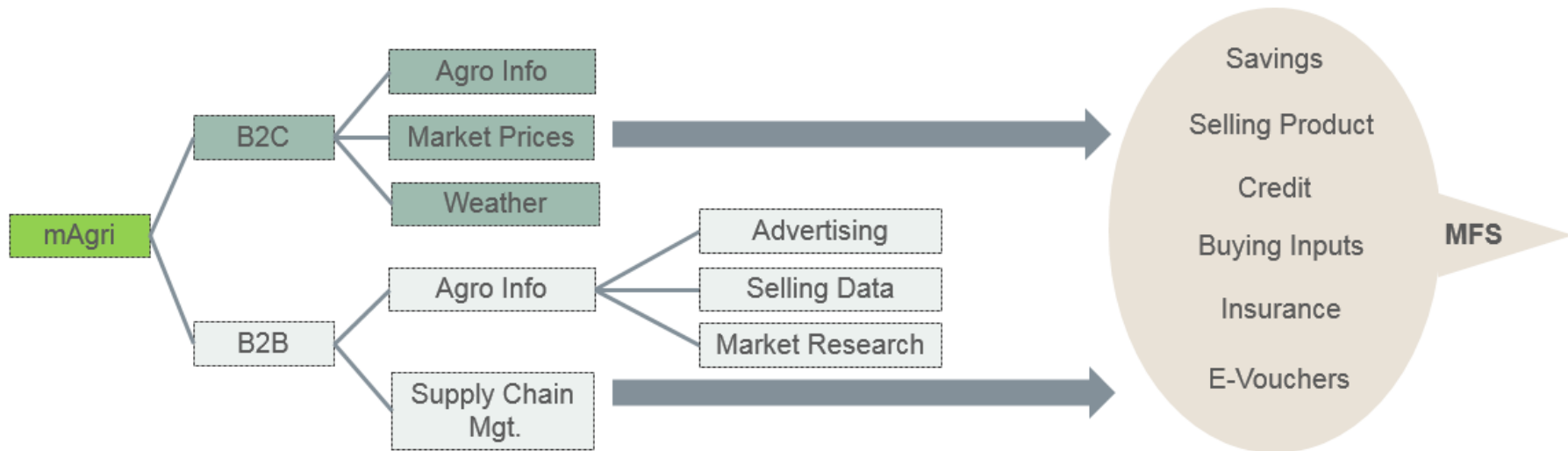
Non availability of loans, payment facilities, savings
Non availability of insurance for protection against crop failure



Mobile Financial services for farmers

Payments enabled by m-payment facility
Availability of savings, credit products
Micro insurance for crops

mAgri services open up to new opportunities in mobile financial services (MFS)



mAgri services show potential to generate direct and indirect business benefits for MNOs

Business Model	Key Feature	Specific Barriers	General Barriers
Direct Revenue B2C	Smallholder farmers pay a fee	<ul style="list-style-type: none"> • Low WTP and ATP • High marketing cost • Commoditisation of information 	<ul style="list-style-type: none"> • Poor network coverage • Cost of devices • Cost of content • Forming partnerships with content providers • Language and literacy barriers • Technology barriers • Forming viable MNO and VAS Provider partnerships
Direct Revenue B2B	Agribusinesses pay for farmers to access the service	<ul style="list-style-type: none"> • Limited MNO skills in enterprise relationships • Market decentralisation 	
Direct Revenue Hybrid	Agri VAS generate revenue from farmers and agribusinesses	<ul style="list-style-type: none"> • Challenges and cost of creating value for both sets of customers 	
Indirect Benefits	MNO supports service to drive churn reduction, network usage etc.	<ul style="list-style-type: none"> • Difficulty in quantifying indirect benefits 	
Subsidised Model	Donors/NGOs or private companies fund the service for developmental purposes or CSR	<ul style="list-style-type: none"> • Continued support depends on donor's primary objectives • Change in donor's strategy leads to scaling back operations 	



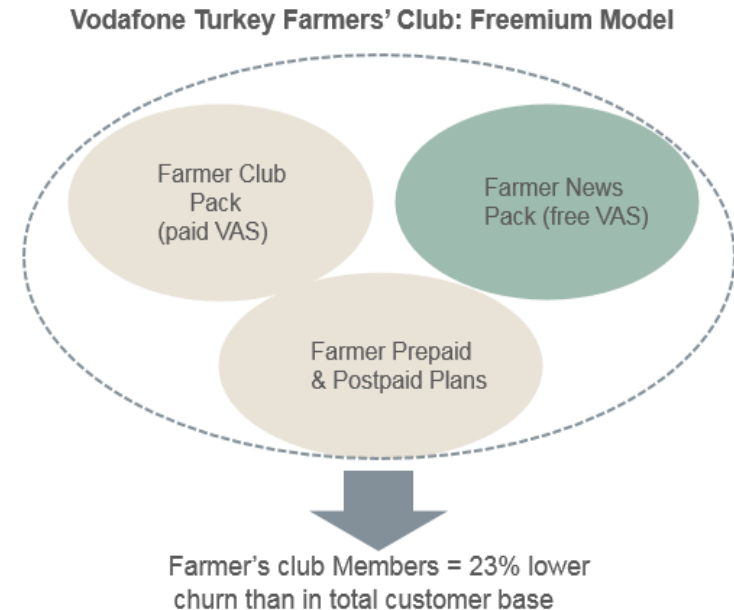
mFarmer services have launched across 4 countries in Sub-Saharan Africa and South Asia

- Started in 2011, the “mFarmer” initiative has now come to an end. GSMA partnered with USAID and Bill and Melinda Gates Foundation.
- mFarmer provided support to design, launch and improvement of mAgri services for farmers.
- Support included seed funding, local content, consumer research and service design, technical assistance, support to build the product and develop the business case.
- Partnerships with operators, service providers and agriculture partners.



Case study: Vodafone Turkey Farmers' Club generates indirect business benefit to the MNO

- Launched in 2009, the Farmers' Club is made of the farmer plans and the VAS offering.
- The premium Farmer Club pack is priced at 2TL (\$0.7) per month.
- Vodafone is responsible for marketing, strategy and distribution, TABIT for content creation and aggregation.
- **Results:**
 - 23% lower churn in Farmer's Club base VS total base.
 - 16% higher TOMA awareness.



Case study: Tigo Kilimo offers free text-based services and paid voice channels (1)

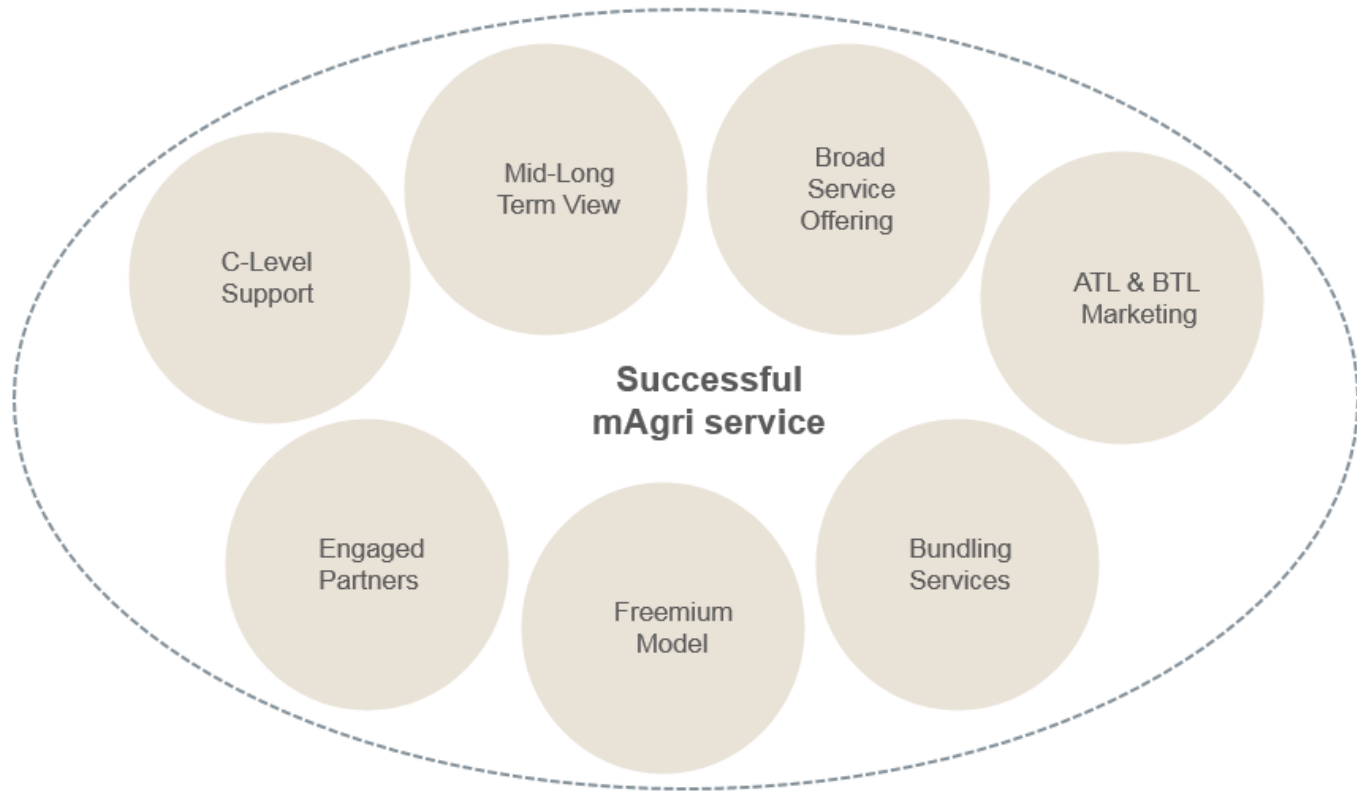
PRICING MODEL FOR TIGO KILIMO DECEMBER 2014

SERVICES CURRENTLY OFFERED	CHANNELS	CHARGE
<ul style="list-style-type: none"> • Agronomy tips • 1-5 day weather forecasts • Market prices 	USSD (pull)	Free
	SMS subscription (push)	Free
	IVR (pull)	50 TZS (0.03 USD)/access
	Call Centre (pull)	6 TZS (0.004 USD)/second

Case study: Tigo Kilimo offers free text-based services and paid voice channels (2)

- **Phase 1:** At launch SMSs (USSD) cost TZS 100 (\$0.06) for all content types.
- **Phase 2:** In 2013, Tigo introduced subscription packages at TZS 249-299 (\$0.15-\$0.18 per week) providing unlimited content for one week.
- **Phase 3:** Following best practices from other MNO services, Tigo started offering a free SMS service and charge a fee to access voice channels.
- **Results:**
 - Acquisition rates remained slow for the first 12 months, after the first year Tigo Kilimo has made large strides.
 - Active users (repeat users) are 19% of the base: Registration is a bottleneck.
 - Voice channels have not yet been widely marketed except to existing USSD users and do not bring significant revenues to the operator.

mAgri services need C-level support, a broad service proposition and engaged partners





Daniele Tricarico
mAgri Insights Manager
GSMA Mobile for Development
daniele.tricarico@gsma.com