

# INVESTORS Q/A

## INVESTMENT Q/A: AGRIBROS MARKET

By **FREDDY KANYAMA KITENGE**

### Prior Funding

#### Comment

We have been supporting the project with our private savings to date and no other funding, covering the business expenses and without taking a salary. We require seed funding to take our company to the next level by developing and improving the numerical design and technical integration of additional services. All equity is with Mr. Freddy KANYAMA KITENGE.

### Customer Pain and Solution

**1). Problem** - Please describe what problem (customer pain point) you are trying to solve.

In Africa, DRC specially, agricultural sector employs more than 80% of population (UNDP). 30-40% of total food production is lost before it enters the market. About 1.3 billion tons worth more than \$1000 billion are waste ([www.fao.org/save-food](http://www.fao.org/save-food)). This is due to:

1. Problem of local farmers to find a market (post-harvest losses: \$750 Billion in 2018);
2. Problem of access to local products by consumers (cause of food insecurity and high importation)

As a result, each year Africa spends \$35 Billion on food imports; in DRC we spends more than \$2 Billion every year in food imports. Despite that 1/9 Person sleeps without eating (food insecurity).

3. Government and Investors lack Statistics and Agricultural Data for Optimizing Performances in This sector. As result, there is bad decisions, bad practices, and no investment in the sector).

4. Projects oriented towards agriculture and livestock (farm, market gardening, processing, etc...) struggles to obtain financing from the traditional financial system or traditional banks for lack of a guarantee in exchange despite the interest of the general public.

Food balance sheets from FAO, WFP and the DRC Government confirm that food insecurity is more a problem of access than of availability. How to feed the 9.7 billion people who will count the planet by 2050?

That's why we created the AgriBros Market solution, an online agribusiness marketplace & crowdfunding platform connecting farmers to fair, trusted & modern markets and improving information and financing access.

Founded in March 2019 by Freddy KANYAMA KITENGE in Democratic Republic of Congo.

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## 2). **Solution** - What is your solution? What is innovative about your solution, technology, business model, etc.?

By using a web, mobile and sms (ussd) platform, we connect farmers to market and provide real-time information's on trends, prices and market data. Allow them to find a market and provide good value and ratio quality/price and high security for buyers & end consumers.

Help these smallholders farmers access the capital they require by crowdfunding to the general public and investors to invest in agribusiness projects they are interest about.

We act as a decisional partner for government & investors by providing statistics, trends & data in the sector to optimize performance and channel investments.

We earn by Commission between supply & demand, Subscription plan on alerts and Digital marketing & sales of data and trends.

### **Overall Impact**

#### 3). Define the 1 year and 5 year impact that you hope to accomplish

*Use whatever metrics are most appropriate for you (e.g., revenue, profit, jobs, and societal benefits)*

OUR VISION:

Put digital at the center of African agriculture to make the continent the top destination of natural organic (bio) products in the world by 2025 in improving access of farmers to information, market and financing.

- In year 1, the solution will facilitate the customer attraction finally to make the loyalty easier and also it will increase access to financial services in rural communities and assists with food security. It will facilitate again market access for inputs and products.
- And by year 5, switch from family to industrial farming. Platform in commercial use in more than 5 countries to help solve post-harvest losses, world hunger and food insecurity. Will provide youth & women employment in rural an urban areas.

Revenue & profitability expected from year 2 and grow exponentially.

### **Customer Needs and Acquisition**

#### 4). How would you dene your potential market and what is the addressable market size?

*Use whatever metrics are most appropriate for you (e.g., dollars, people, devices)*

Congo DRC, market of more than 100 million of users in rapid urbanization and about 16 million of farmers in the region.

Our targeted customers are:

- Producers (farmers, breeders, fishermen);
- Buyers (supermarkets, retailers, transformers) and Carriers;
- Government, investors and Development partners.

Expansion plan, it's available in order to test international markets, will start with Kenya where we have a correspondent on the spot, ready to work with us, Mr. DAN and after with others countries.

5) What traction have you made to date with market validation?  
(e.g., users, paying customers, lab/trial data)

Still in test and development phase, we offer the minimum of services to different targets and satisfy others. The criticisms collected from our users allows us to improve our product in the market (MVP tested to more than 300 actors and more than 500 paid users).

6). Marketing - What will be your messaging to users & customers and how do you plan to spread that message?

AgriBros Market is an online agribusiness marketplace & crowdfunding platform connecting farmers to market and improving information's and financing access.

We provide real-time information's on trends, prices and market data and high security for buyers & consumers.

OUR MISSION:

- Improve farmers' access to information, markets and financing.

OUR OBJECTIVES:

- Facilitate exchanges between supply & demand and promote local production internationally;
- Reduce post-harvest losses and Ensure food security;
- Boost the agricultural development of African regions and reduce food products imports.

OUR VALUES:

- Connect
  - We connect producers to their potential customers and provide real-time information on trends, prices and market data.

- Find Market

We allow producers to find a market and provide good value and ratio quality/price and high security for buyers and end consumers.

- Minimize

We save time and money by reducing the number of middlemen between supply and demand.

- Promote

We promote local production on an international level and value the farmer through his product and service offered.

- Train & inform

We guide you from the beginning to the harvest until the approach of the market by providing online training guide, follow-up and advices.

7). Sales and Distribution - How will you reach your customers? Via which channels will you likely reach your customers/users? (e.g., online, retail locations, inside sales, partnerships, direct sales, value-added resellers, franchise, licensing)

AgriBros Market uses multiple channels to reach customers, web platform as well as mobile application, SMS service & call center.

Usability of platform allow access in rural areas with difficulties to the internet by using USSD channel & access offline and using pictures and a voice mode for reading and writing.

In order to answer the problem of Low participation of value chain players in some agricultural commodities, we have adopted the win-win private-public partnership policy in delivery of value to customers (Meeting with supermarkets for exclusive sales contracts).

## Industry and Competitors

8) Which organizations compete with your value offering now, and who might do so in the future?

With e-commerce sites as competitors, AgriBros is a platform specially designed to facilitate exchanges between producers and buyers, and stands out for the value of the farmers.

AgriBros Market links farmers and agri-food vendors to fair, trusted, modern markets.

9) Which organizations complement your offering in the market? Do you know of or anticipate any value chain partners?

kivugreen.com, in partnership we meet companies, actors and agri-food partners for online advertising and marketing. Meeting with supermarkets for exclusive sales contracts. We guide at the beginning, to the harvest until the approach of the market.

10) What are your primary advantages relative to existing or potential competitors? I.e. why will you win?

On AgriBros the farmer comes before his product, the farmer not only sells his product but also his knowhow in the domain.

We put farmers in direct contact to limit intermediation costs and allow public to support agri-food projects by crowdfunding (marketplace & crowdfunding platform combined).

All information is used to create relevant graphs and reports. These reports enable better decision-making and more relevant analysis, reducing the cost of production while providing better performance (creating dynamic relationships that meet the customer's needs).

OUR STRENGTHS:

- Transport calculator and product geolocation (GPS);
- Data management and electronic signature;
- Multiple payment: online and mobile money;
- Combination platform marketplace and crowdfunding;
- Valuing the farmer, training and accompanying online and on the ground.

### **Business Model / Financials**

11) What are the key drivers of business economics (price points, margins, etc.)? *i.e., what do you anticipate as the primary costs/revenue streams?*

Key of system is its low capital & operating costs & expected reliability.

COSTS ARE:

Improvement of numerical design and technical integration of additional services (API).

- Improve the platform (\$15 000 USD) in order to prove the systems performance potential.
  - 40%: Improvement of numerical modeling (MVP tested to more than 300 actors and more than 500 paid users);
  - 30%: Improvement of liquidated systems to commercialize service in the best conditions (Technical Integration additional services, API insertion, etc.);

- 20%: Exploitation costs and setting up a management team (online platform back officers and field coordinators (cooperative);
  - 10%: Platform Licenses, Research & Development.
- Build products centers (\$35 000 USD) in the town, this will make fast the supply of buyers and better storage of farmers' products. Make the process simple, fast and secure.
- 40%: Products center construction and storage;
  - 45%: Logistic and distribution (Transportation, service and maintenance);
  - 10%: Administration and taxes;
  - 5%: Marketing and communication.

These will help in taking startup to the next level, growth the startup and make profit faster.

#### REVENUE STREAMS:

- Commission: 10% (i.e. 5% to the producer and 5% to the buyer);
- Subscription plan: monthly or annual we alert farmers and buyers on market price variations and availability of products or projects (\$1 USD/month or \$12 USD/year);
- Digital marketing and targeted advertising: as needed by the user, we optimize the image of his brand to reach good audience;
- Sale of data & trends: magazine, technical sheets.

#### MARKET SEGMENTATION

The country's urban areas and neighboring countries represent a market of more than 100 million inhabitants, and in the process of rapid urbanization (Agriculture and Rural Development Ministry).

Market segmentation expects to reach in the first year more than 1000 active users (low hypothesis):

YEAR	1	2	3	4	5
Active vendors & Buyers	1000	2500	5000	7500	10 000
Platform users	10 000	25 000	50 000	750 000	100 000

The goal is to bring together 1000+ active users and consumers in the 1st YEAR.

## MONTHLY INCOME:

- Subscription on the platform to stay tuned to the demand and offer: \$1 USD/month or \$ 12 per year for 1 user.
- The average commission is calculated according to the product sold from the farmer to the buyer until delivery. Percentage: 10%

Estimated commission per user (low estimate):

- Year 1 >> \$2/month;
- Year 2 >> \$4/month;
- Year 3 >> \$6/month;
- Year 4 >> \$8/month;
- Year 5 >> \$10/month.

## TOTAL INCOME PER YEAR:

YEAR	Total users	Active Vendors & Buyers	Subscription plan	Commission	TOTAL REVENUE
1	10 000	1000	12 000 USD	24 000 USD	36 000 USD
2	25 000	2500	30 000 USD	120 000 USD	150 000 USD
3	50 000	5000	60 000 USD	360 000 USD	420 000 USD
4	75 000	7500	90 000 USD	720 000 USD	810 000 USD
5	100 000	10 000	120 000 USD	1 200 000 USD	1 320 000 USD

## Conclusion:

1. Capital cost of system paid off in 1 Year;
2. Revenue & profitability expected from year 2 and grow exponentially.

## Regulation and IP

12) What IP (Intellectual Property) or regulatory requirements exist for your business or in your industry? \*

*Who owns your IP currently? Do you foresee IP as a competitive advantage?*

There are many ways to gain a competitive advantage in the marketplace. Intellectual property (IP) protection, which includes patents, trademarks, copyright and trade secrets, can likewise provide a competitive advantage in the marketplace. Since the platform AgriBros Market is a platform type marketplace, all of its options mentioned above are possible in the long run and own to **AgriBros Group Ltd**. This includes logo, name, brands name, text, data, strategies and technologies used. Intellectual Property (IP) is key to competitive advantage.

## Founding Team and Advisors / Investors

13). Please share some background information on your team members, and tell us what makes your team special

Our team consists of varied skills confirmed in several areas. This versatile wealth allows AgriBros Market to bring innovative approaches:

1. **FREDDY KANYAMA, MANAGING DIRECTOR:** Graduated in Agribusiness & Applied Entrepreneurship at JJK International agribusiness Institute.  
Caterpillar technology specialist. Good skills in digital marketing.  
Training in network marketing and customer relation at Caterpillar dealer performance center (DPC). Board Member & Secretary YPARD-DRC/PF GRAND KATANGA.
2. **BILLY PAUL WASE, WEB DEVELOPER:** Network administration Engineer at Ecole Supérieure Informatique Salama (ESIS). Microsoft and CISCO Certified.  
Webmaster in charge of maintenance and development of the platform.
3. **GRACE SHONDA, AGRONOMIST INGENEER:** Graduated in Agronomics sciences at Africa University, Zimbabwe. Phytotechnics Specialist.  
In charge of products quality follow up and agribusiness advices and accompaniment.  
General Supervisor at AGRIBROS FARM and Co-founder at BETTER AGRICO FARM.
4. **GRACIEN KAPAYA, CUSTOMER RELATION:** Student in electrical engineering at Université de Lubumbashi (UNILU). Training in technical-commercial in sale of heavy equipment (Caterpillar ...). Very good skills in languages. English: Professional level.
5. **OCHIENG AUSTIN DAN, PARTNER & KENYA REPRESENTATIVE:**  
B.Sc. Agricultural Extension & Education at Jaramogi Oginga Odinga University of science & technology.  
Skills in agriculture, agronomy, value addition and agro processing, Agribusiness Marketing.

14). Please tell us about current or anticipated advisors and investors

Advisors & investors are welcome to work with us in compliance with company law and the nature of the contract between the two stakeholders.

Currently we work in partnership with YPARD/DRC, Agrobourse 360 in Tunisia, Inland Agro Trade HUB in Zambia. We expect advisors & investors will be queuing to work with us.

### What we require:

15). Please describe one or two specific things that could be done to accelerate the growth of your company

1. Funds to allow us to build product centers and improve numerical design and integrated additional services (API) to prove the product and market potential.
2. Support with commercial aspects, licensing agreements (with large organizations) & policing/upholding IP and Help us with full agreement between collaborative partners.