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DRUMNET

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PRIDE AFRICA

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our mission

... is to create commercially sustainable Financial and Information Products & Networks for small-scale entrepreneurs to increase incomes and employment and to mainstream the poor in Africa.

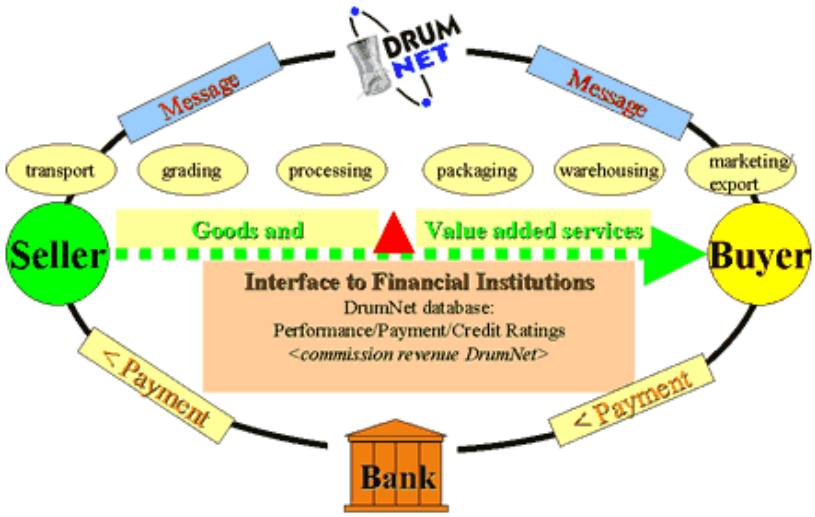
our projects

What is DrumNet?

DrumNet, a project of **PRIDE AFRICA,** was launched in late 2002 to deliver a set of critical business support services directly to the African smallholder farmers. It is designed as marketing, financial and information services for mainstreaming resource-poor farmers. It combines information, commodity transaction services and financial linkages into a single business service model that provides access to markets, market information and credit for the rural poor to support sustainable agriculture and rural development.

The **DrumNet** organization is emerging as a network of support centres that provide on-the-ground assistance through the delivery of a range of financial, marketing, and information products and services. The overall objective of the program is to provide poor farmers with improved access to new agricultural technology, markets, financial and non-financial information and a bridge to the formal financial system to grow and diversify their businesses, generate more income and employment as well as creating forward-backward linkages.

DrumNet sales transactions



To increase farm productivity, **DrumNet** is developing a simple system for offering credit to farmers to allow them to purchase farm input products before harvest. Research has shown that most smallholder farmers currently operate their farms without these crucial inputs. A small minority enter into disadvantageous credit schemes with buyers and resellers in return for inflexible contracts to sell the resulting produce at deflated prices. The DrumNet service will be a simple, saving-led voucher system, in partnership with local stockists, which will provide advantageous access to required seeds, fertilizers, pesticides, fencing, labour, and other products.

The financial component, known as Kilimo Kipya ("New Agriculture" in the local language Kiswahili), is a smallholder farmers' financial services developed in association with commercial financial institutions and agricultural stockists. Kilimo Kipya will focus on savings and credits in the near tem, which will form the foundation of a more comprehensive Farmers' Database, Farmers Identification System and Farmers' Referencing

System that ultimately, link farmers to the national financial grid for commercial and sustainable funding of farm activities. The model will be strengthened by the procedures, systems, standards and software that **PRIDE AFRICA** has used successfully in the last decade to serve more than 125,000 microfinance clients in the East Africa region. The pivot of the linkage program will be the creation of a Farmers Credit Guarantee Fund that will serve as a financial collateral/loan guarantee scheme to improve the risk perception of smallholder farmers.

DrumNet will be providing currently available information to farmers on leading production methods for the most profitable crops thereby enabling members to grow the right crops using the right techniques. Working collaboratively with organizations that provide up-to-date information on comparative market prices throughout the region, **DrumNet** will offer this information in easily accessible form. It will work with farmers through established learning organizations such as self-help groups, cooperatives, and Farmers Field Schools to maximize the peer-to-peer dissemination of this valuable information.

To increase market access, the **DrumNet** network will allow farmers to sell their produce directly to the right buyer at the right time. By aggregating the produce of members, direct access to wholesale/corporate buyers will be possible. This will allow farmer members to circumvent the existing supply chain of small-scale brokers, local transporters, resellers, and other intermediaries that currently extract excessive value from each transaction. DrumNet Agents are recruited and located in existing market centers that will actively compare buying prices and negotiate with wholesale buyers - exporters, processors, large retailers, and large institutions.

To increase overall efficiencies, **DrumNet** enters into contracts with buyers to provide transportation of the market commodities from the specially allocated **DrumNet** Collection Points. This ensures a single point-to-point trip between rural community and buyer. Farm produce is thus transported for a much smaller percentage of the value of the transaction than is currently possible. **DrumNet** support centres are structured to be low-cost both in set-up and in operation. The intention is to rapidly reach scale and sustainability by charging relatively low commissions.

More about DrumNet in our News section

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