

# Cashew on your phone

N'kalô: RONGEAD's market-advice app in West Africa

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CTA Technical Brief



## The project

**Project holder** RONGEAD  
www.nkalo.com

**Application** N'kalô (market advice)

**CTA project** N'kalô, un service d'aide à la commercialisation pour les acteurs des chaînes de valeurs

**Location** Burkina Faso, Mali, Côte d'Ivoire

**Clients** Farmers and traders in selected value chains

**Topic** Economic intelligence about the market for cash crops

**Project description** The N'kalô information service gathers, analyses and disseminates information on cashew and other crops in West Africa. It provides up-to-date market information to farmers, traders and others in the value chain via SMS, newsletters and radio. CTA support allowed it to promote its services and train users how to use them.

CASHEW PRICES WERE low in 2008, and cashew growers in northern Côte d'Ivoire were worried. Would they be able to get a decent price for their crop? Reliable information from the Abidjan, the commercial capital and main port, was hard to get.

Sékongo Soungari and his colleagues at RONGEAD, a French NGO with 30 years of experience in marketing and sustainable development, discussed the issue. They designed a project, funded by the European Union, to collect market prices for cashew from around the country and send the information via text messages to cashew growers.

RONGEAD quickly realised that information on prices alone would not be enough. If the price was low, should growers wait for it to go up? Or should they sell before it fell further? RONGEAD brought its longstanding partner ODA Connect ([www.odaconnect.net](http://www.odaconnect.net)) on board. This training and advisory service had been offering farmers in Europe just such advice for the previous 10 years, and had a functioning system to provide the sort of information needed.

That was how N'kalô, an agricultural market information system serving West Africa, was born.

## Advice for both sides

Prices of farm commodities in Africa are volatile. Growers cannot risk investing in their crop if they may get only one-third of the price they expect. And unstable prices and a lack of information harm the relationships between growers and traders: farmers accuse traders of offering bad prices, while traders complain about poor quality and broken promises.

N'kalô's response is to offer both farmers and traders a "prospective analysis": an impartial analysis and forecast of supply, orders and demand. Sharing this with both sides means they can both make decisions based on the best available information. That should build trust and reduce tensions between the trading partners.

Between 2009 and 2011, nearly 13,000 cashew producers, along with hundreds of traders, received information and advice from N'kalô. The Ivorian ministries of agriculture and commerce expressed interest, as did processing companies and exporters. In response, N'kalô investigated the sector and performed a number of studies and services. Its recommendations to reform the cashew sector were accepted by the Ministry of Agriculture. The future of cashew producers and traders now looks assured.

## From gathering to dissemination

How does N'kalô's system work? First, the organization makes a thorough study of the particular commodity sector. It then makes contact with a network of informants representing the range of actors in the value

chain. These informants are not paid in cash: they provide information in exchange for information they are interested in. For example, a trader will tell N'kalô what his current prices and volumes are in exchange for information on the international price. CTA has supported the training of three specialists, one in each country, in gathering and analysing such information.

N'kalô calls or meets these informants each week to gather quantitative and qualitative information on each market segment. The information then goes to an analyst who processes, checks and consolidates it into a bulletin and summary text messages.

This summary is disseminated through various channels: text messages to mobile phones, radio programmes, email and blogs. Over the last 2 years, CTA has supported the production of 73 unique SMS messages, each distributed to an average of 47,500 recipients, along with 211 bulletins.

N'kalô also sends out information on the weather, good agricultural practices, and technical guides about collective sales, marketing, certification, traceability, etc.

**Text messages.** Farmers in Côte d'Ivoire can get the text messages by subscribing to "7818", a service created by Orange, a mobile phone operator. Here is an example of a typical message (from 27 June 2016):

"Buyers are leaving the country, the end of the campaign is near, sell the rest of your cashew. Price: 500–550 CFA/kg trend downward."

Such messages help farmers decide when to sell and to whom; they no longer feel they have to sell to the first trader who comes along.

**Newsletters.** The newsletters go to local buyers, processors, exporters and international buyers. They are interested in different types of information: they may want to manage their risk in marketing the crop, make good marketing decisions, design new approaches, assure supplies, learn about market trends and forecast the future. They may want to anticipate problems before they occur and stabilise their cash flow.

**Ad-hoc requests.** N'kalô responds to ad-hoc requests for information and advice.

**Table 1. Producers trained, informed and made aware of the N'kalô service through CTA support**

	Trained	Informed	Aware
Côte d'Ivoire	3,556	5,000	Several million
Mali	60	36,000	Several million
Burkina Faso	4,000	6,500	8000
<b>Total</b>	<b>7,616</b>	<b>47,500</b>	

## Promoting the service

N'kalô has promoted its services in various ways. It signed partnerships with local radio stations, which broadcast information and invite listeners to subscribe to the service to get details. It also sent out text messages for free. Other channels have included a website, a roadshow together with the mobile provider Orange that tours the towns, and town criers in the rural markets

In the early phases, N'kalô provided information for free so as to raise awareness and stimulate demand. Many users have decided that the information is valuable enough for them to pay to renew their subscriptions.

On its own, information is of limited use. It is also necessary to educate people how to use it. It trains stakeholders about agricultural markets and how they work, what factors influence them and how to make a profit. With CTA support, N'kalô has run eight training courses on these topics.

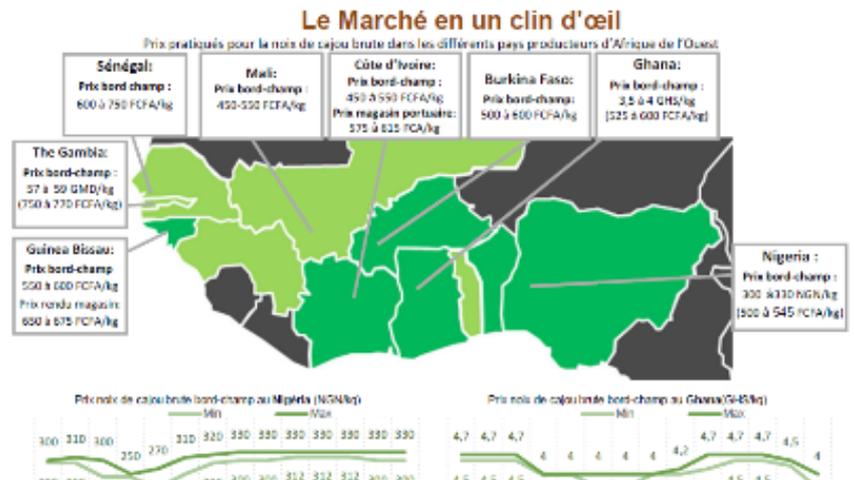
CTA has also supported N'kalô to publicise its service and persuade stakeholders to subscribe to it. Paying subscriptions are vital if the service is to become self-sustaining and independent of donor support. N'kalô has trained 7,616 producers and informed another 47,500 about its services. It is estimated that several million more farmers in the three countries have now heard about the service (Table 1).

## Meanwhile, elsewhere...

Starting with cashew in Côte d'Ivoire, N'kalô has since expanded its service to other commodities and other countries. The service now covers also sesame, shea, maize, onions, peanuts, yams, cassava, plantains and gum Arabic. The countries covered depend on the crop; CTA has supported this expansion in three countries: Burkina Faso, Côte d'Ivoire and Mali. N'kalô now also offers services in Benin, Chad, Gambia, Ghana, Niger, Senegal, Sudan and Togo. N'kalô follows the same basic approach in these countries, though the details are different, depending on the crops and conditions in each one.

In **Mali**, N'kalô works with Orange to provide information on onions and shallots,

The N'kalô cashew bulletin gives a summary of the market situation



maize, shea nuts, cashew and sesame via a service known as Senekela ([www.rongead.org/Projet-SENEKELA-Mali-collecte-de.html](http://www.rongead.org/Projet-SENEKELA-Mali-collecte-de.html)). This reaches around 50,000 producers. It includes a call centre that customers can reach by dialling #37333 and an on-demand advice service where they can get advice via text messages by dialling #222#. N'kalô regularly trains and advises the call-centre staff.

In **Burkina Faso**, N'kalô supports the Regional Council of Hauts-Bassins (in the west of the country) to foster a favourable business environment for employment and investment in cashew, sesame and shea. It has produced over 20 market briefs, distributed via nkalo.com, along with text messages sent to over 1,500 producers. In east of Burkina, N'kalô works with ARFA, a local NGO, to disseminate information on sesame to women's groups.

Internationally, N'kalô works with ACA, the African Cashew Alliance, to produce and disseminate briefs on cashew to a pan-African and international audience. N'kalô has recently agreed to support ROAC, the West African Grain Network, to provide key information on cereal markets in the region and to lobby for a better economic environment for cereal production, consumption and marketing.

*“Buyers are leaving the country, the end of the campaign is near, sell the rest of your cashew...”*

### Production team

For a service like N'kalô to be sustainable, it has to be lean. The production team is small:

- A project manager who coordinates the activities.
- A single specialist in each country who gathers and analyses information, drafts bulletins, prepares text messages and provides advice. Each one covers several different commodities. N'kalô aims for these to become the acknowledged experts on the commodities they cover. These individuals perform most of the work needed to provide the service.
- An international analyst who analyses the information sent in by the national analysts in each country, and who finalises and sends out the weekly bulletins
- An information technology manager who is responsible for disseminating the texts and bulletins to the readers.

The service uses simple, cheap techniques to disseminate information. Farmers are familiar with text messages and they do not need a fancy smartphone to receive them. And N'kalô covers a wide range of clients: from farmers to traders, processors, exporters, the food industry, brand managers and retailers.

Coordination is important for the system to function smoothly. N'kalô is able to maintain close contacts with people on the ground in

Côte d'Ivoire and Burkina Faso, but less so in Mali due to budget constraints. That restricts the development of activities there.

The cost of disseminating information is covered fully by Orange in Mali and Côte d'Ivoire, but in Burkina Faso it depends on donor funds.

### Impact

N'kalô has changed the market landscape for the better. It has created transparency where none existed, and has improved relations between the various actors in the value chain. The farmer and trader get the same information, so can negotiate on a level playing field. It is hard to quantify in money terms, but it is estimated that a producer can earn between 25 and 100 euros extra a year thanks to the service. Some producers have been able to supply certified markets. The Coopérative des Producteurs Agricoles de Bondoukou, in northeastern Côte d'Ivoire, for example, supplies OLAM and Ethiquable, two groups that are committed to responsible trade.

Processors also benefit. They can guarantee their supplies by forging stronger ties with producers who offer them a timely supply of good-quality produce.

Cashew production is rising fast in Côte d'Ivoire: between 2009 and 2016 output soared from 350,000 to 650,000 tonnes, making the country the biggest producer worldwide. N'kalô has played its part in this: between 2010 and 2016 it sent out a total of 5 million text messages to more than 67,000 farmers on cashew, sesame seed, shea, gum Arabic, maize and onions in all the countries it serves, and weekly market bulletins to more than 1,100 subscribers.

### A N'kalô trainer explains the international market to cashew growers



### A sustainable service?

N'kalô's approach has evolved over time. It started out by reaching agreements with telephony operators to provide content and with national government institutions for support. This approach worked: Orange hosted a pay-for service, and the government provided funding. However, the revenues were not sufficient to cover the costs.

N'kalô then looked to other sources of income: subscribers themselves, and journalism. It has been able to sign contracts to provide information to the companies in the agri-food sector, introduce paid services for subscribers, and write numerous articles to websites and the print media (some of which were paid). However, the income generated still does not cover the costs.

Development funding remains the most important source of revenue. N'kalô regularly receives requests by development projects and NGOs to work on information provision. It has also received funding for proposals it has submitted to donors such as the European Union, the French Development Agency and various development foundations.

This makes N'kalô's funding situation complex and unpredictable, and the service

is continually seeking ways to make itself economically sustainable.

## Learning from experience

**A right to information.** Information is key for the successful marketing of agricultural commodities and for a viable, efficient value chain. Everyone, from producers to consumers, should have a right to unbiased, accurate, up-to-date information. N'kalô aims to ensure that farmers across Africa can get the information they need on commodities important to them.

**Information as payment.** Most information services spend a lot of money on gathering information in the field. N'kalô instead relies on a single specialist

## Business model

RONGEAD provides market advice ❶ to farmers ❷ so they can choose when and to whom to sell their cashew and other crops. It recruits and maintains relationships with its customers through print and broadcast media, roadshows, field days and direct contacts ❸. It provides its services mainly via text messages delivered to the clients' mobile phones, as well as via radio, newsletters and town criers ❹. RONGEAD gathers and analyses data and writes articles ❺ through a team of specialists in the countries it serves ❻. Major service providers and partners include agri-food companies, development organizations, and the telephony provider ❼. Subscriptions account for only 2% of the income. Most of the rest comes from development funds, agri-food companies, and from N'kalô staff writing articles for the media ❸. Most of the costs go on staff, communication and field activities ❾.

❷ Business services and partners	❺ Key activities	❶ Product or service	❸ Customer relationships	❷ Clients
Software supplier Agrifood companies Mobile telephony provider Development organisations Producers' associations Ministry of Agriculture Universities, research institutes	Collection Analysis Training Dissemination Advice Baseline surveys	Information on commodity markets Training Advice Info based on quality and experience Forecasts	Press releases Internet Radio Push-SMS Field days Roadshows Direct contact Networks Publications	Farmers Farmers; associations Extension agents Exporters Government agencies NGOs, community organizations
	❻ Key resources		❹ Channels	
	Human resources Strategic partnership (Orange, call centre) In-depth studies on value chains		SMS      Radio Articles      Web Town criers      Call centres USSD      Field agents Emails      Newsletters	
❾ Costs		❸ Income		
60% Human resources 12% Communication 12% Field activities 16% Other		55% NGOs, development agencies 26% Paid-for articles in media 14% Agri-food firms 3% Universities 2% Sales, subscriptions		

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in each country who maintains close ties with information sources. These sources are willing to divulge information in exchange for something else that is valuable to them – more information. This model works well and is a lot more affordable than paying a large number of local informants.

**Simple is beautiful.** In the same vein, N'kalô decided against developing a complicated data management platform. Such platforms are expensive, are rarely stable or robust, and tend to reduce information to a few numbers. N'kalô prefers a simple, affordable option based on text messages that allow for a more qualitative view.

**Iron out problems.** The number of N'kalô subscribers in Côte d'Ivoire has shrunk

considerably, from 25,000 in 2013 to just 2,000 in 2016. This is due to a technical problem making it hard for customers to subscribe. N'kalô is currently redesigning the system to permit voice messages and to provide information on demand via a call centre. Better promotion is needed by Orange, which currently does not put a lot of emphasis on its customer services. Such improvements should increase the number of subscribers and make the service more sustainable.

**Content is king.** The advice and information provided must meet the clients' basic needs. Both farmers and traders are looking for better prices and new opportunities, so that is the type of information that N'kalô tries to provide them.

### Acknowledgements

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