

# DIVERSIFICATION OF REVENUE STREAMS TO ENSURE FINANCIAL SUSTAINABILITY IN A LOW-INCOME SMALLHOLDER FARMER MARKET

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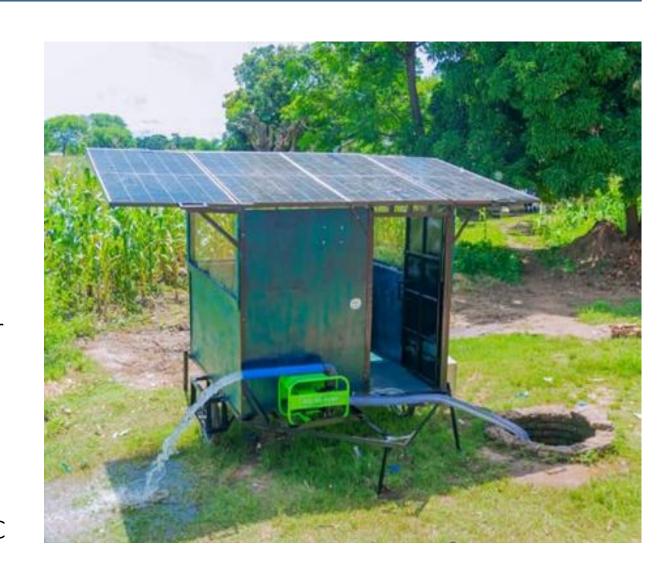
Karonga, Malawi

# Mobile Solar Pump and Business Model

- SEE uses a lease-to-own business Model to promote solar powered irrigation
- Extension services and market linkages for the produce

 Currently promoting newly designed mobile solar pump irrigation system (Kanyumba Plus)

Pump (50,000 L/hr); Solar panels (1820 Watts);
10m Sanction pipe; 100 m Delivery pipe; 15 m DC cable, Solar pump house.



### Malawian market and challenges

#### Market

- Malawi has over 60,000 ha under rice cultivation, only 15% is irrigated (AICC,2017).
- In Karonga;
- √ 13,000 ha under rice cultivation, only 2,500 under irrigation.
- ✓ Karonga alone has a TAM of 2,200 solar pump irrigation systems with potential revenue of \$7,915,476





#### **Challenges**

- Forex shortages drives up the prices of raw materials.
- Low incomes & climate change among smallholder farmers affects sales of pumps

## Financial Growth Vs Seasonality

 Bundling sales of solar pumps with purchase of farm produce

 Engaging in construction of solar powered irrigation schemes

 Engaging in partnership with financial and microfinance institutions (FIs/MFIs).





#### **Product-Market Fit**

- Get feedback from the end-users (farmers etc)
- Determine pain points and needs
- Adjust product/service design and portfolio



Koyenda Irrigation package



Kanyumba Plus Irrigation package



Kanyumba Irrigation package



#### **Lessons Learnt**

- Export produce purchased from farmers to different countries to generate forex for the business
- Organise farmers into manageable Water Users Groups [WUGs] (2-5 farmers per WUG)
- Diversification of the revenue streams is vital for business growth

# **THANK YOU!!!**

