

# AgriKool, driving down costs for consumers, increasing profits for farmers

 By [Robin Fredericks](#)

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With food costs soaring due to the war in Ukraine, interest rate hikes, fuel increases, and changing weather patterns, KwaZulu-Natal based startup AgriKool is focusing on driving down the cost of food by cutting out middlemen and reducing transport costs while increasing profits for farmers.



Zamokuhle Thwala, the CEO and co-founder of AgriKool

As an e-trading platform, AgriKool collates data and insights that are used to inform farmers about market trends, particularly pricing. A grower simply lists the products that they have available for sale. Buyers engage the grower and agree on the price. AgriKool ensures timely payment and then facilitates the transportation of the produce to the buyer.

Transport and logistics account for significant costs in the agricultural supply chain - as much as 35% of the total operating costs for farmers, says Zamokuhle Thwala, CEO and co-founder of AgriKool. To reduce these costs, AgriKool partnered with a trucking fleet that carefully maps out routes to ensure goods are transported at every leg of a truck's journey, which increases vehicle and driver utilisation. This method reduces fuel usage, lowering transport to just 20% of operating costs, adds Thwala.

The industry is ripe for overhaul, says Thwala, as farmers take great risk in the agri-value chain, unable to predict whether they will make a profit or a loss. Usually, farmers take their produce to municipal markets in warehouses where farmers and agents (buyers that sell to retailers at a profit margin) gather.

Here agents bid to buy fresh produce. Farmers cannot predict how much they will make because agents determine the final price of goods. The warehouse takes a 5% commission on the value of goods sold, while the agent takes a 7.5% commission - whether the farmer makes a profit or loss. AgriKool cuts out the expenses of both the agent and the municipal market.

We chat with Thwala to find out more.

#### **📊 Briefly tell us about AgriKool**

AgriKool is a business-to-business e-marketplace that connects producers and buyers. The agritech startup coordinates the transportation of goods and verifies quality.

#### **📊 How and why did you get started?**

I experienced a lack of access to the market when I was a small producer and decided to solve this problem by connecting emerging producers with buyers of fresh produce. The goal is to help small producers take part in the main economy and also improve their household income.

#### **📊 Tell us about your e-platform**

AgriKool is an e-trading platform that connects agricultural producers and buyers to facilitate the sale of products between retail buyers and farmers. The agritech start-up provides all aspects of agricultural trading from purchase agreements to the delivery of goods.

#### **📊 Could you share some of the key challenges you've faced establishing your business?**

As a first-time founder, I have made tonnes of mistakes. I had very limited experience in how to build and run a start-up. I have done everything out of naivety. I struggled to raise funding.

#### **📊 How would you like to see AgriKool grow or evolve over the coming years?**

AgriKool is planning to double onboarding of producers and scale to other provinces. We have onboarded several large commercial buyers and suppliers including Freshmark (Shoprite's fresh produce arm) and has been promoted to a higher-level supplier with Boxer.

We have also onboarded 21 large commercial and 100 small growers, replacing the Durban Fresh Produce Market as an intermediary between these large growers and retailers. Our revenue has grown by over 400% a month this year.

#### **📊 As an entrepreneur, what would you like to see changed in the South African startup landscape?**

I'd like to see an inclusive and more collaborative landscape. Black founders and female-led startups should not find it as difficult to raise funding. I'd like to see more startups having corporate partnerships.

#### **📊 What trends do you predict for the industry?**

The retail sector is increasingly becoming more inclusive and consumers are well-informed about who they are buying from (buy local). I think this will accelerate transformation and create an inclusive society. We are going to see more small

producers taking part in the mainstream economy.

■ ***What advice do you have for aspiring entrepreneurs?***

The best time to pursue entrepreneurship is now. Think of your idea and how to make it happen - ideas are worth nothing unless executed.

■ ***Where would you like to see AgriKool in the next five years?***

I see AgriKool as Africa's sourcing hub for food and agri-products that connects agricultural producers and buyers across the continent. We will help drive down the costs of food in Africa by making trading easier, optimising logistics and eradicating the friction in the trade of agri-products.

*AgriKool is based in Pietermaritzburg with plans to expand to other provinces in the coming year.*

## **ABOUT ROBIN FREDERICKS**

*Editor at Bizcommunity.*

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