

AGRA Impact Series

Mukamuhoza in her agro-inputs shop

RWANDA

The case of AGRA supported Mukamuhoza in Rwanda

Immaculée Mukamuhoza graduated with a bachelor's degree in Business Management from Masinde Muliro University of Science Technology, formerly Western University College of Science and Technology in Kenya. She applied for jobs in vain. Her home district of Rwamagana in Rwanda's Eastern Province is a mere one hour's drive from the capital, Kigali. This meant that competition for jobs from experienced candidates was very high. She was finally hired as an accountant by a local farmers' cooperative.

It was while working as an accountant that Mukamuhoza noticed that farmers had difficulty accessing agro-inputs such as chemical fertilizers, herbicides and farm implements such as hoes, sickles and pumps. Farmers also travelled fifteen (15) kilometres and spent three hours walking to reach Rwamagana Town to purchase the inputs they needed. They would cover the same distance and use the same time to reach home. In the rural farming community, that is a whole days' work spent on the road.

Where they could afford the inputs, there was a time lag between ordering and receiving their purchases. This delayed delivery of inputs disrupted their farming programmes.

With her modest salary Mukamuhoza started purchasing inputs from Kigali over the weekend when she was not on duty at the cooperative. She would then sell them to farmers. Her challenge was not stocking enough to satisfy demand. She spoke to her husband and other family members and proposed that they pool money together. They raised 300,000 Fr (305 USD) which they injected into her struggling business. With this Mukamuhoza opened up a shop selling agro-inputs in Cyiri Village, Ruhimbi Cell, Gishari Sector of Rwamagana District in Eastern Province.

Mukamuhoza started trading in agro-inputs in October 2019. Soon enough, Cultivating New Frontiers in Agriculture (CNFA) an AGRA grantee supporting agricultural extension services in Rwamagana, Kirehe and Nyagatare Districts,



Mukamuhoza attends to a client in her agro-inputs shop.



Mukamuhoza in her agro-inputs store.

was seeking local partners in their programme implementation. Mukamuhoza applied, pitching her small business as pivotal in reducing the time spent and distance covered to access agro-inputs by farmers. Farmers travelled a total of thirty (30 Km) kilometres and six hours on the road which would instead be utilized on farm chores. Her pitch was successful. In January 2020, she partnered with AGRA which helped her to undergo training. She was equipped with skills as an agro-dealer in procurement, transportation, storage and handling of inputs.

This was important because of the safety and health requirements and quality management. AGRA helped to mobilize farmers on benefits of improved seeds, set up demonstration plots, gave Village Based Advisors (VBAs) fertilizers and seeds for the demonstration plots. The intervention of AGRA was important the the agro-dealer to ensure that farmers understood the need for inputs and that they accessed high-quality and healthy inputs. She currently deals in chemical fertilizers mainly NPK 17-17-17, DAP and UREA and improved hybrid seeds that play a key role in increasing agriculture production and fighting hunger in her community. The intervention of AGRA increased her clientele, the demand and uptake of her agro-inputs allowing her to trade more in terms of volumes. She buys fertilizers from different large importers such as Yara, Rwanda Fertilizers Company Ltd and One Acre Fund's Tubura Program. She started with less than fifty farmers buying from her. Today she has over five hundred clients. She attributes the increase in her clientele to AGRA campaigns for the use of improved seeds and

the demonstration plots in the area from which farmers can observe and learn the benefits of using improved seeds and inputs 'practically'. Previously there were no credit facilities to agro-dealers but Rwanda Fertilizer Company (RFC) has started piloting with DAP Only.

During Rwanda's long agricultural season 'A' which runs from September of one year to January of the following year, Mukamuhoza sells mostly DAP and UREA fertilizers because at that time farmers' cooperatives plant maize. During season 'C' which runs from July to September of the same year when farmers plant vegetables, she sells mostly NPK fertilizer. Through the Government of Rwanda's Nkunganire program, farmers in her area mostly purchase maize hybrid varieties mainly PAN53, WH403 and RHM1409. For Soy beans, farmers prefer PK6 and SB24 varieties.

Mukamuhoza nowadays transacts business digitally to provide services to her customers through Bank of Kigali's IKOFI, another AGRA grantee which supports Small and Medium Enterprises (SMEs) and start-ups. She has since registered all of all her 500 clients. Bank of Kigali's IKOFI offers financial services focusing on farmers, agro-dealers, agri-businesses and other players in the agricultural ecosystem. This enabled Mukamuhoza and farmers to save their money and to access loans using their mobile phone handsets. It is traders who use IKOFI by uploading credit and use it make purchases otherwise they use Mobile Service services offered by telephone companies. There are no credit facilities for traders using IKOFI as yet. Farmers can make orders and pay using the



Mukamuhoza using her phone to transact business with her clients.

IKOFI platform. It has improved service delivery and saved farmers from spending time travelling long distances to buy inputs. She said farmers are saved thirty kilometres of walk and a day's work by selling inputs to where farmers could purchase them.

The story of the now 30-year old expectant mother should encourage many young graduates to create jobs instead of complaining about unemployment. Thanks to support from AGRA, she is now an entrepreneur. She relishes the time and effort she puts into work to grow her business.

Mukamuhoza has seen her working capital increase fourfold from the initial 300,000 Fr pooled together by her husband and family to over 1,300,000 Fr million. As business has

grown, her need for support has increased.

Today she employs three people, each of whom earns 30,000 Fr per month. Each month she has a monthly turnover of 800,000 Fr. She says she is happy that her job helps to contribute to the welfare of her growing family, employs other people and pays taxes that will grow her country.

Mukamuhoza wants to increase her working capital to 15 million Fr so that she can satisfy local demand for agricultural inputs. She believes that her shop can sell 30 tons of fertilizers from the current 10 tons, and that demand for improved seeds can grow to 8 tons of seeds from the current 4 tons of seeds per season. She is confident she has the knowledge, determination and skills necessary to enable her succeed in her expansion efforts.