



**ROTA CERTA**  
**CdA Inputs Distribution**  
**Business Case**

Jaquelino Massingue | [jaquelino\\_massingue@ftf-inova.com](mailto:jaquelino_massingue@ftf-inova.com)

Lorena Adam | [Lorena\\_Adam@ftf-inova.com](mailto:Lorena_Adam@ftf-inova.com)

Denisse Kyara | [denisse.kyara@casadoagricultor.co.mz](mailto:denisse.kyara@casadoagricultor.co.mz)



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## Description of the Businesses



**Name:** Casa do Agricultor (CdA)



**Market Actor Type:** Inputs Distributor



**Market System:** Input Distribution System



**Size of Business:** CdA is a large distributor present in all provinces, and is connected to more than 100 medium and small scale agrodealers



**Regions Served:** South, Central and Northern Mozambique

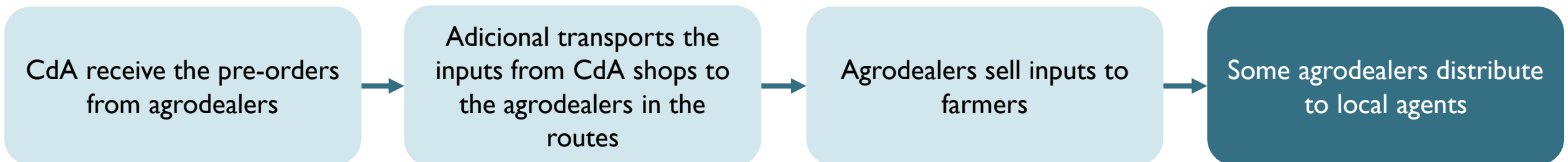
### Customer Types

- Agrodealers
- Farmers

### Value Chains

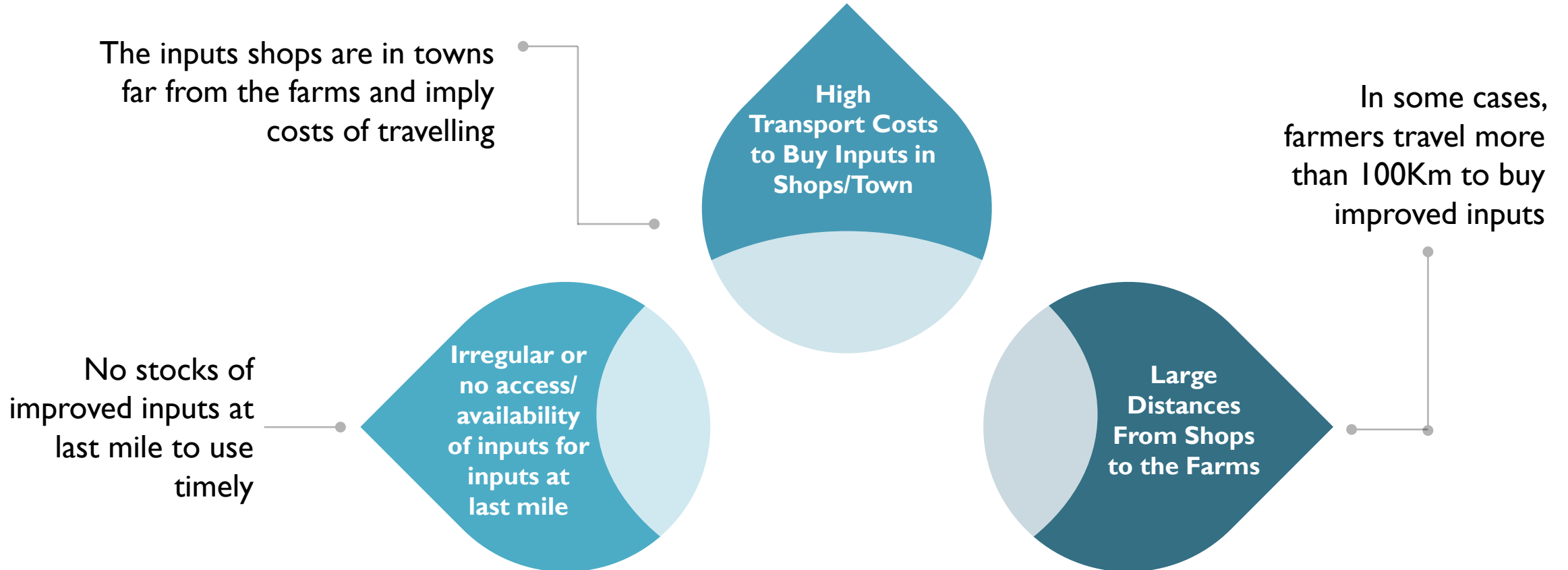
CdA is selling inputs nationwide through its main shops, authorized agrodealers and through pre-order system using regular delivery (Rota Certa). The main inputs are seeds, fertilizer, vet medicines and tools.

## Implementing the Innovation



## Summary of the Opportunity

The agricultural market in Mozambique presents some difficulties in accessing high quality and/or improved inputs for rural producers, especially smallholder farmers. This results in low productivity and low quality of this production



## Innovation Overview

**FTF Inova worked in partnership with CdA to co-invest in establishing the regular and pre-order inputs distribution model – *Rota Certa***

### CdA's Vision

- Expand the customer base
- Increase volume of sales
- Increase value of sales

### Inova's Support

- Technical assistance
- Transport costs subsidy during pilot
- Profitability data analysis

**CdA has now adopted the following tactics:**

**1**

**Pre-order system** - establishing greater proximity to customers. Making periodic calls to some agrodealers.

**2**

**Regular inputs distribution** to last mile using Rota Certa.

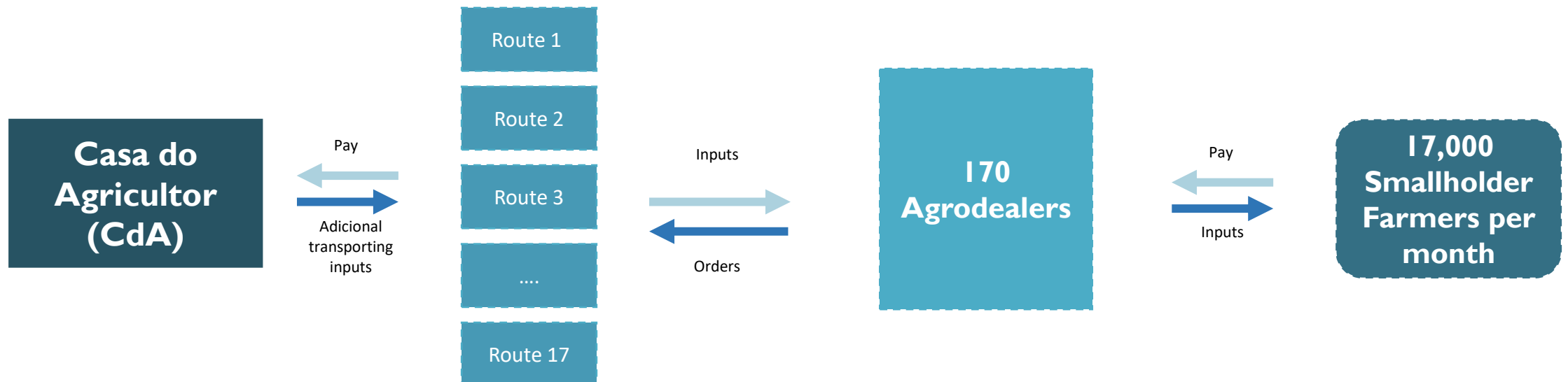
**3**

**Mini Catalog** which helps agrodealers organize their customers' orders.

## Innovation Overview

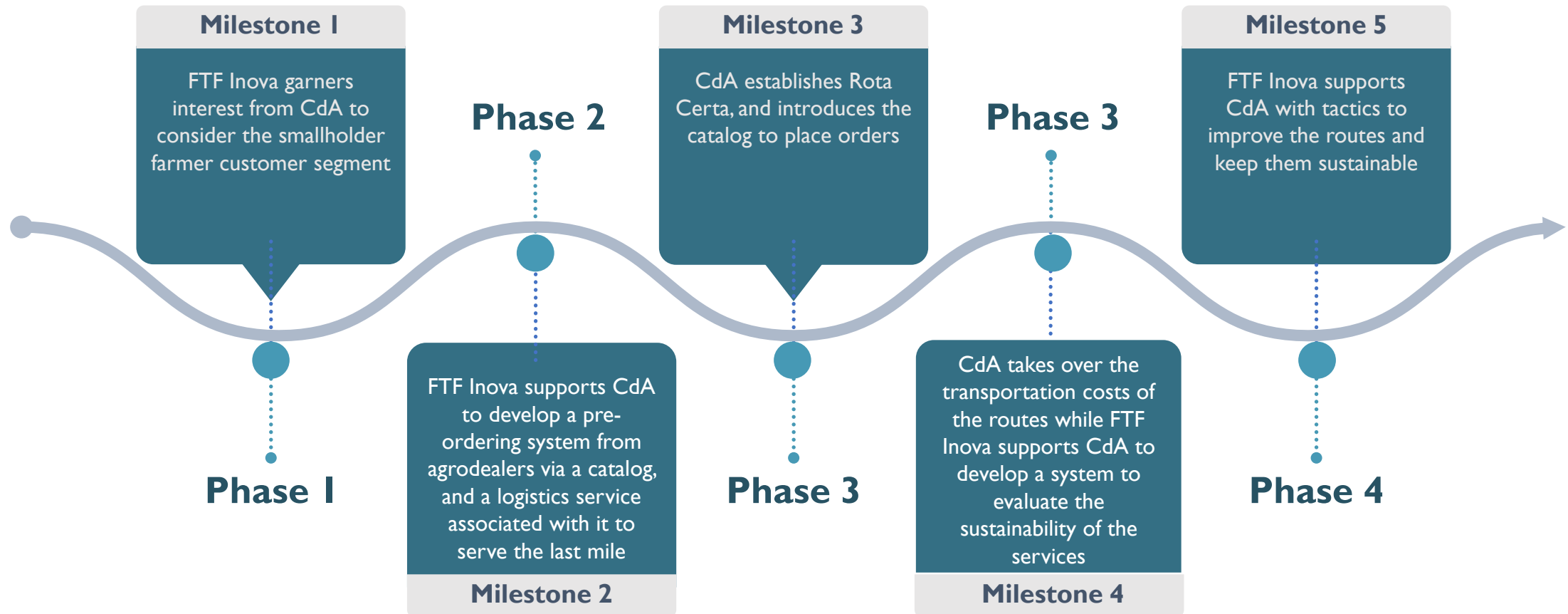
**FTF Inova worked in partnership with CdA to co-invest in establishing the regular and pre-order inputs distribution model – *Rota Certa***

Through 17 delivery routes, CDA delivers inputs to 170 agrodealers who sell these products to approximately 17,000 small producers/month.



## Innovation Overview

### Timeline of implementation





# Value Proposition to Customers of the Innovation – Agrodealers



**Customer Type:** Agrodealers

**Customer Activities:** Buy inputs and sell to farmers

**Size of Business:** About 116 small to medium size agrodealers

**Reasons for Buying / Consuming Product or Service:**

Agrodealers want to get inputs regularly and closer to their shops, saving on transport costs.

**Why is this new business practice adding value to the customer?**

- Regular provision of inputs
- Reduced need to keep large stocks given some the risks associated to that
- Time savings and reduced transport costs
- Agregated orders

1

**Easier access to high-quality supplies for their stores**

*"Before working with CdA, I did not consider the quality of inputs as important. I was more focused on quantity, but it was difficult, and my customers were complaining about the inputs. Now I understand that first I have to satisfy the needs of my customers" [Agrodealer, Niassa]*

2

**Greater variety of products and ability to offer better service/products to its customers**

*"Our communication and trust are improving. When I approach my agrodealer with a lack of inputs he calls CdA to make an order. It takes only some hours to have a response. Our communication and trust is getting better and better" [Farmer, Manica]*

3

**Good communication with the supplier, access to ordering and, in some cases, the possibility of buying on credit**

*"Before Rota Certa, producers and agrodealers used to come to the shop early in the morning and from far away to buy inputs. They don't need to do that anymore since they call to make orders and wait for delivery. The manager only organizes the orders to be taken by the truck" [CdA Manager, Nampula]*

## Financial Overview

### Impact of the innovation on the bottom line



#### Change in Sales

Routes resulted in increase in sales amounting to 3,500,000 Mts (\$55k) per month in 2021



#### Change in Profit

Routes resulted in increase in profits amounting to 200,000 Mts (\$3k) per month in 2021



#### Operational Costs

Total transport costs dropped from 1,000,000 Mts (\$15.6k) to 470,000 Mts (\$7.3k) in 2021

#### Summary of Key Financial Metrics

- Total margin per month: 680,000 Mts (\$10.6k)
- Average revenue per month per active route: 350,000 Mts (\$5.5k)

#### Summary of Other Key Metrics

The number of active agrodealers per month increased from zero to 37 and is now 116

#### Key Data Points



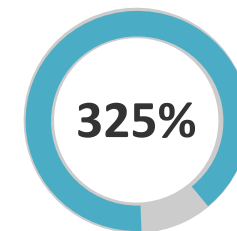
**43**

Current number of trips per month



**17,000**

Farmers served per month



**Increase in the number of trips**

Number of trips increased from 4 to 17 nationwide



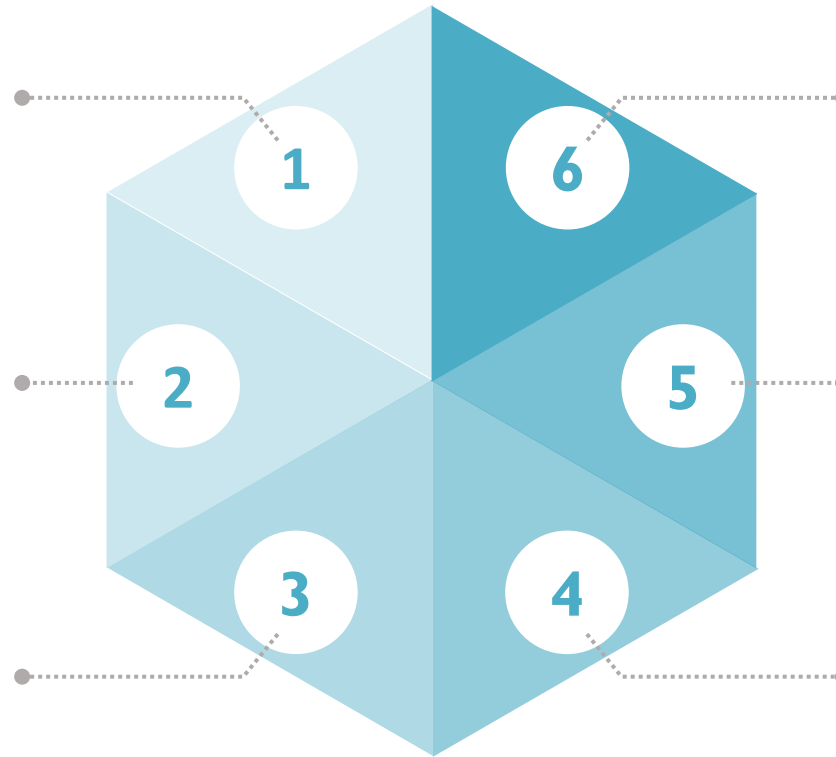
## Recommendations and Way Forward

### Opportunities

Expand the routes to more remote areas using diversified transport types such as tricycles

Engage agrodealers to evaluate ways to improve performance

Maintain and improve communication with agrodealers



Conduct feedback surveys with customers (agrodealers) to see which areas the CdA can still expand

Work with agrodealers to improve record keeping and use of data for marketing intelligence

Contract or hire local promoters to support agrodealers on site and help them with ideas to improve distribution and increase customer database

### Risks

The most salient risk is executing less successful routes, which attract few agrodealers and therefore have a low profit value in terms of sales.

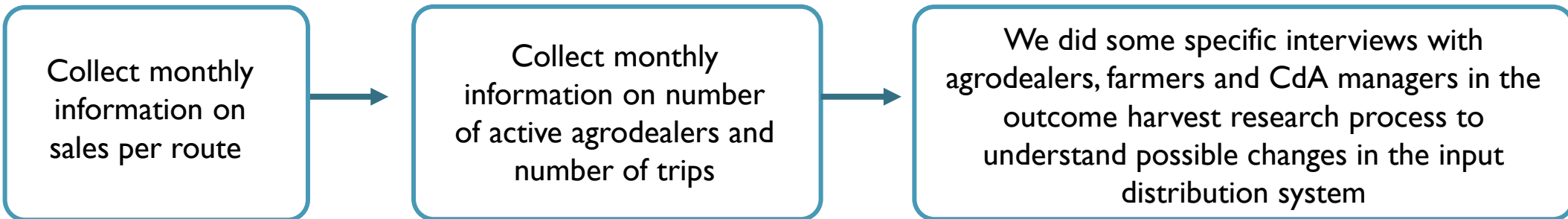
#### How to try to avoid this risk:

- Promote the routes to attract more agrodealers
- Previous analysis is needed before the implementation of the routes

## Methodology and Assumptions

### Methodology

**FTF Inova maintained a relationship with the CdA so there was a continuous data flow**



### Key Assumptions

Expected sales per month per farmer: 223.42 Mts (\$3.5)

Expected sales per year per farmer: 2,681 Mts (\$42)