EXPO 2020 DUBAI UAE

David Davies: AgUnity, A Different Kind of Smartphone

DAVID DAVIES: So we just try to get farmers above that poverty line. And that's how we measure impact. I'd do this job for no income if I could just go out and spend time with the farming communities, because it is the most personally rewarding job you could ever do in your life.

RAMA CHAKAKI: Today, we're speaking with David Davies, the founder of AgUnity, which takes low-cost smartphones and adapts them to become an essential tool for low-income farmers around the world, from Columbia to Ethiopia to Papua New Guinea.

I'm Rama Chakaki, and you're listening to Innovate with Purpose, the official podcast of Expo Live, a programme by Expo 2020 Dubai.

[INTRO STING]

DAVID DAVIES: So if you can imagine what iPhones did for us 10 years ago, they made a phone that was simple and interactive and did all the things we need to do. You know, and if we're in a developed country, we need to like book Ubers and hotels and see the weather and things. Those things aren't really useful for developing world farmers. They have a different set of problems such as; can I hand over my crops and just record that I've done it? So I know that, you know, someone's not going to cheat me when I collect it. Can I keep cash in the

cooperative so I can order something rather than having to take the money to my home where, you know, my family might want to get some of it or things. So we solve some very unique challenges that really only apply to very low income remote farmers, that which normal phones and mobile applications don't really address their specific needs.

RAMA CHAKAKI: They use smartphones that are specially adapted to make them really simple to use. And with these phones, farmers can achieve tasks that may sound simple — but actually have a huge impact on their lives.

DAVID DAVIES: What we do is really simple; it's just enabling the farmer to coordinate with say the buying station or the co-operative that they're going to hand over the crops on a particular day. That is a huge problem, because, you know, we see farmers in Ethiopia that will walk many hours to hand over a crop and the buying station was closed that day and they have to walk back and maybe by the time they're ready to come back again the crop's spoiled. So the first function the phones do is just coordinating between buyers and cooperatives.

And then the final function is just enabling them to use the money, whether it be just going to the cooperative and cashing out their cocoa bean income or their coffee income bit by bit, or ordering something through the cooperative, or transferring that money into a bank account.

And most of our farmers never had bank accounts before, but once they see that, oh, you know, I can keep money in this AgUnity system, the next thing they'll start to do is transfer it into bank accounts for savings.

RAMA CHAKAKI: The company started five years ago, but really the idea goes all the way back to David's childhood.

DAVID DAVIES: Oh, I grew up in a wheat and sheep farming area in the outback, South Australia, and we ran the wheat silos. So we know a lot about wheat and sheep farmers.

So it gave me a great knowledge of how large-scale developing farming works, so I understand that really well. And then what was kind of a profound shift from that, back in 95, 96, I worked for, I ran a UNESCO project in West Africa, so I saw the other end of the supply chain. And that's kind of the genesis of the idea, that in Australia, even really huge scale farmers, we rely on infrastructure like the wheat board and Australian wool board and things like that to help us get fair prices and deal with issues. And farmers all have these organizations that help them.

In developing nations, the farmers have very little of that and those organizations are very weak and don't have a lot, don't offer them a lot of benefits. So one of the most important things for farmers is always to work together as a group, collaboratively. As soon as, you know, farmers are buying and selling things as a group, they're getting better prices, fairer prices, and they've got some ability to push back on the bigger counter parties.

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RAMA CHAKAKI: AgUnity was born out of a hackathon that David and his co-founder took part in in 2016. From there, they developed this idea for a blockchain-powered low-cost smartphone and a safe transaction record system, to tackle financial and digital exclusion for remote, rural communities.

After the hackathon, they decided to see if this idea would work in the real world. So they started with what David knew because of his upbringing.

DAVID DAVIES: The first farmers were wheat farmers, and that's because I grew up in a wheat and sheep farming area in Australia, so it was a crop I knew a lot

about. Then we quickly moved — the next project was in Papua New Guinea when we worked with cocoa farmers for chocolate. In the first batch of cocoa farmers, we saw in a season, the farmers increase their income by three times, which is absolutely life-changing, not just to the farmers but also to the whole community, because there's more money for the farmers means they spend more in the shops and get the kids can go to school. Everyone benefits.

RAMA CHAKAKI: It sounds like pretty simple goal, with quite a straightforward, measurable impact. How has your experience been when getting funding and partners on board?

DAVID DAVIES: Yeah, look, funding has been an ongoing challenge for us, and I believe there's a big reason for that. What we're doing is very unique. Like we're dealing with a demographic that people don't understand; we're implementing a solution in a way that isn't like any other technology company. So people look at us and they can't, like, immediately say, hey, you know, you like Uber for farmers or something. We're much, much different, and we have a very complicated, you know, business structure, because in order to address this market, we had to do that. But investors typically want something that's very similar to something they've already had. And so we've always done well with angel and impact investors, because we can sit down with them, you know, in many cases we've taken them out to the farms. They've seen what's happening and they go, "Right. I get it. I can see this is going to be a big thing that can change the world." And when we get onto people like that, they're all behind.

We've raised well over a million dollars so far. We currently have over a million dollars a year of revenue, so we just became profitable this year. So we're a good, stable company that has done that on very little capital. And now is really the time we're trying to scale that up into the next level.

RAMA CHAKAKI: So what does scaling that up to the next level look like? Well, this year, AgUnity have released a new digital token called Agree-UT, which allows coffee consumers in, say, Australia, to show their appreciation to coffee farmers in, say, Papua New Guinea by sending them these digital tokens. The farmers can then use those tokens to pay for things like farming supplies or coffee seedlings.

DAVID DAVIES: We've got a system where a commodity company or the buyer of coffee, or just anyone can buy some AgriUT, send it directly to a farmer and nobody, there's nobody in the middle. If you buy a dollar of AgriUT and you send it to a farmer, they get a whole AgriUT in their wallet. And they could use that to pay for their phone, they can use it to buy farm supplies, pay the school fees and things from the cooperative, and it's immediately usable in their community. So it has a real, real profound benefit. It's essentially a closed loop non-cash payment system, and so we've released this token into this system and it will be going live with the Expo project and in Papua New Guinea in a week; it's already running for a couple of hundred farmers in Ethiopia.

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RAMA CHAKAKI: So, David, I wonder if you can tell us a bit about how you got involved with the Expo Live grant programme in the first place, and also a little bit about what that process was like?

DAVID DAVIES: It was a wonderful thing because we'd struggled for years. We had a project in Papua New Guinea, which we'd funded ourselves, that was in the Island of Bougainville. And we'd had multiple other potential projects in Papua New Guinea that we could just never get funding for. We'd be submitting grants to exactly the right applicants; everything would be right, but then the partner couldn't audit their books or something like really silly things were stopping us getting funding to start a project in that location, which we felt was like one of the

key locations to work with. Like, you know, the benefits we could give to farmers, the needs, everything was perfect there. Brilliantly, the Expo Live program, you know, stepped up and they funded a project, which we were originally hoping was Bougainville.

But by the time it was ready, Bougainville was running up to their independence referendum, and we couldn't get in and out. So we moved it to Madang. And then that project has actually spun off into, I'm going to say almost half a dozen more.

So the Expo funding that — you know, it's a small amount of money in the scheme of things, but that's what got us started. It got us to a couple of hundred farmers in Madang. Other communities found out about it; we started vanilla projects; we started projects where we're connecting with banks. And now we've got half a dozen projects all over New Guinea that probably wouldn't happen if we weren't so fortunate to have been accepted into the Expo Live program and they're very generous support to kick starting the project. So I'm hoping that the net result of that funding from Expo will eventually be improving the lives of around about a million people in Papua New Guinea.

RAMA CHAKAKI: AgUnity is quite a complex company, and it's unique in many ways, so we wondered, how does an organization like this measure the impact in their work? And David told us, actually it's not as complicated as you might think.

DAVID DAVIES: Yeah, we're actually more simple than most. We look at the increase in farmer's income. Their income is actually recorded on our platform. It's very, very easy to show that, you know, these farmers started out by earning $40 a month, and now we've got them up to $120. And that's really our goal just to get the farmers from there a couple of dollars a day up to what is just a sustainable income.

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RAMA CHAKAKI: Sustainability is a great goal to have. So David, the last question I have is — when you have a hard day at the office, what is it that keeps you going the most?

DAVID DAVIES: Oh, I reckon, you know, the answer to that: it's the farmers, of course. And that goes back to, you know, pre-COVID, we used to spend a lot of time going and visiting the community. I especially did cause I just love it and the heartwarming remarks that you do get from the farmers an d seeing they're not troubling with these school fees, and we can create the framework in which they can earn more. They can put it aside, get to things that will change their life. And we see those changes.

You know, when it's a hard day, all we have to do is think about that, because who, who wouldn't be happy to work hard in an environment where you're literally changing thousands of people's lives. And if we do well, we'll be changing millions of people's lives.

RAMA CHAKAKI: Innovate with Purpose is the official podcast of Expo Live, an innovation programme by Expo 2020 Dubai. Innovation can come from anywhere, to everyone.

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