



## MACE FOODS

**Application Name:** This profile focuses on Mace Foods' application of the M-Pesa (LINK) service.

**Area of Focus:** Mobile payments

**How it works:** M-Pesa, operated by Safaricom Limited, is a money transfer service available to Safaricom customers. Started in 2003, M-Pesa allows customers to deposit and withdraw money, transfer money to other users and non-users, pay bills, and purchase airtime, all through a network of agents that includes airtime resellers and retail outlets acting as banking agents.

Prior to implementing the M-Pesa payment system, Mace Foods transferred funds to farmers by cash payment, bank payment or voucher payment through microfinance institutions. However, the company was losing money due to the high costs of administrative transaction fees and fraud, theft or misappropriation by its field officers. As a result of the success and popularity of M-Pesa, Mace Foods registered with Safaricom and began using the service in January 2010. Using special software, Mace Foods is now able to transfer money directly to farmers and employees and pay bills right from their office computer.

**Technology used:** Mobile phones and computers

**Implementer/Funder:** Safaricom Limited and Mace Foods, a manufacturer and shipper of dried horticultural products to the European Union.

**Fees:** The withdrawal charges are KES 25 (US\$ 0.28) for an amount less than KES 2000 (US\$ 22.33), while the cost of sending money is KES 30 (US\$ 0.33) regardless of the amount. These fees are absorbed by Mace Foods.

**Primary Markets:** Kenya

**Users:** Farmers and employees of Mace Foods

**Business Model:** Mace Foods makes payments to farmers and employees with funds deposited with Safaricom. This money is received or withdrawn through a Safaricom agent anywhere in the country.

**Impact:** Now that Mace Foods is making 100% of its payments through M-Pesa, there has been a substantial reduction in losses and fees. Furthermore, the statements received from Safaricom have produced significant accounting and data management benefits. Now Mace Foods has an accurate record of all payments made to farmers and employees. In addition, the company has access to important statistical information about its business, such as the number of women whose livelihoods are positively impacted by their relationship with Mace Foods, and it can easily track payments to farmers based on year, month, amount, or geographical location.

**For more information visit:** <http://www.safaricom.co.ke/index.php?id=250>

**Sources:** Information from Mace Foods was provided by Margaret Komen, Director of Country Operations, Mace Foods.

### DISCLAIMER

The views expressed in this publication do not necessarily reflect the views of the U.S. Agency for International Development or the U.S. Government.

This profile is supported by USAID's Fostering Agriculture Competitiveness Employing Information Communication Technologies (FACET) project under the Financial Integration, Economic Leveraging, Broad-Based Dissemination and Support Leaders with Associates award (FIELD-Support LWA). It was written by Jessica Lustbader of Fintrac. FACET offers on-demand field support to help missions with the challenges of using these ICT interventions in agricultural development. To learn more about field support options, contact Judy Payne, ICT Advisor, ([ipayne@usaid.gov](mailto:ipayne@usaid.gov)).