

**Buyers, Brokers and the Potato Business**  
*By Simon Kagiri <sup>1</sup>*

An interview with a potato buyer, Simon Kagiri. He explains how using a broker can affect the profit margins of both the farmer and the market sellers.



*Simon Kagiri and Moses Gichuru meet with Upendo farmers to talk about TSS*

**Using a Broker**

When we want to buy potatoes from the farmers we use people who are middlemen or brokers; they know where the farmers are. They introduce us to the farmers and then we go to the farms and buy from them. So what happens is that we end up paying something to the brokers, while the farmer will also end up paying something to them too. So eventually your cost over purchase becomes a bit higher.

**Using TSS and COB**

But with TSS there are a few important things that I would mention which will be good for me in my business:

- We have a calculated margin. Currently we go to the market and from what you have bought from the farmers you may make a profit or you may not make profit. You can even make a loss. So now with this kind of a situation (TSS) I am assured that even if it is little I cannot go ahead unless we calculate that it is a viable deal.

- I'm also happy when the farmer makes an extra coin, because when I go back tomorrow I'm also going to find this farmer still in business. You know we have a relationship, and it means that these farmers will wait for me to purchase because they know we are offering one or two or a few coins more.
- With the current situation I use my own capital, and sometimes it will limit how much produce I can take to the market. Because if I say, for example, I have 100,000/ KES I will only buy what is worth 100,000/ KES, but with the TSS I will not have to use my own capital. If I want to go with, say, potatoes worth 500,000/ KES, then as long as I have the market for them it means that I'll be in a position to sell more and also make more for myself.

**A Better Income for Farmers and Buyers**



*Simon Kagiri with brokers behind*

If you look at what is happening now behind me, we have some brokers or the middlemen who have already gone to the farm, they have purchased the potatoes and then they are going to pass them again to the seller in the market. So what is happening is that there will be a multiplier effect as far as the middle cost is concerned. But with that eliminated I think that amount can be shared between the buyer and the farmer.

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