Goals and Objective of the African Blockchain

One of the overriding goals of the Agrikore project, long term, is to create mass economic empowerment for Africans in our lifetime in the next 10 years. We plan to accomplish this goal by implementing a framework that enables every African smallholder farmer to become active economic participants and enable persons of goodwill from other parts of the world to support that journey. This goal has recently expanded to include any rural community as we are receiving interest from other parts of the world, including as far as in Afghanistan.

We can accomplish mass empowerment for citizens of rural communities by implementing a framework that enables members of the community to participate in Agriculture – the only sector where Africa and many rural communities can still have a comparative advantage over other developed parts of the world. Developed economies have been able to accelerate their development because they have created an economic system that allows the active participation of almost every citizen by reducing the friction that exists in the flow of money & information in their societies. In spite of available land resources, African countries still currently import a lot of food, and there are regions where access to food remains challenging; the volume of food imported by the continent is nearly a quarter of the continent's GDP.

The money came from Africans themselves and not from the sky. Imagine if that money can be held/ circulated/ shared within an Africa based economic system. Thus the focus of this paper, and indeed the project is to outline how we can address the agricultural sector in these developing communities.

We are implementing a blockchain solution for Africa's Agriculture Sector that will solve 3 specific problems:

i. Liquidity & allocation of capital: - Despite the huge size of Africa's Agricultures sector. The capital market for agriculture is illiquid and there is no clear mechanism for efficient allocation of capital. Beyond all the other problems in Africa, the problem of capital allocation is the major hidden one – when a country has no mechanism for getting capital from those who have it to those who need it. The economy cannot have sustained growth. This blockchain will be Africa's mass stock market; the way that liquidity circulates amongst everyone. It is how we get liquidity to the smallholder farmer & the last mile of agriculture in Africa.

ii. Asymmetry of information: Africa is unable to trade with itself because information related to demand and supply is not available in country and cross country. Millions of small holders farmers cultivate and information required to convert their produce to wealth is not freely available to all. Across Africa, there are mechanisms for storage – formal & informal-, transport & markets that are working but because they are not integrated together; it is difficult to exploit the potential. This blockchain will be Africa's ledger for Agricultural produce; seated within this ledger is information related to primary produce storage sites where farmers take their produce; Buyers & their offer price ; transporters . It is how we connect the last mile and first mile togethers.

iii. <u>Simplification of understand & access the Agriculture market as an economic participant :</u> How do you as a private citizen , government , donor, bank etc participate in Agriculture in a very simple way without being the person that has to go to the farm physically and being subject to complex , complicated contract instruments? The blockchain will serve as Africans Unit of account (crypto currency) for agriculture. It is how we harmonize the language of agriculture – for example 1MULA = 5 Cows= 1MT of grains= 1MT of fertilizer= 1MT of seeds= 50 Baskets or crates of fruit. The MULA is also a unit of investment.

We will commence an field implementation in Nigeria and Liberia . In a simple way ; what does this mean in real life from a user experience perspective for real people.

i. **Inter-connectedness:-** An economic system exist because the participants are connected to each other & have a fair view of each other's actions because a <u>structure </u>exists that delivers that interconnectedness. Participants are connected to i.) information ii.) services iii.) money iv.) markets within the blockchain string via a series of contract instruments that are visible on the ledger.
Imagine the 17milllion farmers in the ecosystem today coming to the realization that from their $20 feature phone they are suddenly; based on the fact that they are KYC compliant; that they are connected to:

a) Stores of Value – they have a wallet that they can use as a payment instrument for paying for inputs & receive money from their sales produce via a structured agent network;

b) Services: - they can request <u>input suppliers</u> to bring inputs to them on the strength to their wallet balances; they <u>can take their produce</u> to a village aggregator/ formal off-taker for either spot sales or storage & receive a convertible instrument – a warehouse receipts a.k.a. token that appreciates in value with time or is redeemable for cash in real time;

c) Financial services: - they can save & earn interest and in addition request for a loan to finance primary production or processing on the strength on an outgrower contract that they have entered into with a offtakers; their cooperative participation history ; their past sales or purchases records and even their mobile phone top-up records

At its core what we are doing is to put in place the tools that connects this economic system that exists today together properly on a large scale based on work that has been going on for the past 3-5 years. The technical details of this implementation is contained in the white paper. We invite every person of good will that wishes to join us on this journey.