

## Business Model Proposal

TO: The World Bank

FROM: ATHGO International, Group #8

SUBJECT: The Ugandan Farmers' Need for Fertilizer

- I. In Uganda, food waste is disposed of in living quarters, creating unhealthy and hazardous living conditions. Furthermore, research has shown that African farmers use nine times fewer fertilizers than farmers in other countries, indicating that crops are of low quality and yields and farming lands being utilized unsustainably.<sup>1</sup> The new model should be considered in order to solve these major problems by satisfying both ends at the same time.
- II. Kampala is the most populous city in Uganda and boasts a high concentration of hotels and restaurants. 10 years ago, a waste management program called The Waste Management Project, was created focusing on the improvement of sanitary conditions of the area.<sup>2</sup> However, waste management is currently the second biggest problem in the city. This organization concentrates on waste in general (that is vegetative, plastic, paper) by offering recycling services and providing youth with education about waste management.
- III. We are proposing a new model to be implemented on a trial basis in Kampala, the capital city of Uganda. The model will provide a solution that seeks to improve the inauspicious living conditions caused by mismanagement of food waste and effectiveness as well as the efficiency of the farmers. Based on the success rate of the model, it would be replicated to other urban areas of the region.

We are creating a non-profit organization with purpose of transforming food waste into farming fertilizers. We will bring volunteers from local schools to help with the collection of food waste from hotels and restaurants and other local areas (these restaurants and hotels will be charged a fee for their waste to be picked up more frequently than our potential competitors would allow). Our model will utilize earthworms to decompose the food waste into fertilizers. The fertilizer products are organic and environmentally friendly and would be delivered to local farmers. In return, farmers will be giving up 3% of their crop towards our company at the end of harvest period.

The competitive advantage for our model is that it is a low cost and self-sustainable process. Also, the model is differentiated from existing methods because the food waste is recycled into fertilizers. Food trash collection is an unglamorous process; therefore, it may be difficult to attract volunteers. Also, the model will be mainly reliant on the fortunes and stability of one economic industry-the hospitality industry, which is our main disadvantage.

- IV. Given that the model would bring great benefits to the hospitality and farming industry, we could expect a high level of subscription to our idea from restaurants, hotels, and farmers. The revenues will come from fees charged to the hotels and restaurants, and the farmers purchasing the fertilizers. We are expecting to get our returns on investment in the first 2 years of the company's operation.
- V. Our group's role in this process is purely organizational in nature. Our members are willing to participate in more detailed development and organization of this model. Some of our members are also willing to go to Kampala, Uganda for recruitment and education purposes.

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<sup>1</sup> African Agriculture. <http://africanagriculture.blogspot.com/2007/03/soil-fertility-fertilizer-usage-issues.html>

<sup>2</sup> The waste Management Project. <http://www.angelfire.com/mn/namagunga/wasmapro.html>

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