

Defining itself as an AgTech marketplace, [ProducePay](#) sees the avocado category as a prime channel to grow its platform, as supply chain disruptions, dramatic increases in demand and soaring prices make trust between traders a hot commodity.

Pablo Borquez, CEO and Founder of ProducePay told FreshFruitPortal.com that as there are significant shifts in demand, players in the market come in and out of the business, which causes friction in the supply chain.

According to the tech company, the avocado consumption in the United States will increase uninterruptedly in the next 8 years, generating a greater demand for this product.

As this creates friction to trade. New people are trading themselves at odds with old players, and there is a higher level of distrust between sellers and buyers.

“This lack of transparency creates delays and inefficiencies in the industry’s ability to function. People end up trading with counterparties who are not the most direct line of sale, but do so with added middlemen to eliminate risk,” Borquez said.

Therefore, with ProducePay, offering a more transparent marketplace, with an option to settle the financial transactions, it helps create trust between the different parties.

Essentially, there are two factors which Borquez says can come to mind when trading with a new partner: Doubts as if they will get paid as agreed, and also, resistance to payment terms and the delays in payments which could occur, even if the price and trust is there between the two parties.

Borquez says that the platform vets its buyers and sellers, but quickly, in a period of about 48 hours. For avocados, the solution is designed for trade between Mexican and U.S. buyers. Parties can use geo-localization tools and focus on specific ports of entry.

Therefore, the platform basically helps speed the process along and creates transparency for all parties involved, and helps avoid added middlemen that ultimately increase the cost of the fruit for the end consumer.

“We are trying to eliminate counterparty risk across all commodities, but for avocados in particular,” Borquez said.

Moreover, the platform provides a price index to serve as a reference for buyers and sellers, even though the final deal is up to the participants in the trade.

Still in its nascent form, last year around US \$40 million of commodities were traded on the marketplace, and expects that the figure will grow by up to five times by the end of this year.

Borquez himself is from a fourth generation growing family that farms avocados, and growing up in Northern Mexico lived in a traditional industry setting. After taking an opportunity to travel to other growing countries, he said the same issues confronting growers started coming up.

Past avocados, grapes, tomatoes, limes and berries and broccoli are also actively traded.