

# ORGANISING SMALLHOLDER SUPPLY CHAIN FOR LOCAL MARKETS

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## outline

- Introduction
- Status of OA in Tanzania
- Marketing channel of OA products
- Organising small scale farmers
- Govt. strategies to promote agriculture (OA)
- Conclusion

## 1.0 Introduction

- Basic OA crops: Cash crops: cotton, cashews, coffee, black tea, cocoa
- spices and herbs
- essential oils (e.g. lemon grass)
- honey
- fruits (fresh citrus, papaya, guava, mango; dried fruits include, banana, pineapple, mango, papaya).
- processed vegetables e.g. garlic and onion powder
- Potential areas: Muheza (Tanga region), Meatu (Shinyanga), Kasulu (Kigoma), Iringa, Mbeya, Morogoro, Rukwa, Zanzibar, Kilimanjaro, Kagera and Coast Region.

## 2.0 Status for OA in Tanzania

- Currently organic agriculture is on the increase
- There is at least 23 certified organic projects in Tanzania
  - includes 16 firms for export and 7 projects for the local market.
  - The exporting firms are linked with small scale farmers as out growers, -this kind of relationship is demand driven
  - Contrary to the local market where the suppliers produce without a buyer's commitment (supply driven).
  - A certified land is estimated at a range of 37,000 ha – 64,000 ha.
  - More than 30,000 farmers produce organic crops.
  - The uncertified agricultural land is estimated to 200,000 ha.

## Status of OA cont'd

- **Products produced for the local market mostly are processed include jams, spices, soft and hard drinks, dried fruits, vegetables, edible oils, cereals and their products, and animal products.**
- **Contrary to products for export which are mostly sold in bulk e.g. cotton, coffee**
- **The main consumers of the organic products are expatriates and well-of Tanzanians etc.**

## 3.0 Marketing channel of OA

- Outlets: Export and Local Markets
- Export Market
- There are some facts which indicate that organic agriculture can contribute to development of local and export trade and in turn it will provide an opportunity to small scale farmers to join commercial farming.

## Marketing channel cont'd

- The distribution channel depends on the type of the product in terms of perish ability.
- The type of products exported mainly include cotton, coffee, black tea, cocoa, spices, essential oils (lemon grass), honey and cashews.
- to ensure quality is attained, some exporters are involved in training farmers

## Marketing channel cont'd

### Local market

- Few outlets for OA products e.g. for Dar es Salaam include Mums Kitchen, Vitality shop and Envirocare -> specialized outlets.
- The unspecialized outlets include; supermarkets like Shoprite and Shoppers Plaza. Hotels include Sea Cliff, Royal Palm, etc.
- About 90% of consumers of organic products are expatriates, tourists and visitors in hotels.
- Very few Tanzanians consume the products for health reasons particularly the medicinal products for ailments such as cancer, diabetes, ulcers, hypertension, etc. and there are those who care for their health through use of safe foods.

## Marketing channel cont'd

### Promotion of organic products

- Participation in the Dar es Salaam International Trade Fairs
- Participation in the agricultural shows e.g. Nane Nane
- Invitation of the target customers to the shops for information sharing and viewing products
- Conference events e.g. Tanzania Gender Networking Programme (TGNP), SADC meetings
- Effected through a word of mouth to customers

## 4.0 Organising small scale farmers

- Farmers need to be organized in groups/associations/societies/cooperatives to enhance delivery of essential services e.g. group certification, marketing of produce, solving logistical problems e.g. transport, bargaining power etc.
- Central collection points for effective delivery of produces to the market is important to enhance sorting, grading, pre-cooling, packaging and labeling.
- A successful project will be one that is involved in contract farming arrangement for market assurance particularly with perishables e.g. tomatoes, fresh peppers.

## Organising small scale farmers cont'd

- Most of the groups are supported by development partners through various programmes such as GTZ organic project, Export Promotion of Organic Products from Africa (EPOPA), etc.
- Support from various NGOs; include Envirocare, INADES Formation, FAIDA MALI, Tanzania Organic Agriculture Movement (TOAM), Kilimo Hai Tanzania (KIHATA).
- Development partners like ITC, Sida, FAO, IFOAM, UNEP, UNCTAD, etc.

## Organising small scale farmers cont'd

- **Steps towards developing Internal Quality Management (IQM)**
- Members of the group identified
- Analyze main characteristics of the group (production, handling, processing and marketing)
- Create consensus about the quality objectives that the group wants to achieve
- Find qualified personnel to
  - Set up and maintain an IQM in a participatory way
  - Provide farmers with training in production, handling, processing and marketing
  - Develop IQM forms and procedures
  - Manage the IQM

### 5.0 Government strategies to promote Agriculture in the country

- OA as part of the agricultural sector can realize the opportunities laid down for poverty alleviation like with other sectors.
- Programmes like, MKURABITA and the Agriculture Sector Development Program (ASDP) the later encompasses District Agriculture Development Plans (DADPs). These programmes addresses the Poverty Reduction Strategy Program (PRSP) .
- In addition Agriculture Sector Development Strategy (ASDS) and Rural Development Strategy (RDS) provide the framework for sustainable development.
- RDS uses Participatory Rural Appraisal to empower the community to identify problems, develop strategies and objectives, initiating actions to be undertaken, establishing institutions, and monitoring performance indicators.
- This set up provides an entry point to organic agriculture development efforts in the country.

### 6.0 Conclusion

- Development of organic agriculture requires serious promotional efforts at all levels -from producers to consumers for an effective chain.
- Obstacles to OA development are well studied and carefully solved in a participatory manner.
- Likewise research and development is obliged to quickly answer farmers' technical issues to avoid disappointment.
- While farmers themselves indicating their committed to their clients, this will highly be achieved if farmers move into groups and preferably are contracted for market assurance of their products.

**YOUR ATTENTION IS VERY MUCH APPRECIATED**

**THANK YOU**