



Rural Urban Development Initiatives

P. O. Box 78741, Tel No.: +255 (022) 260 1873,
Dar es Salaam Fax No.: +255 (022) 260 1874,
Tanzania E-Mail: ruditz@yahoo.com,
Plot # 217/218, Off Kimweri Road - Msasani Village



USAID
FROM THE AMERICAN PEOPLE

COMPETE
The Competitiveness and Trade Expansion Program

I. General Information

Grant Agreement No.: RUD – STA- 008
Grantee Institution: Rural Urban Development Initiatives (RUDI)
Project Title: Expansion of Warehouse Receipt Programs for rice and maize in Kilombero, Iringa Rural and Handeni districts of Tanzania
Type of report: Monthly
Period covered by this report: From 1st February 2011 to 28th February 2011.

II. Background

USAID-COMPETE PARTNER FUNDING SUPPORT TO RUDI

February 2011 report

This report from Rural Urban Development Initiatives (RUDI) is for the 2nd for 2011 covering USAID COMPETE support to RUDI for 2 years period. The report covers the activities achieved report.

Project overview

RUDI is implementing two years project on Warehouse expansion in three districts of Tanzania. The project is funded by USAID COMPETE.

III Executive summary

The primary objective of the COMPETE grant to RUDI is to assist smallholder rice and maize farmers in three districts of Tanzania – Iringa Rural, Kilombero and Handeni. The grant aims at assisting three Associations in the three districts to establish collective marketing through WRS, procuring milling equipment and convert paddy to milled rice and maize to flour at the source. This is expected to lead to a tripling in the value of the milled rice/flour and contribute to better returns to the farmers. This activity also assists the finished rice/flour product to be traded across the region without further transport to a processor.

Table 1: Summary of warehouses supported by the project February 2011

No.	Warehouse/Group	Membership		Consolidated Vol. (MT)	Sold Vol. (MT)	Value (Tshs)
		Total	Women			
1.	Mangalali	72	22	60 (maize)	60	18,000,000
2.	Kaning'ombe	75	29	16 (maize)	16	4,800,000
SUB TOTAL		147	51	76	76	22,800,000
3.	Mbingu	104	35		120.1	49,200,000
SUB TOTAL		104	35	120	120.0	40,000,000
4.	Amani	300	172	5 (maize)	5	1,500,000
5.	Suwa	85	40	60 (maize)	60	21,000,000
SUB TOTAL		385	212	65	65	19,500,000
GRAND TOTAL		633	298	261.1	86	82,300,000

Activities carried during the months of January to February 2011

- i) Visit to Mbingu, Mangalali and Idodi Farmers Association by Managing Director of SMART LOGISTICS of Nairobi, Kenya, a potential buyer of RUDI COMPETE assisted Associations paddy/maize.
 - ii) Visit to Mbingu farmers Association by Senior officials from USAID COMPETE Nairobi and USAID East Africa.
 - iii) Selling of farmers produce.
 - iv) Developments of plans to install milling machines
-
- i) Visit to USAID COMPETE assisted Associations by Rose Mawia Mutuku of Smart Logistics of Nairobi, Kenya January 14 to 18, 2011.
Purpose
 - a) To discuss with Associations leaders the purchase of rice/maize which was still in the warehouses?
 - b) To discuss long term relationship with farmers.
 - c) To identify opportunities for cereal trading in the areas where USAID COMPETE project is working.
 Outcome of the visit
 - a) Smart Logistics agreed to purchase Mbingu paddy immediately at tshs 400/kg

- b) Smart Logistics committed to assist the farmers to manage milling machines.
- c) Smart Logistics said would like to sign MOU with Associations for future purchase of maize and rice of Associations assisted by USAID COMPETE project.

Challenge

Because of the bureaucracy in getting export permit, Associations postponed the plans of selling the paddy to Smart Logistics for the paddy in the warehouses. Instead the long term plan will be developed sometimes in April/May 2011.

Figure 1: Rose Mutuku of Smart Logistics (in red jacket) in a group picture with Mbingu Associations leaders



Figure 2: Rose Mutuku with Kilombero Apex chairman Mr. Athman Ngongowele, USAID COMPETE Mbingu manager Hilda Kuweta and RUDI CEO Abel Lyimo



ii) Visit to Mbingu farmers Association by Senior officials from USAID COMPETE Nairobi and USAID East Africa Monday 31 January 2011 to February 4, 2011.

COMPETE visitors:

1. Isaac Tallam Private Sector Grain Trade Advisor
2. Tahalia Barret Private Enterprise Officer – USAID East Africa
3. Katharine Moulton Grants/ Communication Manager
4. Chris Donohue Competitiveness strategy Advisor
5. Ramiro Ortega- Land Consultant

Objectives

- i) Undertake field trips to assess and learn more about Tanzania Warehouse Receipt System and MoSS models being implemented by COMPETE's grantees RUDI and CGA respectively.
- ii) Visit RUDI offices and get highlights of the Expansion of Warehouse project
- iii) Discuss with farmers and other stakeholders on challenges encountered during the implementation of the project
- iv) Visit USAID Tanzania and WFP offices and financial institutions (banks)

Outcomes

- i) Officials from USAID COMPETE learnt more on project after presentation on by RUDI CEO. Officials asked questions on implementation of the project, the field activities, achievements and challenges.
- ii) Visitors discussed with various Associations members on the benefits of the project
- iii) Visitors saw what has the project done – warehouse infrastructure etc.

Achievements in brief.

- i) Collective marketing by small holders
- ii) Licensed warehouses by Tanzania Warehouse Licensing Board in operations
- iii) Farmers access credit from NMB and Stanbic banks
- iv) Various training conducted which increased productivity and quality.
- v) Warehouse infrastructure in place: Moisture meters, taurplans, certified weighing scales, pallets.

Challenges

- i) Long process of installing milling machines.
- ii) Long process to acquire legal documents to own the land
- iii) Unreliable markets.
- iv) Poor infrastructure in the rural areas.
- v) Farmers have high expectations on prices
- vi) Long travels to the field

Figure 3: USAID/COMPETE officials in group pictures with Mbingu Farmers Association leaders inside Mbingu warehouse



Figure 4: Mbingu Warehouse Receipt System sign post in Swahili language



Detail plan for the Installation of milling machines

The meeting with Kilombero Apex leaders of March 4, 2011 passed the following resolution.

The manager of Apex Mr. Ujuma Sadiq who has successfully managed milling machine for his Association Mbasa to resign his post from Apex. Mr Sadiq was given a contract to manage two milling machines – Ifakara and Mang’ula, in. The fees will be decided by both Parties before they commence the operations.

Attendance

- i) Athman Ngongowele
- ii) Suleman Njawamoto
- iii) Zaina Lukwaro
- iv) Hawa Rehani
- v) Joseph Tindwa

- Chairman
- Vice Chairman
- Member
- Treasurer
- Advisor

Works conducted for the past week

- i) Renovation of the machine shelter including wiring.
- ii)** Signing a long term lease (5 years) with Association which owns the warehouse/shelter
- iii)** Request letter to Tanesco (power utility) to install three phase electricity to the milling machine house.
- iv)** Fund raising to cover costs for installation of electricity.
- v)** To sensitize members on the project.

vi) Machine is expected to be installed the last week of March or first week of April, 2011.

B. Idodi

- i) Shelter house repaired
- ii) Tsh 1 million raised to finalize the foundation.
- iii) Contracted local experienced milling machine operator to manage the warehouse.
- iv) Plans to install the machine in the second week of April

RUDI Commercial services company role

- i) To prepare business plan to run the machines for the Apex
- ii) To prepare business plan for the Apex for bank financing of commodities in the warehouse.
- iii) To manage the warehouses (Collateral manager)
- iv) Conduct negotiation skills training
- v) To identify the buyer, help farmers to negotiate, follow up on the export permit.
- vi) Honest broker between the buyers, Apex, machine operator.
- vii) Good governance issues: Apex, RUDI NGO, Buyers, machine operator, inputs supplier.
- viii) Assist Associations to prepare tender to WFP under P4P program.
- ix) Work closely with the Apex, financial institutions and the buyers.