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TANZANIA AGRICULTURE PRODUCTIVITY PROGRAM (USAID-TAPP) QUARTERLY REPORT # 3



April – June 2010

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1. EXECUTIVE SUMMARY

This is the third quarterly report (April-June 2010) for the Tanzania Agriculture Productivity Program (USAID-TAPP), funded by USAID/Tanzania under contract EDH-I-07-05-00007-00 with Fintrac Inc.

Third quarter achievements include:

- USAID-TAPP is providing new technologies and technical assistance in production and postharvest practices to 3,965 rural families in 136 producer groups in 8 regions.
- 247 training events were held for 6,269 people (2,821 men and 3,448 women). Topics included production, postharvest management, marketing, business management and health and nutrition.
- One technology fund and six new partner fund awards are being implemented. 12 more awards are under negotiation, bringing USAID-TAPP investment to \$2,038,512.
- The program provided training for USAID-TAPP and TAHA staff in gender mainstreaming methodologies and developed a gender mainstreaming strategy (GMS) to ensure optimal project outreach and impact for women, youths and other disenfranchised groups.
- Two partner organizations (TAHA and RENTC) are now providing market analysis. TAHA market information staff received specialized training in market analysis tools and methods from USAID-TAPP.
- 40 demonstration plots were established, showcasing technologies such as drip irrigation, raised beds, mulching, live barriers, water harvesting, and composting. USAID-TAPP is targeting schools for demonstration sites to teach farm business skills to youths.
- 2,864 people have been trained in HIV/AIDS prevention. USAID-TAPP's health and nutrition program is having a measurable impact. (See success story in Annex III).
- The National Bank of Commerce will support a women farmer group, leveraging USAID-TAPP investment. Partner organizations committed to an additional co-investment of US\$736,850.
- The program established market linkages between Golden Food Products (GFP) Ltd. and Cooperative Business International (CBI) to buy African Birds Eye (ABE) chilies and cardamoms from Tanzania. Smallholder farmers are being integrated into these linkages through GFP.
- USAID-TAPP is establishing 10 positive kitchen gardens under a partnership with Real IPM and is providing training to schools, prisons and other institutions to develop nutritious feeding programs.
- USAID-TAPP helped develop the national horticulture strategy, which will guide Tanzania's horticulture policy for the next 10 years.
- The program continues to support advocacy efforts of our partners. For example, TAHA represented the horticulture industry in Dodoma at a session of Parliament, where the minister presented the National Agricultural Budget, and also updated ministry directors on the status of the horticulture industry.

2. INTRODUCTION

2.1 PROJECT DESCRIPTION

The Tanzania Agricultural Productivity Program (USAID-TAPP) is a 5-year initiative supported by the American people through the United States Agency for International Development (USAID). The program aims to increase smallholder farmer incomes through enhanced productivity and improved domestic and export marketing of agricultural products.

2.2 GOALS AND OBJECTIVES

USAID-TAPP's goal is to help smallholder farmers achieve food security by boosting agricultural productivity for purposes of consumption and income generation. The program will benefit 25,000 rural families by transferring technology and business skills to farmers, attaining sustainable increases in rural incomes, and enhancing institutional capacity in the public and private sectors. All proposed activities will include efforts to address the impact of HIV/AIDS on rural communities and there will be a strong emphasis on encouraging women and youth groups to approach horticulture as a business. Agroforestry initiatives are part of the project, and principles of good agricultural practices (GAPs) will guide all programs to ensure environmental protection.

2.3 COMMUNICATIONS, REPORTING AND INFORMATION

Three monthly reports were completed and distributed to interested parties and the second quarterly report was submitted to USAID.

To keep key personnel in the Ministry of Agriculture, Food and Cooperatives, TAHA, TAHA Fresh Handling Ltd. (TAHA Fresh) and partner organizations informed of the progress of USAID-TAPP, a new report format was developed consisting of extracts from the quarterly report including the executive summary and a section outlining regional activities. The report was well received and will continue to supplement monthly reports.

USAID-TAPP held a two-day meeting in April with the board of TAHA and the management of TAHA Fresh to fully explain the direction of USAID-TAPP and to brief them on progress. Participants gained a better understanding of how the program would be implemented. The USAID-TAPP field staff and the staff of the TAHA Secretariat now hold regular monthly meetings.

USAID-TAPP has linked an international web designer to TAHA to assist with upgrading the TAHA website. They are also discussing the potential for a web-based information network to improve TAHA's information flow to its members. This is further discussed in Section 6 of this report.

3. PRODUCTIVITY

Field staff conducted 291 technical assistance visits to clients during this quarter. Details on each technical assistance visit (including client contact information, observations, and recommendations) are available through CIRIS, Fintrac's M&E program on USAID-TAPP's intranet site (www.fintrac.com/USAID-TAPP/).

3.1 REGIONAL ACTIVITIES

USAID-TAPP field staff participated in monthly team meetings involving technology training and reporting on activities in their regions. These meetings are essential to building the capacity of the field staff and to exchange ideas and challenges. Meetings are rotated among operational areas where field visits can be integrated into the agenda to expose staff to various program initiatives and cropping situations. This quarter, meetings were held in Arusha, Morogoro and Moshi.

3.1.1 Northern Tanzania

14 demonstration plots have been established in Northern Tanzania that incorporate a variety of technologies such as hybrid seeds, fertilizer, raised beds, nursery techniques and irrigation methodologies. Some of these plots have been established with school groups to stimulate interest in horticulture as a business and to create an upward educational effect from children to their parents. In the Karatu area the Canadian Physicians for Aid and Relief (CPAR) developed several of the demonstration plots on school grounds. Junior Farmer Field schools similar to the 4-H clubs of the United States will eventually be created, and contact has been made with their U.S. headquarters to explore the possibility of working with that organization in the future.

The program signed partnership awards with Floresta, Kilimo Impact Tanzania and Golden Food Products (GFP) and has started activities with all three partners. USAID-TAPP has formed a close association with Kickstart and has conducted a number of joint training sessions to sensitize farmer groups to the benefits of Moneymaker (treadle) pumps. The program has purchased several of these pumps and will be extending involvement with Kickstart in all regions.

The Prime Minister of Tanzania, the Honorable Mizengo Pinda, visited Mailer Farm and spent time learning from the women members of Mtazamo Vegetable Growers about their horticultural enterprise. The prime minister was impressed with how the women had managed to significantly improve their living standards and were now able to educate their children because of profits from horticulture. He donated TSh 5,000,000 to help the group. Other visitors to USAID-TAPP during this quarter were Anne Tutwiler, the coordinator of the Global Food Security Initiative (USDA), and Congressional staffer Lindsay Gilchrist.

USAID-TAPP is looking into collaborating with Orgut Consulting AB, which is managing a program designed to develop sustainable sources of rural microfinance. The plan teaches technical and business skills to rural communities and encourages them to establish self-funded savings schemes called Village Community Banks (VICOBA). These village savings and loans schemes are based on groups of 25–30 people and have proven to be successful in poor, isolated rural areas. The majority of participants in VICOBAs have been historically women. USAID-TAPP has established relationships

with many of these VICOBA groups, who have been operating long enough to help participating members start small rural enterprises. Many members wish to start horticultural enterprises but lack the technical skills and market linkages, so USAID-TAPP is helping them in these areas.

3.1.2 Lushoto

Considerable emphasis has been placed on developing the Agriculture Resource Center as the district horticultural “Center of Excellence.” After holding on-site discussions with the district horticulture extension officer USAID-TAPP has developed a program that will include all aspects of production. The program will demonstrate composting, agroforestry and vegetable nursery practices, greenhouse technology and drip irrigation, and will have a number of demonstration plots showing fertilizer comparisons on orchard and vegetable crops and hybrid seed variety trials. The center will become the focal point for information transfer in the district, holding farmer field days and taking growers through all phases of production, as well as creating demonstration positive kitchen gardens. It will become a training ground for hospitals and schools, covering vegetable and fruit production and the nutritional benefits of using produce from the gardens.

The USAID-TAPP field manager in Lushoto is working with the Usambara Lishe Trust (ULT), and after discussions with members of the organization they invited the Business Development Center of the University of Dar es Salaam to a meeting of one of ULT’s grower groups, where members expressed serious reservations about the management and governance of the organization and requested assistance in capacity building to better serve the needs of the farmers. USAID-TAPP has commissioned the Business Development Center to meet with the other ULT groups to assess the possibility of funding an annual general meeting where farmers can air their views to management.

Eight demonstration plots were established in the Lushoto region, including one at the Shukilai school. The students have planted garlic as a cash crop and are learning the business skills associated with farming. Within two days of the initial training parents started asking if they could take part in future trainings, thus enabling USAID-TAPP to reach dozens of parents through their children. The program is talking with 4-H Tanzania in the Tanga Region about possibly becoming involved in their programs. Meetings have also been held with ORGUT regarding involvement with many of their 90 VICOBA groups in Tanga region. These have been positive, and USAID-TAPP is starting to train some of these groups, which have 2,700 members, most of whom are farmers.

3.1.3 Morogoro

A new agronomist was appointed to assist the field manager in Morogoro, considerably increasing USAID-TAPP’s impact in the region. Eight demonstration plots have been established, and USAID-TAPP will have a strong presence at the NaneNane Showground, where their demonstration positive kitchen garden can be used as a peri-urban demonstration farm throughout the year.

A demonstration plot has been established with the Huruma Aids Concern & Care group (HACOCA), which is involved in caring for orphans and vulnerable children (OVC) in the Mvomero District. The group receives assistance through the USAID Engender Health program, and USAID-TAPP is supplementing agronomic assistance to the group. USAID-TAPP staff attend the weekly group meeting and are helping younger members of the group with educational and life skill training in addition to the production and postharvest practices training for older group members and their caregivers.

USAID-TAPP has offered assistance to the 60 growers of the Mikese Farmers Group to renovate a solar drier that was installed under the FOCAL (Future Opportunities and Challenges to Agricultural Leaders) program by the Sokoine University of Agriculture. This program focused on reducing postharvest losses in tomatoes in the Morogoro Region, but the farmers did not use the solar drier because it gave little added value for the effort required to dry the tomatoes. The facility has the potential to be used to dry ABE chilies, which are in export demand. It could also be used for production of other dried chilies for the local processing industry, which currently imports from India. USAID-TAPP has linked the group to a local buyer and is establishing a demonstration plot to determine productivity and profitability of the new crops before renovating the drying facility.

The program discussed resurrecting the Unnat Fruit Processing Company with the regional authorities earlier in 2010, and consultants reporting to USAID will evaluate the firm. USAID-TAPP staff met with USAID/Tanzania and the regional commissioner and they agreed that the company could materially assist farmers in Morogoro if it could be revived. USAID-TAPP has started evaluating the economic advantage of the company producing for the niche organic fruit juice market. Most Morogoro Region farmers producing fruit that the company would process are organic farmers by default, using few if any pesticides or artificial fertilizers, so the transition to certified organic production could be accomplished relatively quickly if it were shown to be economically viable.

3.1.4 Coast

On June 1 USAID-TAPP added another member to its agronomic team. The agronomist will be stationed in Dar es Salaam, providing more help to farmers and other partner organizations and enabling the Southern Region production manager to evaluate a wider range of possible interventions. 12 demonstration plots have been established in the coastal region and more sites have been identified and await the necessary equipment to become available in Tanzania before being implemented.

USAID-TAPP is working closely with the Mango Growers Association (AMAGRO) and has taken part in the initial committee meeting to plan for an international conference on the industry. The conference will be held in conjunction with the Mango Tasting Festival in December – further details are given in Section VII of this report. Discussions with NatureRipe Ltd., who have both a production farm of 40 hectares of mangoes and a processing unit to produce value-added products from mangoes, are at an advanced stage, and a partnership award will be signed in the next quarter.

The proposal put to the National Bank of Commerce to sponsor the Upendo Women Farmers Group for a greenhouse and drip irrigation system for sweet pepper production has been approved by the bank's board of directors and USAID-TAPP is currently arranging to buy the necessary equipment for the project.

3.1.5 The Isles of Zanzibar

The Ministry of Agriculture, Livestock and the Environment and the Permanent Secretary has given USAID-TAPP its official endorsement and assured the ministry's continued support. USAID-TAPP has contracted an agronomist with specialized skills to join the team on Unguja Island. Khadija Rajab will focus on harvest and postharvest technologies and will work closely with farmer groups and our development partner in Zanzibar, Volunteer Service Overseas (VSO). Rajab has completed a report indicating that up to 50 percent of some fruit varieties in Zanzibar rot before getting to market because of poor harvest techniques and inappropriate handling and transport. Trials for different container types and postharvest techniques will be a significant part of the scope of work for Rajab.

10 demonstration plots have been established on Unguja Island with a strong emphasis on drip irrigation to optimize the limited water that is available for crops. New crop varieties have been introduced and USAID-TAPP is working with VSO and the Zanzibar Association of Tourism Investors (ZATI) to start producing supplies of quality vegetables for the hospitality industry. USAID-TAPP is undertaking a coordinated approach to development on Zanzibar, communicating closely with other implementing agencies through ZATI to ensure that interventions are complimentary.

USAID-TAPP's program director met with the secretary of the GANDO Farmer Association on Pemba Island to discuss possible areas of involvement with the group. The African Development Fund (ADF) is helping GANDO farmers to become certified organic, and USAID-TAPP has linked the farmers to GFP in Arusha to discuss their supplying GFP with of organic spices for export.

Farmer training in the West District Vegetable Producers Association (Uwamwima) has started for six groups, and 24 training sessions have been held covering a broad range of topics including harvest and postharvest handling. Training starts in July for the construction of charcoal coolstores that will form the basis of the collection hubs for the group's produce. Savings cooperatives similar to VICOBA are to be developed with the groups to provide sustainable funding in the future.

3.2 CROPS

USAID-TAPP has evaluated many crop options to improve rural family incomes. Among the most important crops are those that can be broadly grouped as tropical fruit. Mangoes, pawpaw, bananas, pineapples and passion fruit are all important crops in international trade, and many can be processed and exported in a value-added form. They are all already grown informally in Tanzania for the local market. With the exception of mangoes, little effort has been made to develop suitable varieties for the international market, so USAID-TAPP has started to introduce new varieties of pineapples, mangoes and passion fruit to growers. Demonstration plots have been planned in several areas and the program is looking for planting material free of known diseases and viruses. Staff of the International Institute of Tropical Agriculture (IITA) in the Moshi area met with USAID-TAPP and Floresta to discuss options for the planned banana/coffee interplant demonstration plot that is part of the USAID-TAPP-Floresta partnership agreement. Cultivars recently imported by IITA may be used in the demonstrations. The importation of MD2 pineapples is being negotiated and demonstration plots are being established with purple passion fruit for fresh and processed use. Discussions have been held with nursery owners to determine the availability of Macadamia seedlings and USAID-TAPP is helping with the possible establishment of a pilot plot of 7 hectares in the Kilimanjaro area.

USAID-TAPP personnel took the opportunity during a team meeting in Moshi to visit the Africado Ltd. plantation in Sanya Juu. This is an established plantation of 70 hectares with recent new investment. The avocado planting area will be increased to 250 hectares in the next four years. USAID-TAPP has linked a number of smallholder farmers to the company as outgrowers and are working with the company to establish an enlarged outgrower scheme involving the planting of 15,000 grafted avocado trees. USAID-TAPP is conducting a trial to determine fertilizer responses in both banana and avocado plantings on the property and will hold field days for the local communities to demonstrate the benefits of fertilizers.

There is an unsatisfied demand locally and internationally for spices and USAID-TAPP has received many enquiries in the period under review. The recent partnership award with GFP has a large component of agronomic assistance to growers for organic production of spices. A recent enquiry for

immediate supply of 13 tons of ABE chilies had to be directed to Kenyan exporters because it could not be sourced in Tanzania at the time.

3.3 TECHNOLOGIES

USAID-TAPP recognizes the extreme importance of conserving water in Tanzania, and the program highlights this importance in its approach to technology transfer to smallholders. Demonstration plots aim to introduce drip irrigation to farmers and generate interest in other new technologies. Farmers have responded positively to the methodology, and we are confident that we can generate positive income data that will stimulate investment in the technique.

The program has delayed the introduction of covered crop techniques because the units are not available in either Tanzania or Kenya at this time. Instead we are locating suitable technicians in Kenya that could help train Tanzanian farmers to build affordable wooden structures. USAID-TAPP will start demonstrating the benefits of these units in the fourth quarter.

USAID-TAPP started discussions with a U.S.-based technology firm to provide information networks that will link agricultural stakeholders such as input suppliers and market buyers with farmers. We believe that this technology will greatly increase farmer access to information. If the proposed network of market hubs (Section 4) is established, farmers would be able to access data on pests, diseases and markets, and the network would also promote the benefits of TAHA membership to farmer organizations and input suppliers.

4. MARKET AND TRADE DEVELOPMENT

USAID-TAPP has signed partnership agreements with Multiflower Ltd. and GFP. The program will help the companies expand existing markets for their products in the United States, and market linkages have been established between GFP and Cooperative Business International (CBI), which wants to buy ABE chilies and cardamoms in Tanzania. Key individuals from the two companies will meet during a marketing evaluation trip around the time of the BIOFACH organic trade fair later this year. Multiflower Ltd. is also planning a marketing evaluation trip to the Western U.S. to visit recently established market outlets and to seek opportunities for flower seed sales.

Several companies have expressed the need for horticultural processing equipment, and USAID-TAPP has linked them to the commercial officer at the U.S. Embassy who is attempting to include them in a fact-finding and purchasing mission being organized for such businesses to the United States in late 2010.

USAID-TAPP places great importance on the development of the tropical fruit industry. We have offered to jointly sponsor a mango industry development conference in conjunction with the Tanzania Competitive Cluster Program (TCCP). At the initial meeting with the AMAGRO chairman and board members, USAID-TAPP offered to sponsor international buyers for both fresh and processed products at the conference. An AMAGRO subcommittee was established to organize the conference.

A significant concept is being developed to assist farming communities reach high value markets in Dar es Salaam and elsewhere through the establishment of marketing hubs in Lushoto, Morogoro, Arusha and Dar es Salaam. It is proposed that this would be a TAHA Fresh Handling Ltd. (TAHA Fresh) business enterprise aimed at improving farmer incomes and providing a profit center within TAHA that would lead to sustainability and financial independence for the organization. This concept is further discussed in Section 6 of this report.

Market analysis training was provided for TAHA's marketing and information officer. This initial step has created an awareness of the complexity of such work and further capacity building for TAHA in this area is planned in the future.

5. OTHER CROSSCUTTING THEMES

5.1 HIV/AIDS

There has been considerable emphasis on integrating HIV/AIDS awareness training into mainstream USAID-TAPP activities, with a focus on youth training and peer education. 97 youths have been trained as peer educators, and many additional groups and individuals have received social skills awareness education. USAID-TAPP has established a number of demonstration plots with the goal of transferring low-labor technologies and skills, such as drip irrigation, to HIV/AIDS support groups, as this technology is particularly appropriate for those affected by or infected with the disease.

The health and nutrition manager prepared a brochure in Kiswahili for use in HIV/AIDS awareness training. It needs approval from PEPFAR and USAID before printing and distribution.

5.2 GENDER & YOUTH ISSUES

As described in earlier reports, USAID-TAPP has placed great emphasis on youth education and awareness. The project has established six demonstration plots within school grounds, and we believe the project can reach adults in the community by educating their children, a strategy which has already proven effective (Section 3.1.2). USAID-TAPP also believes that lessons from agriculture programs can be applied throughout school curriculums by using demonstration plots to stimulate student interests in core subjects. For example, record keeping and cost/profit analysis involves a practical use of mathematics, discussion of export possibilities involves geography and GAPs cover geography, climate change and environmental issues. A number of teachers have started using USAID-TAPP-sponsored demonstration plots to teach subjects beyond agriculture.

During this quarter, two gender specialists from Fintrac's home office conducted an in-depth study of group dynamics and gender attitudes among program beneficiaries and USAID-TAPP staff. They incorporated their findings into a USAID-TAPP-specific gender mainstreaming strategy that will work to ensure that the project is actively incorporating women at all levels. The strategy was presented to USAID-TAPP staff at the June team meeting and will be included in the USAID-TAPP manual.

5.3 HEALTH AND NUTRITION

In light of the crisis of under-nourished children in Tanzania, USAID-TAPP has placed considerable emphasis on encouraging families to grow vegetables and plants with high nutritional value. All growing guides for commercial crops will include nutritional data and USAID-TAPP is promoting the use of other nutritious plants such as *Moringa oleifera* (Mlonge), which has provided encouraging results for people living with HIV, highlighted in the Success Story in Annex III.

USAID-TAPP trained more than 90 school-aged girls in life skills and nutrition at an annual conference sponsored by the Global Services Corps in Arusha and Manyara Regions. USAID-TAPP has signed an agreement with Real IPM to implement an ambitious training program for institutional

and educational facility managers on the establishment and operation of positive kitchen gardens, which will help implementing organizations grow highly nutritious vegetables and provide a balanced diet for those they feed daily. Targeted agencies include schools, prisons, those working with disadvantaged children and hospitals. The ultimate goal is to establish a national training program.

5.4 ENVIRONMENT

A partnership fund agreement with African Wildlife Foundation (AWF) is in an advanced stage of preparation. This fund will help AWF groups that are already practicing conservation agriculture to become involved in commercial horticulture and train at least 500 farmers in resource management.

A number of farmer groups have asked for assistance in tree planting ventures and USAID-TAPP is working with these groups and River Basin Authority officers to establish forestry nurseries in order to increase tree planting ventures.

Discussions are being held with CPAR to prevent farming activities from increasing the rate of siltation of Lake Manyara. All planned activities in areas adjacent to the lake have a strong environmental training component.

6. PARTNERSHIPS AND CAPACITY BUILDING

6.1 TAHA

USAID-TAPP met with the board of TAHA and the management of TAHA Fresh for a two-day meeting to outline program initiatives and explain the USAID-TAPP vision for implementing the program mandate. All agreed that the meeting was extremely useful and clarified the program's approach to the development strategy for the industry.

USAID-TAPP supported the efforts of TAHA and other industry players in opposing the implementation of a VAT on airfreight. It was an excellent example of a united advocacy approach to government.

There have been ongoing discussions between USAID-TAPP management and TAHA staff about the need for TAHA to develop strategies that will both make the association attractive to prospective members and increase income to assure sustainability. USAID-TAPP believes that TAHA should establish a business plan that will allow the association to become independent from donor support as well as prioritize building the capacity of junior members of the association secretariat. TAHA has accepted USAID-TAPP's offer to help revise their market strategy and operational plan. This work will be undertaken by the financial crisis initiative advisor mentioned in Section 8 of this report.

Training has started for the marketing and information officer in the areas of information management and market analysis, and USAID-TAPP is discussing the potential for a web-based information system that could be vested in TAHA as an income generating activity with two commercial organizations. The system under review can deliver information to farmers about pest and disease control, crop planning and real time market information and could also include nutritional data. One input supplier who was introduced to the concept was enthusiastic, believing that corporate sponsorship would benefit his organization. A web designer and a U.S.-based hardware supplier are developing a concept paper for consideration that will include a cost analysis.

6.2 TAHA FRESH HANDLING LTD.

The activities of TAHA Fresh were severely hampered by the volcanic ash clouds and an attempt to establish a regular airfreight charter from Kilimanjaro was aborted because the proposed operator was engaged in fraudulent activity. Consequently, all export freight handled by TAHA Fresh is currently land based, with flowers and vegetables leaving through Nairobi or Dar es Salaam. To assist cash flow the recently signed partnership fund agreement included a provision for the purchase of a refrigerated truck. The program has received quotes for various types of refrigerated vehicles, and negotiations are expected to be completed in July.

USAID-TAPP is helping to create a new business model for TAHA Fresh involving the establishment of produce hubs in north Tanzania, Morogoro and Lushoto and a marketing hub for export and local produce in Dar es Salaam. All hubs will include coolstore facilities, and the Northern Tanzania unit will feature an export packing facility for vegetables. The concept has been discussed with TCCP,

ADF and the COMPETE program and all program managers are enthusiastic. It is suggested that the management and ownership of these facilities should be vested in TAHA Fresh as a profit center for TAHA that would provide the association with financial independence. There would need to be a restructuring of the shareholding of TAHA Fresh, with some shares eventually becoming available to smallholder producer groups. This restructuring would be necessary before the project could be implemented. A brief strategy paper has been presented to the boards of TAHA and TAHA Fresh for consideration and, if agreed, the program will approach other donor projects to discuss forming a consortium to finance the project. As part of the initial evaluation discussions were held with the debenture holders of Gomba Estate Ltd. (in receivership) about the possibility of buying the packhouse/coolstore of the defunct business, but the holders advised that the facility could not be sold at this time.

TAHA Fresh is negotiating with Qatar Airways to be appointed as freight forwarding agent for that company in Dar es Salaam, and the general manager of TAHA Fresh is preparing to travel to Doha to negotiate the contract.

6.3 TANZANIA COMPETITIVE CLUSTER PROGRAM (TCCP)

USAID-TAPP has held several meetings with TCCP regarding joint funding of various initiatives such as Homeveg Ltd., TAHA, TAHA Fresh and other groups to ensure that financial support is complementary and transparent. Joint sponsorship of the AMAGRO mango conference and joint funding of technical information journals for the mango industry are also planned. USAID-TAPP also contributed significantly to the development of the National Horticultural Strategy as it was being formulated by TCCP and other interested parties.

6.4 HORTI-TENGERU

Two partnership agreements with AVRDC and Real IPM that are either signed or at an advanced stage of negotiation plan to involve HORTI-Tengeru as an indirect partner to build the capacity of the organization to provide services for farmers.

6.5 HODECT

USAID-TAPP partially sponsored the conference venue where the National Horticultural Strategy was presented to stakeholders in Arusha on June 1. USAID-TAPP is concerned, however, about the direction in which HODECT was moving at the time of the meeting. There was a move to have the organization transform into an implementing and policy/advocacy body, which would give HODECT overlapping roles with TAHA. The executives of TAHA are also concerned at this move, and USAID-TAPP management has agreed to voice these reservations to ensure that the organizations are complementary and not competitors for industry representation.

6.6 GLOBALGAP

USAID-TAPP took part in a forum to discuss the formation of a technical working group for the implementation of GLOBALGAP in Tanzania. The program's northern region production manager was appointed onto the technical working group advisory panel as a representative for the industry.

7. FINANCIAL CRISIS INITIATIVE

The implementation of the revolving credit schemes and other USAID-TAPP activities under the Financial Crisis Initiative have been hampered because the program has been unable to find a suitably qualified consultant in Tanzania. We believe, however, that we have now found a suitable organization within East Africa and are negotiating terms for the appointment, with activities starting in early July.

Two flower farms in Northern Tanzania have become financially insolvent and the industry is in a state of considerable disarray. The impact of the possible closure of these farms would be serious in terms of employment and airfreight charters, and would negatively effect the government's perception of the horticulture industry. USAID-TAPP has been deeply involved with moves to restructure the industry. Meetings have been held with input suppliers, farm owners and the Tanzania Investment Bank (TIB) to try to prevent the closure of the farms. Negotiations continue with Mt Meru Flowers, which is trying to establish a new company incorporating the two under-performing production units. The board of TAHA has written to USAID-TAPP in support of the restructuring using the input revolving credit facility, and we are in close contact with all parties in an attempt to revitalize the industry and improve investor confidence. USAID-TAPP sees the need for a number of managerial changes in the companies and the TIB and TAHA board agree with the requirements, which are to be formally advised to Mt Meru management by the TAHA board as a pre-condition of support.

8. PLANNED ACTIVITIES

USAID-TAPP has appointed two highly qualified advisors to help growers earn GLOBALGAP certification to start rapid change in the export vegetable industry. Farmer training will start in early July in both organic and conventional production systems as preferred by exporters and growers. Emphasis is to be placed on safe use of pesticides to avoid past problems of pesticide residues in exported produce.

Discussions are being held with TAHA and other parties to determine the interest within the industry of a Tanzania stand at the international exhibition of Hortifair in October in the Netherlands.

USAID-TAPP will participate in the NaneNane agricultural shows in Morogoro and Arusha, and displays will emphasize technology transfer to farmers.

The establishment of the produce hubs outlined in Section 6 is of highest importance and USAID-TAPP will seek industry agreement on the proposal in the next quarter.

USAID-TAPP has nominated the southern regional production manager to the organizing committee of the proposed mango industry conference. This important international event is scheduled to take place in early December 2010.

9. MAJOR CHALLENGES AND CONSTRAINTS

The agronomist based in Karatu in North Tanzania had to take a personal leave of absence and ultimately resigned the post, causing a significant constraint to program implementation. Although other staff were organized to cover for the absence part-time, the lack of a full time USAID-TAPP staff member in the district reduced program impact. The replacement staff member started on July 1.

USAID-TAPP has experienced great difficulty in sourcing inputs to establish demonstration plots through its technology fund for smallholders. Materials such as drip irrigation systems, agronomic equipment and covered crop production units are unobtainable within Tanzania and are difficult to source throughout East Africa, resulting in excessive time delays in implementation. New seed varieties are difficult to obtain and many farmers complain of the poor seed quality available within Tanzania.

Client farmers have informed USAID-TAPP of many cases where pesticides that have been correctly applied have failed to control the target insects. We have discussed this with agrochemical resellers who say that there are many fake pesticides on the market in Tanzania. Pesticide labeling is also a significant issue as there are products on the market that are inappropriately labeled, and regulatory controls within the industry appear to be lacking. This results in significant income losses for farmers and could pose serious health risks to agrochemical users and to consumers of the sprayed produce.

ANNEX I: PERFORMANCE AGAINST PMP INDICATORS

Name of the Implementing Agency: Fintrac, Inc.	Reporting Period: Q3: April – June 2010	
Local Address: USAID-TAPP c/o TAHA P.O. Box 15035 House #49 Kanisa Road Arusha Tanzania	Home Office Address: Fintrac, Inc. 3077 Kronprindsens Gade 72 St Thomas, USVI 00802	
Project Title: Tanzania Agriculture Productivity Program	Target regions: Arusha, Moshi/Hai, Lushoto, Morogoro, Coast and Zanzibar.	
Cooperative Agreement/Contract #: EDH-I-07-05-00007-00	Sub-contract/sub-grantees: Tanzania Horticultural Association (TAHA) TAHA Fresh Handling Ltd. (TAHA Fresh)	
Period of Project: (Start and End Dates) October 19, 2009 – October 18, 2014	Related Program Area and Elements of the Operational Plan: 1. Agricultural Sector Productivity 2. Trade and Investment	
Planned Life of the Project: \$35,490,000	Amount Obligated to Date: \$3,129,985	Pipeline: \$0
Principal Target Beneficiaries: Tanzanian Smallholder Farmers	Major Counterpart Organizations: TAHA, Ministry of Agriculture	

Indicators	FY 2010						Units
	Target	YTD	Q1	Q2	Q3	Q4	
Percent change in rural income of targeted population (reporting to begin in Q3)	10						Percent
Number of rural households benefiting directly from USG intervention	5,000	3,965		1,917	2,048		Rural Households
Percentage change in yield (reporting to begin in Q3)	10						Percent
Percentage change in cost of production per unit output (reporting to begin in Q3)	-5						Percent
Percentage change in volume of crops produced (reporting to begin in Q3)	10						Percent
Value of new client and counterpart investments	1.0 M	16,438			16,438		US\$ Million
Percentage change in volume/value of domestic, regional and extra-regional sales in targeted sectors (annual target)	15						Percent
Number of assisted program farmers implementing NRM & good agricultural practices (GAPs)	5,000	2,190		624	1,566		Program Farmers
Number of new technologies adopted	5	5		5			Technologies
Area under new technologies	2,500						Hectares

Indicators	FY 2010						Units
	Target	YTD	Q1	Q2	Q3	Q4	
Increased sales by processing clients (annual target)	10						Percent
Number of organizations providing market analysis	3	2		2			Organizations
Number of new products and/or markets identified	3	3		2	1		Products
Number of new market linkages facilitated	200	9		7	2		Markets
Number of farmer groups/producer organizations strengthened	200	136		67	69		Producer Organizations
Number of PPPs and GDAs formed and implemented	25	7		1	6		PPPs/GDAs
Number of policy reforms supported	1	1		1			Reforms
Number of partner organizations providing improved policy analysis & advocacy services (reporting to begin in Q3)	1	2			2		Organizations
Number of partner organizations providing improved extension services to smallholders	10	1			5		Organizations
Number of demonstration farms supported	100	41		1	40		Demonstration Farms
Number of people receiving USG supported training	21,300	7,027		758	6,269		Training Participants
Number of certified farmers (reporting to begin in Q3)	100						Farmers
Average costs for certification (reporting to begin Year 2)	0						Percent
Number of processors & packhouses implementing HACCP & other food safety standards (reporting to begin Year 2)	0						Processors
Number of people with increased adaptive capacity to cope with impacts of climate variability and change as a result of USG assistance	4,000						People
Percentage of women/youth participating in training events	40	55		52	55		Percent
Percentage of women/youth membership in producer organizations	10	47		54	47		Percent
Percentage of households participating that are vulnerable	5	11		23	11		Percent
Number of people trained in HIV/AIDS prevention	5,250	2,864			2,864		Training Participants
Number of workplace programs implemented (reporting to begin in Q3)	8						Workplace Programs

ANNEX III: SUCCESS STORY



TAPP | Tanzania Agriculture Productivity Program
MAPATO ZAIDI KUPITIA KILIMO BORA

SUCCESS STORY

HIV-positive woman improves health with nutrition training

MOSHI, Tanzania – Yashera Salim Msangi is HIV-positive. She lost her husband to AIDS in 1994 and abandoned her land after experiencing stigmatization and discrimination over her condition. She found a new home, joining the Upendo Farmer Group in Ghoria Village, Moshi, but her declining health made it difficult for her to complete her daily chores.

USAID's Tanzania Agriculture Productivity Program (TAPP) started working with the Upendo Group in early 2010, providing members with agricultural assistance and HIV/AIDS education. In March, Msangi attended a TAPP training about nutrition for HIV-positive individuals. She discussed her weakened state, frequent fevers and general lack of appetite with TAPP Health and Nutrition Program Manager Dorothy Magesse, who told Yashera to incorporate the leaves of the Moringa tree into her diet.

The Moringa tree, known as Mlonge in Kiswahili, grows readily in Tanzania and contains large amounts of vitamins C and A as well as calcium, potassium and protein. But Moringa is often underutilized by the local population. Many people in the Upendo Group said they were unaware of the benefits of the Moringa leaves, though they had seen them in use at the local hospital.

After three months of eating the leaves of the Moringa tree, Yashera has seen significant improvements in her health and well-being. Within a few days her strength returned and her fevers subsided. Her appetite also returned and, following a visit to the hospital in June, she was pleased to learn that she had gained 4 kilograms. She can now manage her farm and earn a steady income to support her children.

"Thank you to TAPP for the education you gave us. I want to advise people with HIV/AIDS to use Moringa as much as they can," said Msangi.

TAPP aims to improve the quality of life for rural Tanzanians through agricultural training and education in areas such as nutrition and HIV/AIDS prevention. The HIV/AIDS component of TAPP is funded by PEPFAR and will reach more than 5,000 people in 2010.



Photo by Pintrac Inc.
Yashera Salim Msangi's health improved after nutrition training from TAPP.

"Thank you for the education you gave us. I want to advise people with HIV/AIDS to utilize Moringa as much as they can."

—Yashera Salim Msangi, Upendo group, Moshi

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