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TANZANIA AGRICULTURE PRODUCTIVITY PROGRAM (TAPP) QUARTERLY REPORT # 10



January - March 2012

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Cover photo: Lillian left (age 6) and Latifah right (age 10) holding sweet peppers presented to them by their grandfather, John Mkeni, who is a client farmer of USAID-TAPP. Photo by Fintrac Inc./Richard Bugaisa

Back cover photo: Evalynn Anton Amos, 47, part of the Patandi Women's Group, showing off local vegetables she grew using good agricultural practices, such as raised beds and drip irrigation, which she learned from USAID-TAPP. Photo by Fintrac Inc./Kimberly Flowers

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The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development (USAID) or the United States government.

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EXECUTIVE SUMMARY

USAID-TAPP is working to increase smallholder income, improve nutrition, and expand markets.

Life of project achievements include:

Productivity

- Tomato farmers in Moshi have seen a 10-fold increase in yields as a result of USAID-TAPP-supported technologies and good agricultural practices.
- This quarter, USAID-TAPP introduced drip irrigation on 32 acres of smallholder land.
- USAID-TAPP and project partner the Association of Mango Growers (AMAGRO) sponsored a successful Mango Tasting Festival this quarter that attracted more than 1,000 stakeholders and visitors
- Through a partnership with the flower seed exporter Multiflower, 450 acres of smallholder land were ploughed using a tractor this quarter, saving 5,307 farmers the time, energy, and costs they would have incurred from doing this by hand.

Market and Trade Development

- This quarter, USAID-TAPP partner Golden Food Products (GFP) exported 133MTs of lemongrass and black and white pepper sourced from more than 100 smallholder farmers.
- USAID-TAPP is assisting project partners Arusha Blooms and Multiflower in expanding their export-oriented smallholder production programs into the SAGCOT region of Tanzania.
- TAHA's market and price information data is now reaching thousands of smallholder farmers every month through a partnership with Biovision Africa Trust.

Crosscutting Themes

- Female farmers accounted for nearly 60 percent of participants at USAID-TAPP-sponsored training events this quarter, demonstrating the project's commitment to gender integration.
- This quarter, 510 unique individuals were trained in HIV/AIDS awareness and prevention.
- USAID-TAPP initiated partner fund awards with four new commercial enterprises this quarter. Combined, these partners will incorporate a further 4,245 farmers into commercial production activities.
- This quarter, USAID-TAPP assisted project partner TAHA Fresh Handling Ltd (TFHL), a grower-owned freight consolidation company, in completing a five year strategic business plan.

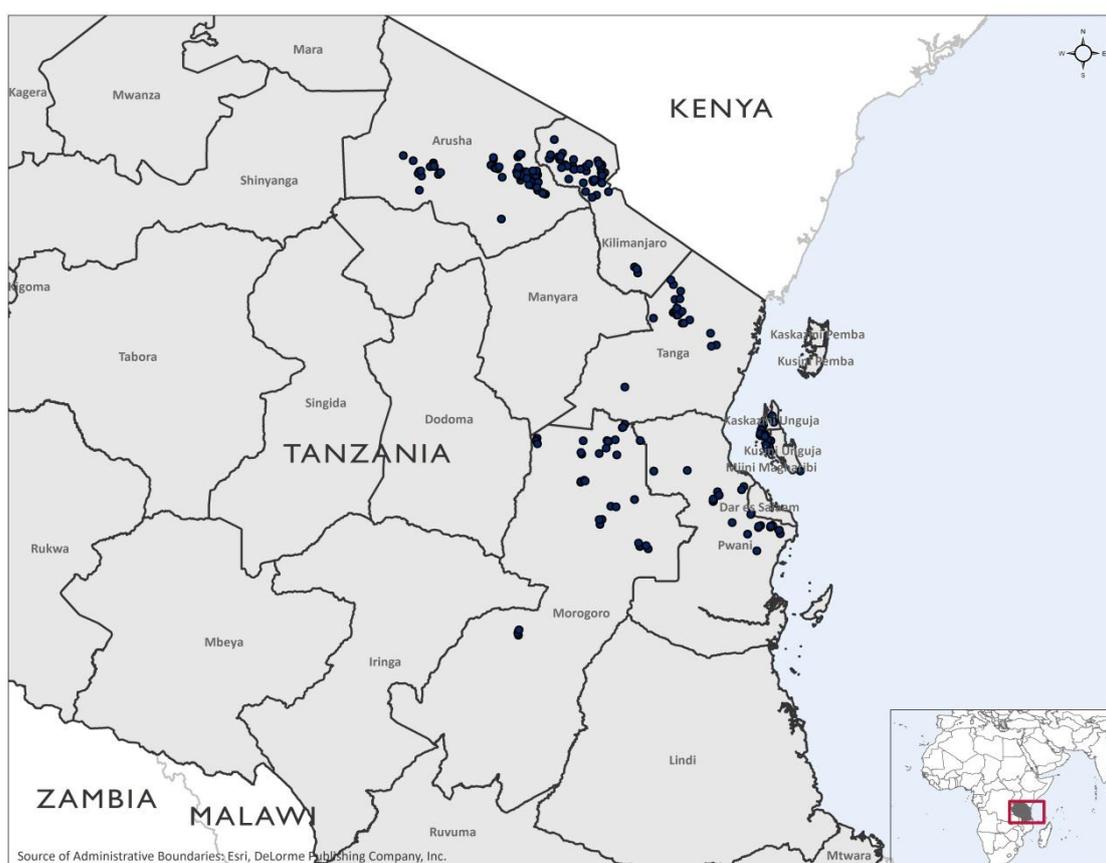
INTRODUCTION

PROJECT DESCRIPTION

The Tanzania Agricultural Productivity Program (TAPP) is increasing smallholder farmer incomes through enhanced productivity and improved domestic and export marketing of agricultural products. It is a five-year program supported by the American people through the United States Agency for International Development (USAID) and is part of Feed the Future, the US government global hunger and food security initiative.

GOALS AND OBJECTIVES

The overall goal of USAID-TAPP is to raise rural incomes, improve nutrition, and expand markets. The program will benefit 19,000 rural families by effectively transferring technology and business skills to farmers, attaining sustainable increases in rural incomes, and enhancing institutional capacity in the public and private sectors. Efforts to address the impact of HIV/AIDS in rural communities are integrated into activities and there is a strong emphasis on encouraging women and youth to better understand the potential of horticulture as a business. The principles of good agricultural practices (GAPs) guide all cropping programs to ensure that the environment will be protected and enhanced.



Locations of current producer groups benefiting from increased production, expanded market access, and improved nutrition as a result of USAID-TAPP interventions.

I. PRODUCTIVITY

This quarter, USAID-TAPP staff trained 2,071 unique participants (49 percent women, 51 percent men) on topics relating to income generation, health and nutrition, and improved markets in Tanzania and the Isles of Zanzibar.

USAID-TAPP staff conducted 173 training events this quarter, with a particular focus on planting, production, and nutrition activities.

I.1 TRAININGS

This quarter, 3,659 smallholder farmers participated in training evenings hosted by USAID-TAPP, 2,071 of which were unique training participants. Training was conducted through one-on-one technical assistance visits and group field days held by USAID-TAPP and partner agronomists. Training focused on equipping farmers with the skills and knowledge needed to improve productivity, expand markets, and improve overall household health and nutrition.

| Training Participants By Region* | | | | |
|----------------------------------|--------------|--------------|------------|--------------|
| TECHNICIAN | Jan | Feb | Mar | Total |
| Arusha | 763 | 541 | 313 | 1,617 |
| Dar es Salaam | | 115 | 24 | 139 |
| Kilimanjaro | | 135 | 22 | 157 |
| Morogoro | 263 | 574 | 41 | 878 |
| Not Specified | | | 3 | 3 |
| Pwani | 87 | 279 | | 366 |
| Tanga | 76 | | | 76 |
| Zanzibar | 70 | 296 | 57 | 423 |
| Total = | 1,259 | 1,940 | 460 | 3,659 |

*The above denotes total, not unique, training participants.

To improve productivity, USAID-TAPP introduces a core package of low-cost, easy to follow technologies which have been proven to reduce crop loss, increase overall yields, and improve crop quality. This quarter, all USAID-TAPP beneficiary farmers were introduced to and began implementing this package of technologies through trainings and technical assistance visits by USAID-TAPP staff. These technologies will ensure maximum output from smallholder plots which will directly result in increased household income. Technologies included in this package are:

- **Seed trays** are an easy and affordable way to ensure that the right amounts of soil and water are used when germinating plants, which reduces seedling loss. USAID-TAPP promotes seed trays to ensure the production of strong and healthy seedlings for planting.
- **Raised Beds** are a free way to create a conducive environment for plant growth and allow for the proper development of root systems. By introducing raised beds, farmers are providing plants with light and airy soil as well as better access to water, air, and nutrients. Raised beds also help reduce crop loss during periods of heavy

rain. USAID-TAPP promotes raised beds as a way of ensuring root development and overall plant health.

- **Proper Plant Spacing** is essential to overall plant health as crops that are planted too close together may not grow to full size or may mature later than expected due to competition for sunlight, water and nutrients. Conversely, planting crops too far apart will result in decreased yields for the overall plot. USAID-TAPP promotes this free technology as a way to maximize yields on even the smallest of plots.
- **Hybrid Seeds** are designed to ensure maximum yields given the agroclimatic conditions of Tanzania. While they are more expensive than openly-pollinated seed varieties, the yield increases speak for themselves with many farmers increasing their production by up to 100 percent. USAID-TAPP promotes the use of hybrid seeds to all of its farmers as a way of ensuring maximum yields.
- **Irrigation Systems** help farmers overcome one of the most commonly listed production constraints in Tanzania: water scarcity. Farmers who rely on rainfed agriculture often lose valuable crops to dry seasons and droughts. USAID-TAPP promotes irrigation systems, especially drip irrigation, to ensure a constant and appropriate supply of water to plants which leads to increased yields and improved water management.



Seed trays help ensure the right amounts of soil and water are used when germinating plants, which reduces seedling loss.

Photo by Fintrac Inc.

Farmers can see results by implementing just one of the above technologies. If they implement the entire USAID-TAPP promoted core technology package, most farmers find that they achieve yields they would have previously thought impossible. This quarter, the Rundugai Vegetable Association in Moshi saw the results of implementing USAID-TAPP's core technology package when they achieved record onion harvests. By utilizing raised beds, drip irrigation, and correct spacing, the group was able to harvest 3,250 kilograms of grade A onions on a .5 acre plot of land. The Tanzanian average for production of grade A onions is only 1,300 kilograms per acre. By introducing USAID-TAPP supported technologies, this group was able to increase their onion yields above the national average by 250 percent. Due to the high quality of the onions they produced, they were also able to secure higher-than average prices for their onions, selling each bag for Tshs 70,000.

USAID-TAPP's approach introduces this core package of technologies on demonstration plots which are used as a training vehicle to spread information about and encourage adoption of these practices to other farmers, some of whom may not be participating directly in program training events.

An example of this successful demonstration plot model occurred this quarter at the Police Academy in Moshi. USAID-TAPP established a demonstration plot at this site because thousands of cadets pass through the school annually and, while they return to their homes as police officers, many also continue to farm. The purpose of this demonstration plot was to introduce technologies to the cadets themselves and provide vegetables to the Academy canteen. With the introduction of improved technologies and simple agricultural practices, the site was able to produce 6.4 tons of tomatoes on only .10 acres of land. The national average for tomato production is 5-10 tons per acre. The Academy was able to use the tomatoes to not only diversify the dishes provided in their canteen, but also sold the extra at the local market where they earned Tshs 8,000,000. When word of this 10-fold increase in tomato production spread, farmers from nearby villages were eager to see the results for themselves. Farmers from as far away as Arusha have visited the site and many have begun implementing these improved practices on their own fields.

USAID-TAPP also uses demonstration plots as a way to expose existing beneficiaries to improved technologies and GAPs to ensure their buy-in at program trainings. Mang'ola is one of Tanzania's largest onion production areas with onions from this district being exported throughout Tanzania and East Africa. USAID-TAPP assisted onion farmers from Mang'ola in visiting a project demonstration plot in Arusha where GAPs around onion production were being displayed. The farmers in Mang'ola had previously been skeptical of the technologies USAID-TAPP was promoting. Many felt that local seed varieties were superior to the hybrid varieties the project was introducing. Following the visit to the Arusha demonstration plot, and with some additional mentoring from USAID-TAPP agronomists, the Mang'ola farmers are now using hybrid seeds on their plots and are calling the current production season the "best crop they have seen."

1.2 TECHNOLOGIES

As discussed above, USAID-TAPP continually advocates and demonstrates a core package of technologies to all beneficiary farmers. These technologies range from the basics, such as raised beds and proper spacing, where no additional investment is required, to more advanced technologies, such as the utilization of hybrid seeds and drip irrigation, that may require some investment on the farmer's part. Through trainings in business skills, USAID-TAPP helps farmers analyze the costs and benefits of all technologies so that they can make informed agroinvestment decisions.

USAID-TAPP's core package of technologies for beneficiary farmers include raised beds and drip irrigation, as seen here at a demonstration plot in Arusha managed by the Patandi Women's Group.

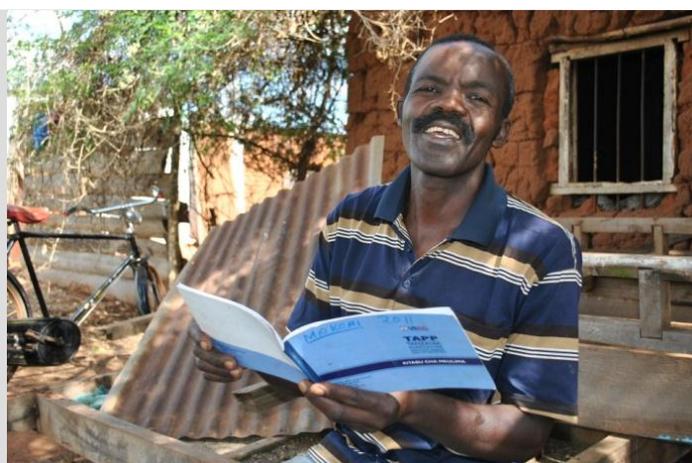
Photo by Fintrac Inc.



While costly, USAID-TAPP encourages farmers to adopt drip irrigation where appropriate. This quarter, USAID-TAPP assisted farmers in introducing drip irrigation to 32 acres of smallholder land. Drip irrigation allows farmers to apply water efficiently with little waste, irrigate irregularly shaped fields, recycle water, minimize soil erosion and weed growth, and reduce labor costs. Saving time and farming more efficiently translates directly into increased yields and incomes for farmers. Drip irrigation is arguably one of the world's most valued innovations in agriculture, but many poor farmers find the technology cost prohibitive. By supporting farmers in the establishment and purchasing of drip, the program is demonstrating the advantages of this technology to allow farmers to make more informed agroinvestment decisions. Farmers in Morogoro are already seeing returns on drip irrigation with one farmer, John Mkeni, reporting double yields on the portion of the plot where he installed this technology. When asked what he would do with the increased income that resulted from this new piece of technology, he enthusiastically responded that he would use it to invest in more drip irrigation to cover the remainder of his field.

John Mkeni goes through his record book which he uses to record the progress of his sweet pepper crop, which has doubled from new technology.

Photo by Fintrac Inc.



While USAID-TAPP promotes investment in viable agricultural inputs for its beneficiaries, most smallholders will never be able to invest in larger pieces of agricultural equipment due to the expected returns from their small plots of land. USAID-TAPP is linking farmers to commercial partners not only as a way to ensure markets for the crops they produce, but also to give them access to agricultural inputs they may not have invested in otherwise. This quarter, USAID-TAPP assisted project partner Multiflower in introducing the use of a tractor to plough smallholder plots to complete field cleaning. Individually, no smallholder farmer would have the funds to purchase a tractor, and few would be able to afford to rent one. However, through the USAID-TAPP/Multiflower partnership, 450 acres of smallholder land was ploughed saving 5,307 farmers the time, energy, and costs they would have incurred from doing this by hand.

As mentioned above, water scarcity is one of the most commonly listed constraints to agricultural production in Tanzania. To address this issue, USAID-TAPP staff assisted farmers in constructing nine water reservoirs this quarter: two in Arusha and seven in Lushoto. Water reservoirs allow farmers to harvest and store water (whether it be rainwater, groundwater, or water from local rivers) so that they are saved the time, energy and costs involved in collecting water on a daily basis to irrigate their fields.

1.3 CROPS

This quarter, USAID-TAPP continued its work to improve utilization of better quality seeds

and crop management to improve productivity of existing crops as well as laying the foundation for crop diversification.

Nematodes (also known as roundworms) are one of the most common crop management problems in Tanzania. Despite this fact, it is often difficult for smallholders to identify this pest as it opens crops up to secondary disease and infections such as bacterial wilt and fusarium. While USAID-TAPP is training farmers in nematode identification and management, the project is also working with researchers and policy makers to provide more viable solutions to small farmers in combating this problem. This quarter, USAID-TAPP participated in the Nematode IITA conference in Arusha to lobby for improved research and better developed management strategies around this pest. Current nematode management strategies depend on expensive and highly-toxic chemicals, and safer and more available alternatives need to be developed to realistically address this problem with smallholder farmers.

USAID-TAPP counterpart TAHA hosted a meeting with H.E. President of the United Republic of Tanzania to explore the possibility of establishing a pineapple export hub in Kiangwa Area, Bagamoyo this quarter. During the meeting, TAHA summarized the current challenges faced by pineapple producers in the Bagamoyo region and identified specific production constraints. Lack of access to MD2 planting material (the preferred varietal in the market), sufficient water, and markets were cited as the biggest obstacles to pineapple production in Tanzania. To address these issues, meeting participants agreed that a comprehensive industry strategy would have to be developed with input from a broad range of stakeholders including farmers and the public and private sector.

In January, USAID-TAPP partner, the Association of Mango Growers (AMAGRO), sponsored a successful Mango Tasting Festival that attracted more than 1,000 stakeholders and visitors. The annual festival promotes mango production and highlights the nutritional value of this fruit to the general public. The Mango

Tasting Festival, supported by USAID-TAPP, ran from January 6 – 7, 2012, in Dar es Salaam with over 100 mango growers from Tanzania mainland and Zanzibar participating in the event. During the course of the festival, participants learned about mango production, market opportunities, and irrigation. Mango seedlings and varieties of mango were on display as people had an opportunity to taste different types of mangoes – both fresh and processed. According to AMAGRO, mango growers in Tanzania have improved their production as a result of the technical bulletins and training on pruning and flower production provided at the festival.

More than 1,000 participants visited the AMAGRO Mango Tasting Festival in January.

Photo by Fintrac Inc.



2. MARKET AND TRADE DEVELOPMENT

2.1 EXPORT

USAID-TAPP is working to increase the presence of Tanzanian products in international markets by identifying local partners who have export capacity and identifying appropriate markets for Tanzanian goods in Europe, the Middle East, and the United States.

Arusha Blooms, a USAID-TAPP partner engaging smallholder farmers in the production of fine beans for export, is interested in expanding its operation into Morogoro and/or Iringa with USAID-TAPP assistance. Morogoro is a strategic region for USAID-TAPP and holds huge production potential for commercial enterprises willing to invest there. Relocating to Morogoro would be beneficial to Arusha Blooms because it would allow them to avoid the negative cost implications associated with the side selling of export-quality produce now happening in the north of Tanzania. There is such a saturation of exporters in Arusha and Kilimanjaro that smallholder producers are sometimes ignoring production contracts to sell to the highest export bidder. This side selling means that exporters in Arusha and Kilimanjaro are beginning to find it difficult to source traceable-quality smallholder produce in the north. Expanding into the south would allow Arusha Blooms to avoid this situation while also distributing the benefits of their outgrower program to farmers in other regions. USAID-TAPP will assist Arusha Blooms in conducting production trials of baby corn, sweet corn, French beans, mangetout, and sugar snap peas in Iringa to assess the viability of expanding production to that region.

The volume of exports of processed goods from Tanzania remains low as there is little investment in this sector from local processors and agribusinesses. USAID-TAPP is working to identify commercial partners to help expand this sector so that more smallholder farmers can benefit from value-added activities. Program partner Golden Foods Products (GFP) is incorporating smallholder farmers into spice production and processing in the Kilimanjaro and Tanga regions. Through an outgrower scheme, smallholder farmers produce organically grown spices for GFP who then process and package the product for sale to international markets. This quarter, GFP exported 133MTs of lemongrass and black and white pepper sourced from more than 100 smallholder farmers. Participating farmers earned \$9,700 from these sales of these two spice crops and GFP registered \$15,321 in export sales.

With assistance from USAID-TAPP, partners are expanding export opportunities which will increase the demand for smallholder production of horticultural products in Tanzania. Representatives from the US-based Burpee Seeds visited program partner Multiflower this quarter to evaluate the production conditions in Tanzania and assess production potential. Representatives from Burpee stated that they saw great opportunities for seed production in Tanzania, especially as business begins to move away from China, Chile, and Vietnam. Burpee would like to expand their business relationship with Multiflower and possibly expand into new lines like tomato and melon seeds as well as high-value seeds, like hybrids, which would necessitate smallholder investment in technologies such as greenhouses and drip irrigation. USAID-TAPP will continue to work with Multiflower in the rest of 2012 to bring over 1,700 new smallholder farmers into commercial seed production in Morogoro and Tanga.

USAID-TAPP provides assistance not only to commercial enterprises engaged in the export of horticultural products, but also supports producer groups who are growing fruits and vegetables for export. This quarter, USAID-TAPP supported the Lamo Estate group who is producing fine beans for export by providing training and technical assistance on raised beds,

production, planting techniques, irrigation systems, and fertilization. As a result of USAID-TAPP interventions, the Lamo Estate group increased their fine bean production from 6 tons/acre to 11 tons/acre which resulted in an increase in incremental sales of Tshs 4,500,000.

2.2 DOMESTIC

Every week, with support from USAID-TAPP, project counterpart TAHA gathers wholesale prices for 12 horticultural commodities from 13 markets in Tanzania and Kenya. TAHA then compiles this data and sends market price information to its members (farmers and stakeholders) to inform them of price trends at various markets. Biovision Africa Trust, also a USAID-TAPP partner, is helping smallholder farmers gain access to vital market information using the information TAHA is providing. Since July 2011, Biovision Africa Trust has distributed 15,685 copies of *Mkulima Mbunifu (MkM)* in which they print copies of the weekly or monthly price data produced by TAHA. MkM is a magazine written in Kiswahili and targeted to smallholder farmers. Through MkM and the MkM website it is estimated that over 25,000 farmers have access to market information thanks to USAID-TAPP support.

In some regions of Tanzania where there are fewer commercial enterprises to contract production to smallholder farmers, USAID-TAPP is supporting producer groups in assessing demand for horticultural products from local markets. This quarter, the Uja maa Mkwapa Group benefitted from USAID-TAPP assistance when the project helped them identify a demand for watermelon at the main market in Morogoro. By introducing USAID-TAPP supported technologies and GAPs, the group was able to increase their production of this commodity and successfully harvested 2.5 tons of watermelon on a one acre plot. The Tanzanian production average for watermelon is only 800 kilograms per acre. Through USAID-TAPP assistance with increased production and improved market identification, the Uja maa Mkwapa Group increased their sales by more than 400 percent this quarter-increasing group revenue from Tshs 600,000 to Tshs 2,800,000.

Beginning next quarter, as USAID-TAPP expands further into the Southern Highlands of Iringa and Mbeya, the project will begin transitioning the Market Collection Points (MCP) established under the USAID-SHIFT program into viable Farm Service Centers (FSC). USAID-TAPP will work to upgrade the services provided at these FSCs to address the challenges currently facing participating farmers and develop sustainable resolutions. The fundamental changes that will be introduced are:

- Integration of agricultural extension services (including training on technologies and GAPs, market requirements, etc.) into operational activities of the FSCs.
- Improved access to finance for members of the FSCs.
- Coordination of bulk purchases and distribution of agricultural inputs through the FSCs.

With the availability of quality inputs, extension services that introduce new technologies and improved production/postharvest practices, and improving access to credit, smallholders will be able to respond to market conditions and requirements and be better able to integrate into commercial supply chains. Work on this activity will begin in April on the approximately 20 completed MCPs in Iringa, Mbeya, and Morogoro.

3. OTHER CROSSCUTTING THEMES

3.1 HIV/AIDS

This quarter, 510 unique individuals were trained in HIV/AIDS awareness and prevention. The program is working to integrate messages of HIV/AIDS education and prevention into agricultural extension activities. USAID-TAPP is also providing capacity-building assistance to HIV/AIDS NGO partners to increase their ability to provide agricultural extension and economic strengthening services along with traditional psycho/social support services.

UMATI, a USAID-TAPP partner and HIV/AIDS education organization, trained 67 peer educators in Morogoro and Coast regions with assistance from the project. These peer educators will work with local communities and target most vulnerable groups such as students, barmaids, commercial sex workers, long route drivers, and motorcycle drivers in disseminating HIV/AIDS awareness and prevention messages.

USAID-TAPP is supporting Huruma AIDS Concern and Care (HACOCA), a Tanzanian NGO engaged in HIV/AIDS awareness, to expand the services it offers to its members and beneficiaries to include agricultural extension support and nutritional support through diversified diets. This quarter, USAID-TAPP assisted HACOCA in established seven new demonstration plots which showcased GAPs such as raised beds and the use of seedling nurseries. USAID-TAPP and HACOCA also introduced sack gardens and kitchen gardens to 40 households caring for OVCs which will support these families in providing well-rounded diets for all members of the household.

3.2 GENDER ISSUES & YOUTH

The Tuleane Most Vulnerable Children (MVC) Club includes 19 youth, eight female and eleven male, from Mlumbiro village, Mvomero district in Morogoro region. With assistance from USAID-TAPP, HACOCA supports the youth group by teaching them horticulture skills. The support has enabled the club to grow nutritious crop and sell the surplus to increase their income, which they use to purchase necessary items. The group leader reports that each member made enough money from these agricultural activities to purchase school supplies.

“Being a member of the group has protected me from joining bad group gangs who are involved in drugs and thief; I’m happy to be with Tuleane Group because I’ve improved my nutritional status.”

– Emmanuel Anold, member of the Tuleane MVC Club

Since 2011, USAID-TAPP has provided the HACOCA MVC group with training on vegetable production, health and nutrition, and HIV/AIDS prevention and awareness. The group has been growing amaranthus to supplement their diet. Recently, the group added another crop – onion. The club successfully harvested 70 kilograms and stored the produce to be sold when there is high demand in the local market. The group sold the 70 kg for Tshs. 100,000.

USAID-TAPP has established a demonstration plot at the Zanzibar Mental Health Hospital outside of Stone Town in conjunction with Barclays Bank. As discussed in section 1.1 above,

this site is being used to train other local farmers in USAID-TAPP supported technologies and GAPs. This quarter, 86 students from the Kidongo Chekundu Secondary School visited the demonstration plot to learn about paw paw production and other agricultural practices. This visit helped peak these youths' interest in agriculture as a viable career option.



This quarter more female farmers were repeat attendees at USAID-TAPP sponsored training events.

Photo by Fintrac Inc.

USAID-TAPP continues to emphasize the importance of engaging all productive members of the household in training and field day events. The project's decentralized training model allows for increased participation in field day activities by female farmers who would otherwise be restricted from attending due to household and child rearing responsibilities. This quarter, more female farmers were repeat attendees at USAID-TAPP sponsored training events than male farmers, highlighting the project's successful Gender Integration Strategy.

| Female Farmers Attending TAPP Trainings | | | | |
|-----------------------------------------|------------|--------------|------------|--------------|
| REGION | Jan | Feb | Mar | Total |
| Arusha | 525 | 224 | 86 | 835 |
| Dar es Salaam | | 10 | 24 | 34 |
| Kilimanjaro | | 108 | 9 | 117 |
| Morogoro | 157 | 375 | 29 | 561 |
| Not Specified | | | 0 | 0 |
| Pwani | 51 | 186 | | 237 |
| Tanga | 39 | | | 39 |
| Zanzibar | 40 | 201 | 31 | 272 |
| Total | 812 | 1,104 | 179 | 2,095 |

| Male Farmers Attending TAPP Trainings | | | | |
|---------------------------------------|------------|------------|------------|--------------|
| REGION | Jan | Feb | Mar | Total |
| Arusha | 238 | 317 | 227 | 782 |
| Dar es Salaam | | 105 | 0 | 105 |
| Kilimanjaro | | 27 | 13 | 40 |
| Morogoro | 106 | 199 | 12 | 317 |
| Not Specified | | | 3 | 3 |
| Pwani | 36 | 93 | | 129 |
| Tanga | 37 | | | 37 |
| Zanzibar | 30 | 95 | 26 | 151 |
| Total | 447 | 836 | 281 | 1,564 |

4. PARTNERSHIPS AND CAPACITY BUILDING

4.1 TAHA

This quarter, project counterpart TAHA presented a position paper to the Government of Tanzania on the negative effect of taxes on imported agricultural inputs on the horticulture sector in Tanzania. Imported agricultural inputs, such as seeds and planting materials, are subject to high tariffs and VAT charges. Currently, most horticultural planting materials coming in from neighboring countries are charged a 25 percent tariff and 18 percent VAT. This is especially restrictive to horticultural producers in Tanzania, since many high-value

seed varieties such as baby corn, French beans, and mange touts are not available locally and must be imported. These high tariff and VAT rates discourage investment in the horticultural sector in Tanzania. TAHA is recommending that the government of Tanzania abolish import tariffs and VAT on seed and seedlings as well as other agricultural inputs to increase the availability of these supplies to farmers in Tanzania.

4.2 NEW PARTNERSHIPS

USAID-TAPP initiated partner fund awards with four new commercial enterprises this quarter. Combined, these partners will incorporate a further 4,245 farmers into commercial production activities.

Evergreen

The Evergreen Commodities and Inputs Distribution Chain Company is a private enterprise that began activities in Tanzania in 2010. Currently, Evergreen's relationship with smallholder farmers is purely as a buyer and they do not engage with the farmers at the production level. As a result of this limited engagement, Evergreen has had difficulties on occasion in fulfilling orders from customers in terms of both quantity supplied by smallholders and quality needed by the market. Lack of consistent supply from farmers has been the primary problem. To overcome this challenge, USAID-TAPP will work with Evergreen to develop an outgrower scheme to train smallholder farmers in GAPs and calendarized planting to meet the market demands. USAID-TAPP will also support Evergreen in developing new market opportunities for smallholder-produced fruits and vegetables, particularly in the Middle East. Through this partner fund award, 2,190 smallholder farmers will be integrated in the commercial horticulture supply chain.

Nsombo

A new partnership with Nsombo ADG aims to strengthen the supply chain of fresh fruit to the Dar es Salaam markets from the Rufigi and Mkuranga Districts in the Coastal Region. Currently, Nsombo is purchasing pineapple, passion fruit, watermelon, cucumber, and mangoes from farmers in these districts to sell to wholesale markets and hotels. With assistance from USAID-TAPP, Nsombo will expand its operation to develop an outgrower program including providing direct agricultural extension support to the farmers from whom they are buying. USAID-TAPP and Nsombo will work with participating farmers to introduce improved seed varieties, better agricultural practices, and improved post-harvest handling to increase yields and incomes for both the farmers and the buyer. More consistent and more programmed supplies will strengthen Nsobmbo's business model as they seek to consolidate existing markets and explore new ones. In total, with USAID-TAPP assistance, a further 1,500 smallholder farmers will be integrated into this commercial supply chain.

Business Planet

Business Planet, a Tanzanian agribusiness established in 2007, is currently exporting chilies to European markets and supplying high-value vegetables to markets in Dar es Salaam. With assistance from USAID-TAPP, Business Planet will scale-up the size of its operation by expanding both its production and customer base. There is a strong interest for Tanzanian-produced fresh chilies in international markets, and USAID-TAPP will assist in improving the capacity of Business Planet to meet this demand.

To increase Business Planets' production base, USAID-TAPP will work with the company to integrate 255 new growers into a chili and vegetable outgrower scheme. The farmers will be trained in GAPs and calendarized planting and receive, on credit, hybrid seedlings and appropriate agricultural inputs. Access to these trainings and quality planting materials will enable the smallholders to comply with European food safety requirements, such as GLOBALGAP, and benefit from the higher-value export market. Business Planet will grade and pack the smallholder-produced crops at Mailer Farm which was previously supported under the USAID-SHOP program and has been underused for many months.

Tanhort

Tanhort, a registered Tanzanian export company, has identified an opportunity to export smallholder-produced baby vegetables to the European Union (EU). There is the opportunity for Tanzanian vegetables to fill a special niche defined by shortages of baby vegetables from other places in Africa – especially South Africa. Tanhort sources baby vegetables from smallholder farmers in the Arusha and Arumeru regions. The agroclimatic conditions of these regions and proximity to airport and packaging facilities are ideal for a horticulture export business. However, lack of knowledge of specific production requirements by smallholders limits the volume of vegetables that comply with the European market's size requirements and impacts Tanhort's ability to grow their operations and smallholder income. Currently farmers are producing yields of 500-1000kg of carrots in the correct specification range, with much of the export reject crop being sold onto the local market. USAID-TAPP will support Tanhort to integrate a further 300 smallholder farmers into their supply chain and build these farmers' capacity to comply with market and GLOBALGAP requirements for baby vegetables.

4.3 CAPACITY BUILDING

During this reporting period, TAHA Fresh Handling Ltd (TFHL), a USAID-TAPP partner and grower-owned freight consolidation company, completed a five year strategic business plan. The business plan is intended to develop the roadmap for a TFHL restructuring so that the organization can be an effective service provider with the capacity to support the entire Tanzania horticulture sector. The plan was developed by TFHL management and Blue Rhino Consult (a USAID-TAPP partner), and articulates the business direction and scope of operation required to turn TFHL into a financially sustainable company.

| |
|--------------------------------------------------------------------------------------------------------------------|
| Over 1,149 MTs of fresh produce has been transported by TAHA Fresh Handling between January 2011 and February 2012 |
|--------------------------------------------------------------------------------------------------------------------|

The business model centers around making airfreight services TFHL's core business with four support business lines: airfreight credit services, trucking, perishable handling and clearing/forwarding services. Below are the four broad goals of TFHL and the implementation timeline.

| Broad Goals | Specific Objectives | When |
|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Increase the volume of exports – <i>Air Freighter</i> | Increase monthly tonnage from 65MT to 220MTs Increase number of exporters from 6 to 12 Add 2 managers to build institutional capacity Increase sales from \$1.9 to 6.9million by year 5 Increase the net profit from \$(96,912) to \$150,170 by year 5 Attain an operational sufficiency of 102% by the 5 th year | End of Year 5 |
| Truck Registration & operate - <i>Trucking service</i> | Register the new truck Develop policies & procedures for truck services Create separate management team for trucking unit - cost share operations manager; 1 experienced driver and a loader Operate 3 trips per week to Nairobi Hire 2 trucks to ply Dar and KIA routes | Year 1 |
| Obtain clearing/forwarding license and start operations – <i>clearing & Forwarding unit</i> | Obtain license for clearing & forwarding unit Open 2 offices: Namanga and Dar Employ two clearing & forwarding employees Purchase office equipment – computer/desk/internet/phone | Year 1 Year 2 |
| Obtain approval; enter into a joint venture with Swiss Port – <i>perishable handling</i> | Obtain approval to operate at the KIA Undertake a feasibility study on handling of perishable goods Sign an agreement with Swiss Port to cost share cold room Set up a perishable handling management team | Year 1 Year 1 Year 2 |

ANNEX I: PERFORMANCE AGAINST PMP INDICATORS

| | |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Name of the Implementing Agency: Fintrac Inc. | Reporting Period: Q10: January – March 2012 |
| Local Address: USAID-TAPP c/o Plot No. 85(2) Mwandamo 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. (TFHL) |
| 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 |
| Principal Target Beneficiaries: Tanzanian Smallholder Farmers | Major Counterpart Organizations: TAHA, Ministry of Agriculture |

| Indicators | FY 2012 | | | | | | Units |
|-----------------------------------------------------------------------------------------------------------------------------------|-------------|------------------|-------|-------|----|----|------------------|
| | 2012 Target | Achieved to date | Q1 | Q2 | Q3 | Q4 | |
| Number of rural households benefiting directly from USG intervention | 13,000 | 11,088 | 236 | 64 | | | Rural Households |
| Gross margin per hectare for commodities targeted by USG assistance* | 2,705 | 2,297 | | | | | \$US |
| Percentage change in yield * | 55 | 46 | | | | | Percent |
| Number of individuals who have received USG supported short-term agricultural sector productivity training | 32,240 | 65,795 | 3,621 | 2,071 | | | Individuals |
| Number of additional hectares under improved technologies or management practices as a result of USG assistance* | 6,500 | 4,812 | | | | | Hectares |
| Number of farmers, processors and others who have adopted new technologies or management practices as a result of USG assistance* | 13,000 | 9,009 | | | | | Farmers |
| Value of new client and counterpart investment | 4.0 | 1.162 | 0.044 | 0.038 | | | US\$ Million |
| Value of incremental sales (collected at farm/firm level) attributed to FTF* implementation | 10.60 | 2.49 | | | | | US\$ Million |

| Indicators | FY 2012 | | | | | | Units |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------|-------|------|----|----|----------------------------|
| | 2012 Target | Achieved to date | Q1 | Q2 | Q3 | Q4 | |
| Number of new value-added products introduced | 7 | 6 | | | | | Products |
| Number of users accessing Market Information Systems | 4,500 | 794 | 15 | 591 | | | Users |
| Number of firms receiving capacity-building assistance to export | 85 | 69 | 2 | 3 | | | Firms |
| Number of producers' organizations, water user associations, trade and business associations, and CBOs that benefitted directly in this reporting year from USG assistance | 520 | 450 | 11 | 4 | | | Organizations/Associations |
| Number of public-private partnerships formed as a result of USG assistance | 38 | 27 | | 4 | | | PPPs |
| Number of organizations undergoing capacity assessments as a result of USG assistance | 558 | 477 | 11 | 8 | | | Organizations |
| Number of policy reforms supported | 3 | 10 | 2 | 1 | | | Reforms |
| Number of beneficiaries with access to home or community gardens | 1,400 | 3,988 | 3,314 | | | | Beneficiaries |
| Percentage women/youth membership in producer organizations | 55/25 | 48/35 | 46/21 | 72/6 | | | Women/Youth |
| Number of certified farmers | 350 | 238 | | | | | Farmers |
| Number of the targeted population reached with individual and/or small group-level HIV prevention interventions that are based on evidence and/or meet the minimum standards required | 9,685 | 30,010 | 1,575 | 510 | | | Training Participants |
| Number of the targeted population reached with individual and/or small group-level HIV prevention interventions that are primarily focused on abstinence and/or being faithful, and are based on evidence and/or meet the minimum standards required | 2,325 | 5,309 | | 52 | | | Training Participants |
| Number of eligible OVCs provided with a minimum of one CORE care service | 1,300 | 267 | | | | | OVCs |
| Number of households with at least one OVC/MVC | 300 | 267 | 267 | | | | OVCs/MVCs |

| Indicators | FY 2012 | | | | | | Units |
|---------------------------------------------------------------------------------------------------------|-------------|------------------|-----|-----|----|----|--------------|
| | 2012 Target | Achieved to date | Q1 | Q2 | Q3 | Q4 | |
| provided with a minimum of one economic opportunity/strengthening support | | | | | | | |
| Number of vulnerable households benefiting directly from USG assistance | 655 | 446 | | | | | Households |
| Number of baseline or feasibility studies (FCI) | n/a | 7 | n/a | n/a | | | Studies |
| Number of institutions with improved Management Information Systems as a result of USG assistance (FCI) | n/a | 267 | n/a | n/a | | | Institutions |

* Denotes annual indicator.

ANNEX III: SUCCESS STORIES



TAPP | Tanzania Agriculture Productivity Program

MAPATO ZAIDI KUPIA KILIMO BORA

SNAPSHOT

Increasing Income through Drip Irrigation

Combination of drip irrigation and good agricultural practices change life



Photo by Fintrac Inc

John Mkeni holds sweet peppers harvested from his plot. With the help of USAID-TAPP, he has increased his yields and secured reliable markets in Zanzibar and Morogoro town.

“I’m surprised how I’ve increased my income from this small plot of just 15 raised beds. They produce more than double the amount I used to harvest from my half acre plot.”

- John Mkeni

Telling Our Story

U.S. Agency for International Development
Washington, DC 20523-1000
<http://stories.usaid.gov>

John Mkeni lives in Gairo, a drought-stricken village in the Kilosa district of Morogoro region. John has been growing sweet pepper since 1994, but with little water available for irrigation and poor agricultural practices, his yields were very low.

“I started farming by renting small plots and hiring labor to assist me in hand irrigation. But this really cost me and it was time consuming. The harvest was very poor,” admits John, a father of three.

The Tanzania Agriculture Productivity Program (TAPP), funded by the United States Agency for International Development (USAID) as part of the Feed the Future initiative, trained and assisted John with good agricultural practices that have proved to be a better solution for the drought-prone village. The program helped John increase production and secure a reliable market in Zanzibar and Morogoro for his high quality sweet peppers.

In June 2010, John was among 30 farmers approached by USAID-TAPP and advised to form groups to receive training and technical support on good agricultural practices. The groups were trained on integrated pest management, drip irrigation, raised beds, proper spacing, and record keeping. After the trainings, with the support from USAID-TAPP, John installed a pressurized drip irrigation system on just 15 raised beds, each 40 meters long. Drip irrigation is one of the most efficient systems to irrigate; 40 percent more efficient than gravity irrigation, and 25 percent more efficient than overhead irrigation.

“I’m surprised how I’ve increased my income from this small plot of just 15 raised beds. They produce more than double the amount I used to harvest from my half acre plot,” said John.

His first harvest after installing the drip system was in March 2012, when he harvested 260 kilograms of hybrid sweet peppers worth Tshs. 2,340,000. With a high demand market in Zanzibar and Morogoro town, he sold one kilogram for Tshs. 9,000. From the same sweet pepper plot, John will be able to harvest 94 kg sweet peppers every seven to nine days for the next six months. At the end of the season John is expecting to harvest a total of 2,256 kilograms worth Tshs. 20,304,000.

“My challenge now is how I can add more drip systems on my two acre plot so that I can improve my nutrition and income,” said John, adding that his future plan is to grow other crops such as onions and carrots to improve his income and his family’s nutrition.

ANNEX III: ARTICLES AND PUBLICATIONS



TAPP | Tanzania Agriculture Productivity Program
MAFATO ZAIDI KUPIITA KILIMO BORA

January 2012

Wholesale Market Prices for Fruit and Vegetables

MARKET OVERVIEW

The New Year started off with price reductions on most commodities. These drops in prices, shown in parentheses, are due to decreases in consumer demand in most markets after Christmas and New Year festivals. Onion (6%), carrot (11%), cabbage (40%), pineapple (48%), unripe banana (50%), mango (102%), ripe banana, (105%) avocados (200%), and Irish potato (126%) all recorded price decreases. A few commodities; green pepper (15%), tomato(41%) and passion fruit (81%) however, registered a price increase (shown in parentheses) due to seasonal scarcity and disease outbreaks.

Tomatoes and onions continued to record the highest prices in most markets while pineapple recorded the lowest. The markets which recorded the highest prices fluctuation for tomatoes were Mbeya (473Tsh/Kg), Mombasa (446Tsh/Kg) and Zanzibar (395Tsh/Kg). A fungal disease outbreak on farms in Mbeya affected the overall harvest and led to smaller volumes in the market. In the case of onions, unexpected rains and low stocks affected prices in Iringa (520Tsh/Kg). In Mombasa (620Tsh/Kg) and Kariakoo (416Tsh/Kg), prices continued to escalate due to high market demand for high quality, long shelf life onions sourced from Arusha and Kariakoo. Pineapple was the least expensive commodity overall. Of the twelve markets studied, six recorded price a decrease on pineapple due to the fact that pineapples came into season at the end of November 2011 and most markets received excess supplies. The overall average price in December was 9% lower than November 2011. In January, the downward pressure on price eased a bit (only a 5% decrease in price from December 2011) due to the fact that the commodity is slowly becoming scarce as it is getting off season.

Overall, Zanzibar was the most expensive market and Mbeya was the least expensive. Zanzibar reported the highest prices for most commodities (avocado, ripe /unripe bananas, green peppers, mangoes and tomatoes). Zanzibar is a high consumption area and most of these commodities are sourced from the mainland markets like Kariakoo, Tanga, Moshi and sometimes Mbeya and Iringa. Mbeya market reported the lowest prices on most commodities (ripe and unripe bananas, cabbage, Irish potatoes and mangoes). Mbeya is a high production area due to frequent rains and fertile land.

COMMODITY OF THE MONTH

Avocado prices have been inching slowly downwards over the past few months. Abundant supplies in the market place have put some downward pressure on the local market prices. The average avocado price dropped by 0.2% in December and 0.6% in January. Despite the small price decreases due to seasonality, avocados remain an attractive crop for Tanzanian farmers, particularly in Kilimanjaro, Arusha, Kagera, Iringa and Mbeya regions and production has been steadily increasing.

In January, the Zanzibar market recorded the highest price (1508Tshs/Kg) for avocados overall. High transportation costs (avocados are sourced from the mainland markets of Kilimanjaro and Arusha) are the main reason for the high price. Mwanza's recorded the lowest overall avocado price (275Tshs/Kg). The close proximity of Mwanza market to the producer areas of Kagera and Tarime helped to keep prices low. In Mbeya, the avocado harvest is in full swing and as a result has put downward pressure on the nearby of Iringa which recorded a 20% price drop from December.

MARKET CODES

| | | | | | | |
|--------------|----------------|---------------|----------------|---------------|----------------|-------------|
| ARS – Arusha | DOM – Dodoma | IRG – Iringa | KKO – Kariakoo | KRT – Karatu | LST – Lushoto | MBY – Mbeya |
| MH7 – Muheza | MOR – Morogoro | MSA – Mombasa | MZA – Mwanza | NRI – Nairobi | 7N7 – Zanzibar | |

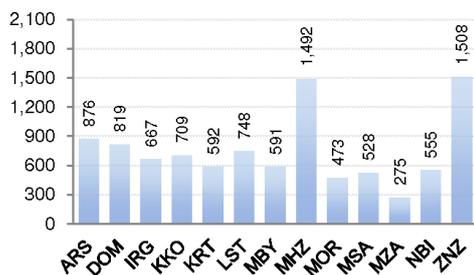
This market bulletin was produced by TAHA with support from the Tanzania Agriculture Productivity Program (USAID-TAPP).
Source data: TAHA; Where no prices are shown, no data was collected.

Tanzania Horticultural Association (TAHA)
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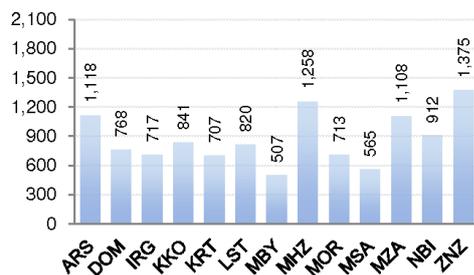
Tanzania Agriculture Productivity Program
P.O. Box 15035, Arusha Tanzania; Tel: +255 (0) 27 2549325
www.tanzania-agric.org

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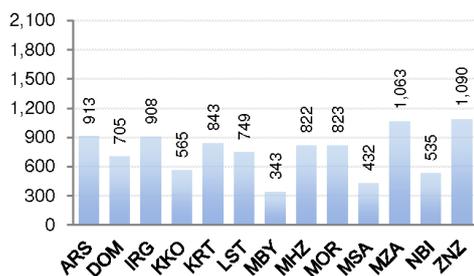
Average wholesale price for avocados (Tsh/kg)



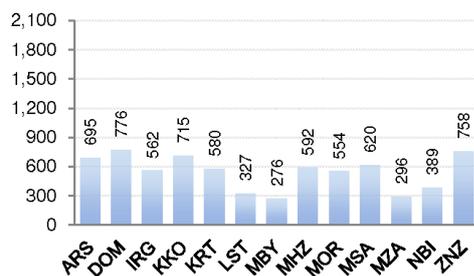
Average price for ripe bananas (Tsh/kg)



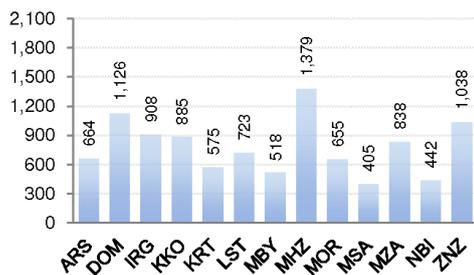
Average wholesale price for unripe bananas (Tsh/kg)



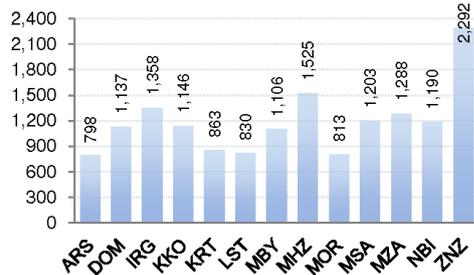
Average price for cabbage (Tsh/kg)



Average wholesale price for carrots (Tsh/kg)



Average price for green pepper (Tsh/kg)

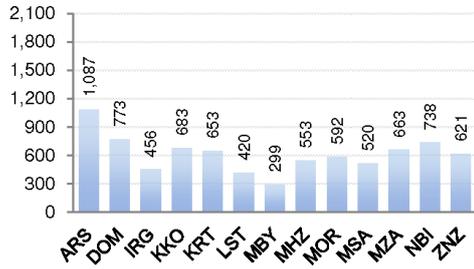


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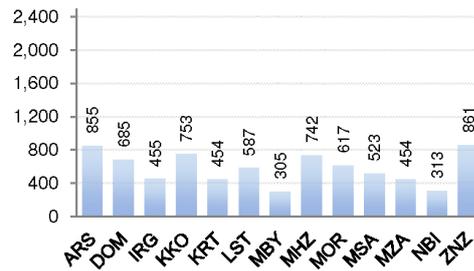
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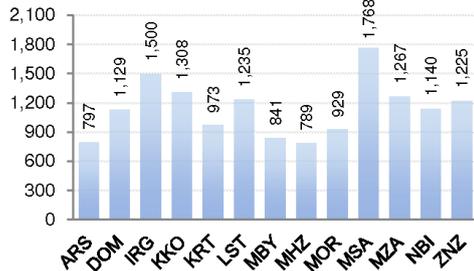
Average wholesale price for Irish potatoes (Tsh/kg)



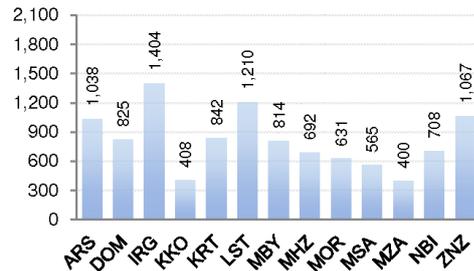
Average price for mangoes (Tsh/kg)



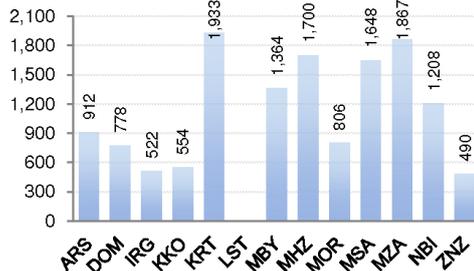
Average wholesale price for onions (Tsh/kg)



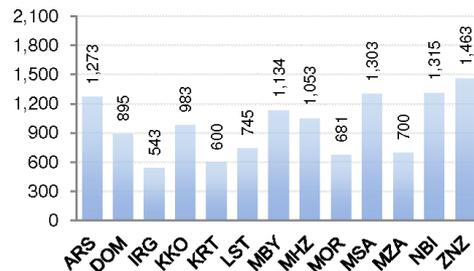
Average price for pineapples (Tsh/kg)



Average wholesale price for passion fruit (Tsh/kg)



Average price for tomatoes (Tsh/kg)





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