USAID | TANZANIA
FROM THE AMERICAN PEOPLE

ANNUAL REPORT 2012-13

PROCESSING & CONSUMPTION PROJECT- TUBORESHE CHAKULA

OCTOBER 2013

TC Staff Explain the dossifier to President Kikwete at the Fortification Launch in May 2013.

October 31, 2013

This publication was produced for review by the United States Agency for International Development. It was prepared by Abt Associates in association with Technoserve.

Submitted by:

Abt Associates, Inc.
Tuboreshe Chakula Project
Plot #14, Mkwawa Road
PO Box 105936
Oyster Bay, Dar es Salaam
Tanzania

Contact Information:
James Hellerman
Chief of Party
(255) 076 349 4082

Contract No.: EDH-1-00-05-00005-00, RFTOP-621-11-06

Submitted to: Janeth Said
COR
Tanzania/NRM/EG
686 Old Bagamoyo Road, Msasani
PO Box 9130 Dar Es Salaam, Tanzania

ANNUAL REPORT 2012-13

PROCESSING AND CONSUMPTION PROJECT- TUBORESHE CHAKULA

OCTOBER 2013

DISCLAIMER

The authors' 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

CONTENTS

Contents 1

Acronyms 3

Executive Summary 1

1. Implementation Process 2

1.1 Second Level Objective 1- To increase competitiveness of Agro-Processors 2

1.1 Second Level Objective 2: To Increase Comsumption of Nutritious Processed Products – Sales to Consumers of Nutritious Foods 10

2. Cross-Cutting Issues 12

3. Challenges or Constraints 13

4. Management and Staffing 14

5. Planned Activities 14

5.1 Second Level Objective 1: To Increase Competitiveness of Agro-Processors 14

5.2 Second Level Objective 2: To Increase Consumption of Nutritious Processed Products- SALES to Consumers of Nutritious Food Products 16

Annex A: Performance Against PMP Indicators (From IPRS) 19

Annex B: Success stories 23

Mill in Dodoma professionalizes operations 24

Forward-Thinking Miller Applies USAID-Learned Business Improvement Strategies. 24

ACRONYMS

BDS	Business Development Services
GMP	Good Manufacturing Practices
GoT	Government of Tanzania
IEC	Information Education and Communication
MNP	Micro-Nutrient Powder
MOM	Machine Operation and Maintenance
MoU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprises
OHS	Occupational Health and Safety
TC	Tuboreshe Chakula
TFDA	Tanzanian Food and Drug Association
TOT	Training of Trainers
USAID	United States Agency for International Development
VHW	Village Health Workers

EXECUTIVE SUMMARY

INTRODUCTION

The purpose of the USAID Feed the Future Tuboreshe Chakula Project (TC) is to transform a critical segment of Tanzania's agro-processing industry and dramatically increase the supply of and demand for nutritious (fortified) foods, especially among vulnerable populations in the food insecure regions of Morogoro, Dodoma and Manyara.

The project is achieving this goal by building the capacity of agro-processors to improve the quality, safety, presentation, sale and distribution of new and existing food products and is assisting them in developing the capacity to fortify these products in the maize and oil sectors. To maximize project impact and reach vulnerable groups, particularly pregnant or lactating women, children between 6 and 59 months of age, and people living with HIV/AIDS (PLHA), the team is working with and through a range of public and private sector players – from small village-based maize meal (posho) mills to medium- sized food processing companies (and even some larger firms, if significant benefits will accrue), plus local NGOs, and government agencies at all levels.

The project is facilitating the distribution of micronutrient powder (MNP) which specifically targets improving the nutrition status of children aged 6-59 months. Micronutrient powder distribution is a component of Infant and Young Child Feeding Program (IYCFP) and therefore will contribute to the reduction of stunting in children.

With core activities in the four regions of Morogoro, Dodoma, Manyara and Zanzibar, TC is specifically targeting districts within these regions including Morogoro urban, Kilombero, Mvomero, Dodoma Urban, Kongwa, Babati urban, Babati rural, and Kiteto. TC objectives are focused on the target commodities of rice, maize and horticulture, primarily sunflower oil, the processing of these commodities and the consumption of fortified products.

This year the TC exceeded or met all set targets. Most notably, the project put MNP on the market to add minerals and vitamins to young children's diets. This will improve the health of hundreds of children aged 6-59 months. The MNP is being imported from India and sold through a local distributer in local Tanzanian shops in the project's three target regions, as well as, Zanzibar. Currently, the team is continuing to sensitize the public to the new product and is running a large-scale behavior change campaign.

TC was able to make a huge impact this year in processors receiving loans and grants for raw materials and needed mill modifications. TC successfully assisted 53 food processors to access credit with a total value of $653,275. Through the entire year, approximately 55% of the loans were provided by commercial banks. Other sources of capital were microfinance institutions, savings and credit cooperatives and informal sources of credit.

The project continued to make large strides in business development services (BDS) and training. This year, TC provided BDS to over 340 businesses and trained over four thousand individuals on good manufacturing practices, record keeping, and occupational health and safety. This year, these services allowed 262 Tanzanian mills and processing plants to operate more profitably and produce quality products.

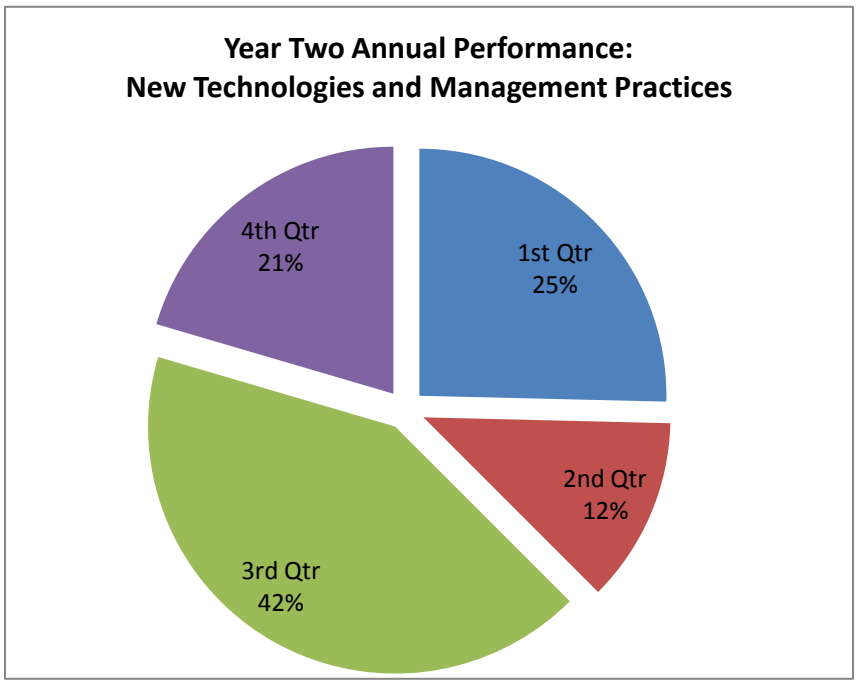
1. IMPLEMENTATION PROCESS

1.1 SECOND LEVEL OBJECTIVE 1- TO INCREASE COMPETITIVENESS OF AGRO-PROCESSORS

Intermediate Result 1.2: Introduce New Technologies and Management

4.5.2(5) (RIA) number of processors who have applied improved technologies or management practices

In year two, TC's module and specialized trainings, advisory services and linkages to finance, markets and networks resulted in the application of new technologies and management practices with 264 new processors. An additional 116 processors continued to receive assistance. Highlights from year two show an increased investment in factory building renovations; labeling and branding; record keeping practices and accounting software purchases and implementation; good manufacturing practices and occupational health and safety implementation through the purchase of fire extinguishers and placement of posters on factory walls.



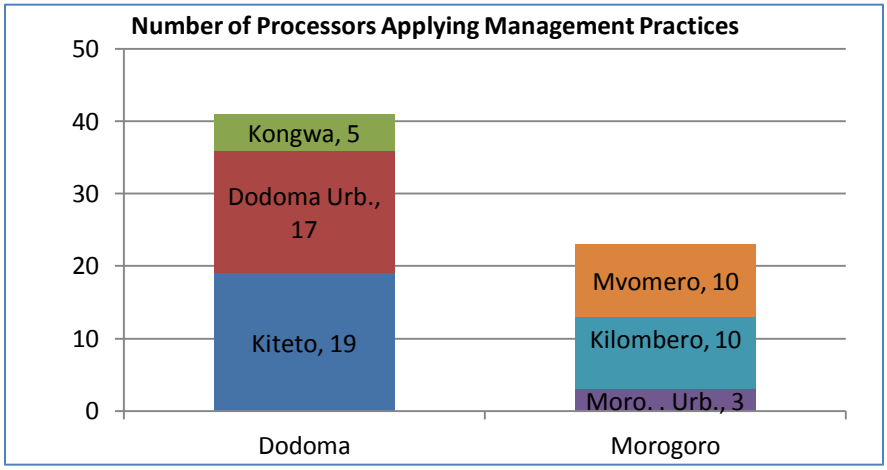
In Q1, 67 processors applied new technologies and management practices. 64 were small scale processors while three represented medium scale processors. Specific quality and business management activities applied during the quarter include;

- Quality management processes applied by the processors are focused on controlling the quality and safety of products processed at the factory. This includes implementing record keeping systems for raw material handling and purchasing, hygiene practices, cleaning schedules, renovation and construction.
- New management practices applied include record keeping and accounting practices. Small and medium processors reported using counter books, Excel or accounting software to better manage their record keeping systems. Two processors reported contracting external service providers to manage their accounting practices. Another client used market survey management tools provided by the project to conduct a market survey on blended flour products in Tanzania.

Small Scale Activities

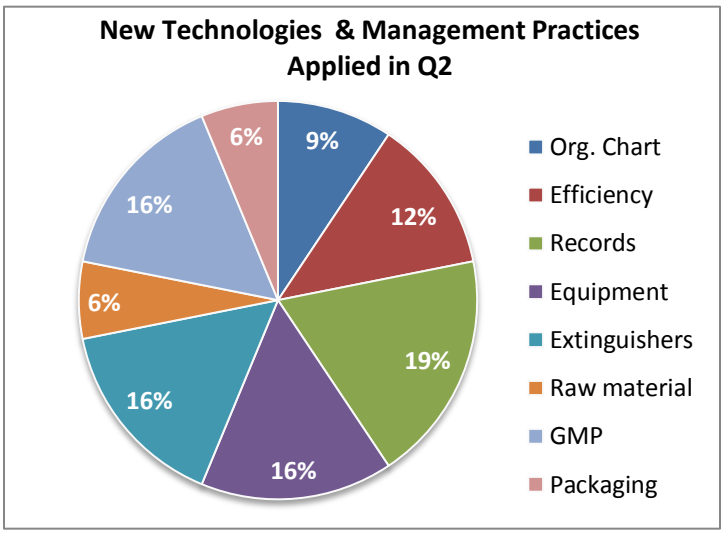
Sixty-four small-scale processors applied new management or technological practices. The chart below provides a breakdown of the districts in which the processors were trained.

- Dodoma - 41 of the small scale processors were from Dodoma and were all male. The processors were recruited to the program in Q1 of Year 2 and are geographically located in Dodoma Urban, Kiteto and Kongwa districts.
- Morogoro - 23 of the processors applying management or technological practices during last quarter were from Morogoro. 14 of these processors were recruited and trained in 2012 but did not apply management or technological practices until Q1 of Year 2.



- Three medium-scale processors applied new management and new technology practices during the quarter.
- Uncle Milo applied accounting and record keeping practices through the purchase, installation and application of Quick Books, an accounting software program. In addition, the company also adopted quality management systems to control the quality of oil processed at the factory.
- Kibaigwa Flour applied record keeping and accounting practices to their business.
- Katundu Maize Mill established a cleaning checklist for his processing equipment, as well as, a general housekeeping checklist that is adhered to and completed by the cleaning crew and respective supervisors. The application of this GMP practice was the result of ongoing technical assistance from TC. In addition, Katundu successfully modified his maize flour and maize bran processing line to prepare for installation of a new maize bran dryer and packaging equipment.

Q2 of the Project Year reported 32 project-assisted food processors applying new management and new technologies to their businesses. The chart highlights the new technologies and management practices that were applied by the processors in Q2. Although more processors applied improved record keeping and accounting practices during the quarter, equipment purchase and installation, purchase of fire extinguishers and adoption of GMP also ranked high among the processors. It is expected that with the purchase and distribution of moisture meters through the project's grants program, more processors will invest in improved raw materials purchases.



In the second quarter, the project also aggressively started looking for packaging solutions for clients. Several service providers have been interviewed as potential vendors for the processors.

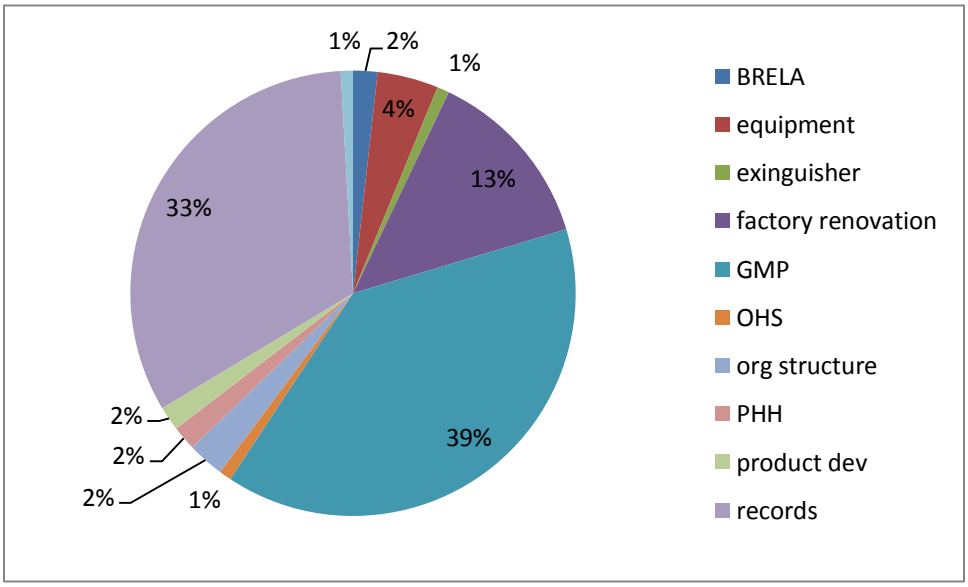
In Q3, 111 processors reported new management and technologies. As compared to previous reports on this indicator, the marked increase in application of management practices and new technologies during the quarter is attributed to ongoing investments by the project in reinforcing trainings with aggressive BDS support in record keeping, GMP and the use of moisture meters through the project's grants program. In addition, an increased outflow of business plans and financial linkages support resulted in increased access to finance.

In Morogoro, 22 new processors were reported to have applied new technologies or management practices. 14 processors reported applying new technologies to their operations through the use of moisture meters. Other processors described applying new management practices through record keeping. The Morogoro team assisted Katundu Maize mill to install and test a maize flour packing machine with capability of packaging 5-25 kilograms. Technical Advisors developed One Point Lesson plan to properly operate the new equipment. After test-trials, Katundu's staff confirmed functionality of the new equipment.

In Dodoma, 39 processors reported applying new management practices and new technologies. These included adoption of quality control measures such as GMP; plant layout improvement; record keeping; and, equipment procurement.

In Manyara, 50 processors reported applying new technologies and management practices. A majority of the processors focused on adhering to GMP through setting regular cleaning and maintenance schedules and minor floor and door renovations. In addition to GMP, processors also reported improved record keeping systems.

In the final quarter of the project year two, 54 processors applied management and new technologies to their businesses. 46 the processors were from Morogoro and eight processors from Manyara reported applying new technologies and management practices. This was a result of direct business and technical advisory services and linkages provided by the project. 39% of all adoption of practices were found to be in GMP; 33% in record keeping; followed by 13% in minor factory renovations. The chart provides more details on the practices adopted during the quarter.



Activities during the past year have produced achievements in the project development goals. Moving towards fortification, the project, in collaboration with TFDA, managed to develop fortification committees in each district and facilitated health officers training about inspection and fortification.

Application of appropriate food processing technology, like fortification, can help to generate income and improve competitiveness of agro-processing enterprises and production cost can be reduced.

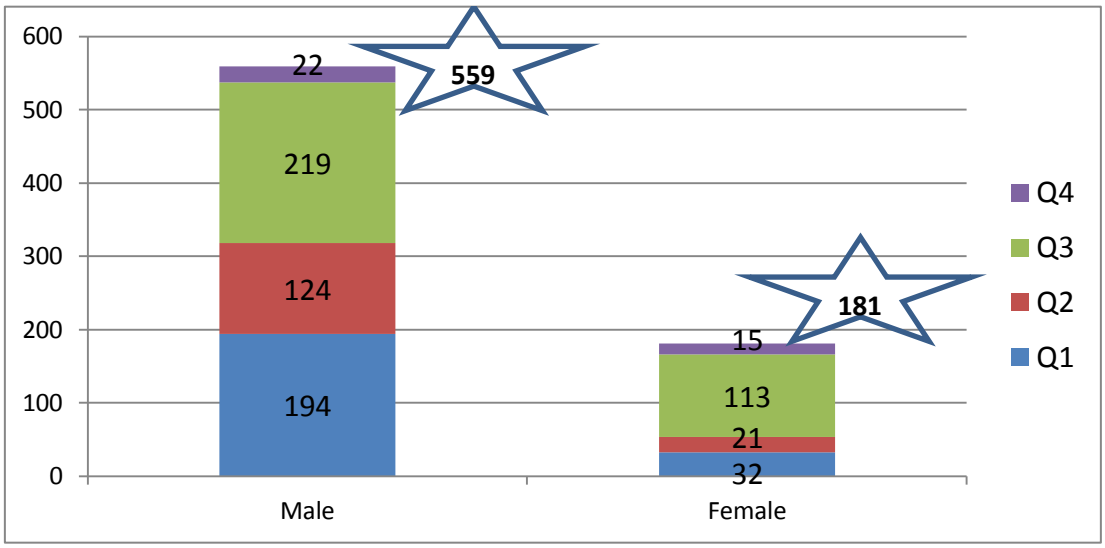
Furthermore, the use of new technology can improve production capacity and quality of products. The technical team continued to advise the processors on the modification of infrastructure and equipment while taking into account sanitation procedures and the capacity to implement control measures and ensure correct maintenance of the premises and equipment.

.There have been internal arrangements among processors to visit each other's facilities to exchange business ideas and best practices. In quarter 4, processors from Kongwa and Babati visited their counterparts at Dodoma Urban with the hope of learning about new practices that could be adopted at their own mills.

Intermediate Result 3.3: Conduct Training & Capacity Building Programs for Producers and Processors

4.5.2(7) (RIA) number of individuals who receive short term training

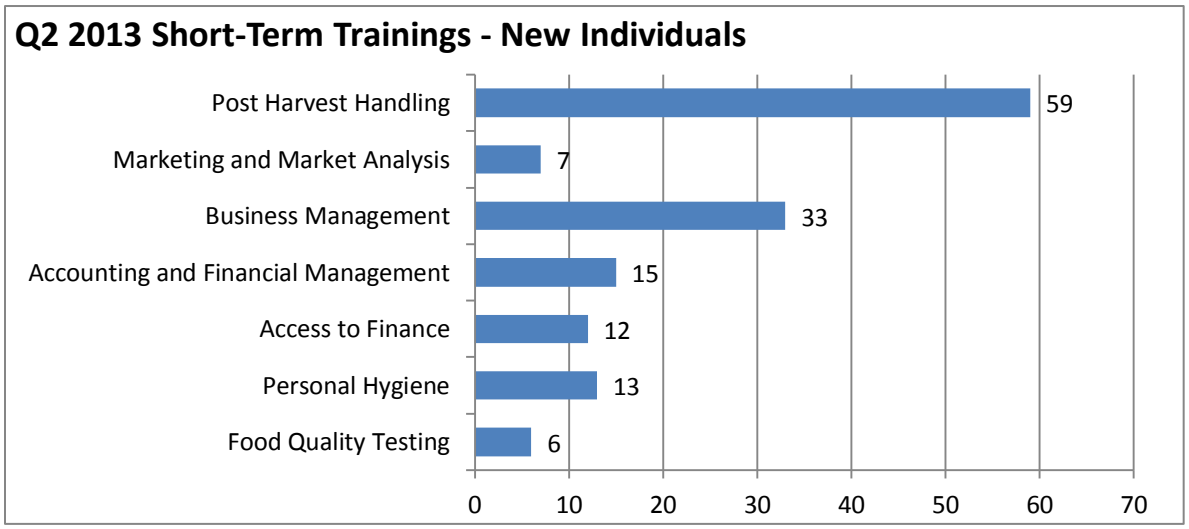
In the second year of implementation, business and food technology advisors conducted short-term agricultural sector productivity training with 740 individuals. 76% of the individuals trained were male while 24% were female. The participants received training through TC's business and technical module training curriculum; market-based workshops; and specialized technical training focused on aligning food processing clients with food fortification requirements. The table below illustrates the number of individuals trained on a quarterly basis.



To kick-off TC's second project year, training was conducted with 226 (194 male; 32 female) individuals representing small, progressive and medium scale millers in Morogoro and Dodoma regions. 14% of individuals trained were female. Of the total number of individuals trained, 144 were small scale processors that participated in module trainings for Basic Business Management, Financial Management, Record Keeping, Occupational Health and Safety and Good Manufacturing practices. An additional 82 individuals representing progressive and medium scale mills participated in an Accounting and Financial Management workshop and Good Manufacturing Practices (GMP) training.

In Q2, 145 (124 male, 21 female) individuals received short-term training. To prepare the project's clients to adhere to food fortification standards in Tanzania, TC's technical and business advisory teams invested training resources in improving post-harvest handling and personal hygiene – two critical good manufacturing practice areas that are required for TFDA certification. Additionally, in response to the slow uptake in access to credit, the project invested training resources in Access to Finance workshops

that were structured in the format of market-based investment forums. The chart below highlights the trainings conducted during the second quarter.



In the third quarter, TC delivered module and specialized training to **332 new individuals**. In addition to TC millers that received the training, the project also invested in training government officials in: the use and application of moisture meters; inspection and registration of food premises; sunflower oil processing and fortification and access to finance training. As compared to previous quarters, the training conducted during this quarter show a marked increase in the number of women trained.

In the Q4, 153 new and continuing individuals were trained in TC's module training. Although no training was conducted in Morogoro region this quarter, Dodoma and Manyara regions conducted a total of seven training modules. In the module based training, twenty five new individuals (22 male; 3 female) are reported to have received the above training modules this quarter. In specialized training, food technology advisors conducted blended flour training with 12 females in Morogoro.

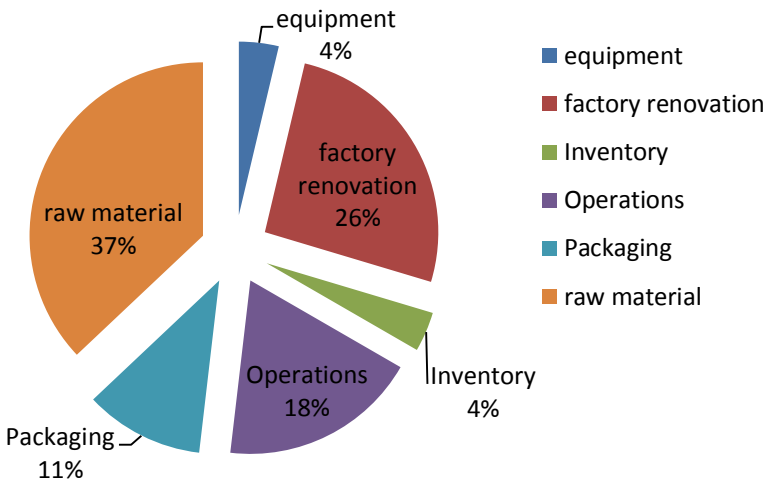
Training on food product packaging, labeling and product diversification was geared to help millers know important information about the perfect materials for pre-packaged food products. Knowing and properly using this information will help the millers capture more of the market, since product labels attract customers and communicate a quality product. The millers were also trained on the key points considering costs when choosing the best materials for packaging such as handling costs and storage and quality control costs.

Old and new packaging designs at Kiruwa Mills

Intermediate Result 3.1: Increase Agricultural and Rural Financing

4.5.2(29) (RIA) value of agricultural and rural loans

In PY 2, 53 food processing clients were assisted to secure commercial loans valued at $653,275 from banks, social impact investors, microfinance institutions, savings and credit cooperatives and equipment leasing providers. 37% of the clients that accessed credit invested part (or most) of their financing to purchase raw materials for their business. Another 26% of clients invested in factory renovations. Although a majority of these processors invested in renovations that contributed to the adherence of GMP, a handful also made larger investments in the building of new processing facilities and in renovations to accommodate the installation of new equipment. Lastly, 18% of the processors reported making investments in general operations and working capital needs.

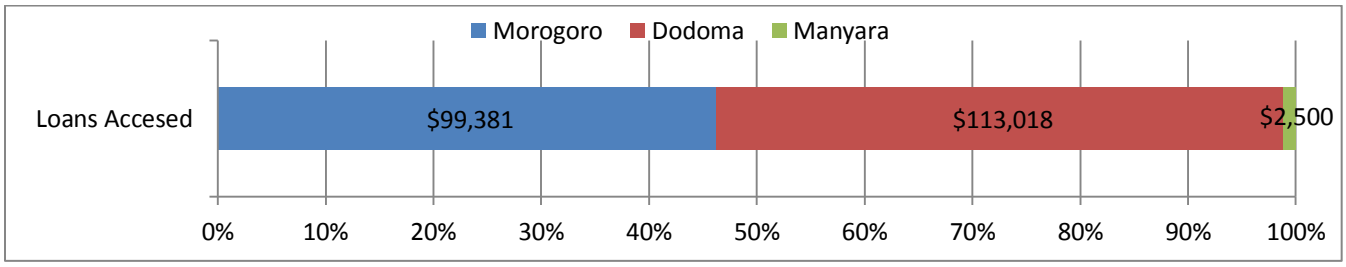


In the first quarter, two processors received financing from commercial banks valued at $144,000. Kindai Super Sembe, a maize flour processor in Dodoma, invested his loan of $19,000 to purchase land for his new factory. Kenmillers, an integrated food processor in Arusha, invested $125,000 from part of an overdraft facility to contribute to the purchase of a Full-Fat Soya production line from China. Total value of the corn soy blend, blended flour, edible oil and full-fat soya processing line is valued at $800,000. Arrival of the equipment to the Dar es Salaam port was expected to be in September 2013.

In Q2, six processors accessed financing valued at $66,875. Five of the six processors invested their loans to purchase raw materials. Three of the six also reported investing part of their loans for the purchase or renovation of equipment.

As an outcome from the project's investment in Access to Credit training, workshops and linkages, the third quarter contributed to a dramatic increase in the value of loans accessed. Twenty-five processors accessed loans from formal and informal sources of credit valued at $214,900.

The bar chart below provides an overview on the value of loans accessed during the quarter by region.

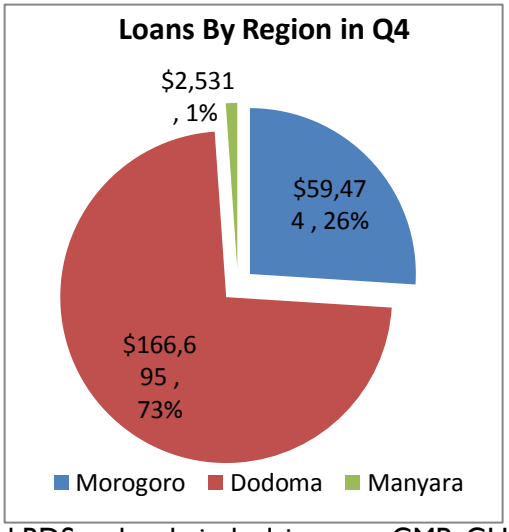


As illustrated, 53% of the total loan value accessed was from Morogoro while Dodoma region processors trailed behind at 46% and Manyara at 1%. The slow uptake in loan value and credit uptake in Manyara region is the result of a delayed implementation of TC activities in the area.

In the fourth quarter, 23 processors accessed loans valued at $227,500. Seven processors in Morogoro accessed credit from banks valued at $59,474. 15 processors from Dodoma received credit valued at $166,695 and Manyara had one processor that acquired a bank loan of $2,531

Financiers that extended capital to support TC processors include National Microfinance Bank, CRDB Bank, and a savings and credit facility.

The project will continue to partner with formal and informal suppliers of credit to increase the uptake of capital for investments in fortification and oil refining adherence.



Intermediate Result 3.4.1: Increase Competitiveness of Agro-Processors

a) 4.5.2(37) (S) number of MSMEs receiving BDS

In this quarter, 72 processors (63 male, 7 female and 2 jointly) in Morogoro , Dodoma and Manyara were provided BDS and technical advisory on GMP, GHP, sanitation procedures and certification. TC's technical and business advisory support services were delivered in the form of coaching as a team with food technologists and business advisors, this technique was found more useful to serve processors' time.

During the pre-award assessment of grantees, six processors that will be given rice integrated machines were assisted on the modification of layouts of their mills, now they are in the process of structure rearrangement so can be able to accommodate the new machines.

Before new warehouse structure

After new warehouse structure at Chambo Mills

b) 4.5.2(43) (RIA) number of firms operating more profitably

Two hundred and sixty-two firms or CSOs engaged in agricultural and food security related manufacturing and services are now operating more profitably (at or above cost) because of USG assistance. This is 114 percent of the project's annual target.

c) Custom: number of grants awarded to associations, clusters and individuals

The project was able to secure 41 grants during quarter 4. Thirty-five of these were moisture meters and six were rice milling machines.

Intermediate Result 3.4.2: Enhance Capacity of Food Processing Institutions/Industry

Custom: number of processor organizations undertaking capacity building

CEZOSOPA, DODOMA URBAN

In September 2013, CEZOSOPA held its first general meeting since the completion of the strategic plan. This meeting was called to discuss two agenda items; the review of the current constitution and the strategic plan. Members decided that the management would prepare another meeting soon once the agenda items with supporting documents are in place. The project is planning to assist CEZOSOPA in training in collaboration with UNIDO.

UMAMBE, BABATI URBAN

The Government has given UMAMBE funds to procure a refinery and a building for the storage of sunflower seeds. UMAMBE has requested TC to assist them to identify an affordable refinery that can be purchased with the grant money that has been allocated to them by the Government. Construction of the storage building has started.

WANAMVOTU MVOMERO DISTRICT

In effort to build the capacity of millers in the area of association formation, TC and Mvomero Millers have developed an association called WANAMVOTU. They are now operating their own Savings and Credit Cooperative Society (SACCOS) which will be the source of credit for members who are unable to secure loans from the main financial institutions.

Intermediate Result 8.2: Strengthened Institutions

Custom: Number of GoT institutions undertaking capacity building

In collaboration with Sokoine University of Agriculture, a MoU was developed for sunflower oil analysis. Samples collected were collected for checking the vitamin A retention of the oil after fortification. Representative samples were collected from four regions (Morogoro, Dodoma, Babati & Dar es Salaam).

In August, TC had a chance to participate in the Nane Nane exhibition. At the exhibition, the project showcased its commitment to provide technical advisory and business development services to processors particularly on the production and consumption of fortified products. During the event two processors from a blended flour group and a sunflower oil mill participated to showcase their new products after working with TC. The event was very successfully and was visited by the public, as well as, Tanzanian Government Officials who were very anxious to know how fortification is taking place at mill and household level.

The TC booth at Nane Nane is visited by the general public, as well as, TZ Government Officials

District Fortification Committees

TC facilitated the formation this quarter of District Fortification Committees appointed by each District Executive Director, including key district administrative personnel, experts, academics, executive officers, processor representatives, doctors, health officers, community development officers, and

business advisors. The training is to ensure that the fortified products sustainably reach the consumer. TC assisted in the formation of action plans for accelerating the addition of micronutrients to maize flour and sunflower oil. The Fortification Committees will be overseeing all fortification activities at a district level, making evaluations and changes whenever necessary. These committees have developed action plans which are currently implemented in collaboration with TC with the following objectives:

- Sensitization on fortification at village, ward and district levels
- Identification of progressive millers that will begin fortifying their products
- Training these millers on fortification
- Monitoring and evaluating the fortification program

1.1 SECOND LEVEL OBJECTIVE 2: TO INCREASE COMSUMPTION OF NUTRITIOUS PROCESSED PRODUCTS – SALES TO CONSUMERS OF NUTRITIOUS FOODS

Intermediate Result 6.3: Increased Consumption on Nutritious Products

a) Custom: households that consume fortified products

This year, the project made huge strides in helping to bring fortified products to the market in Tanzania. In February, TC imported Micro-Nutrient Powder (MNP) from India with a tax-exemption and TFDA registration and label approval. The project then created Information Education and Communication (IEC) materials which were endorsed by the MoHSW and used to conduct advocacy, sensitization and training seminars to stakeholders at different levels regarding the fortification of maize flour and sunflower oil for small and medium scale millers and in complementary foods for children aged 6-59 months at household level. This, in part, created the demand for MNP consumption that resulted in the distribution of 715 cartons equivalent to 1,647,360 sachets of MNP. In Quarter 4, TC staff made follow-ups at 130 health facilities and at the community level on MNP usage and benefits which resulted in increased consumption (11%) of MNP by households.

At Mazinga Hospital in Morogoro, this doctor prescribed MNP to this child and after 4 months, this child's weight and health had vastly improved.

A success of this quarter was that more households and clinics reported improved children's health status. Feedback from health workers at health facilities, VHWs and parents/guardians show that there are big changes including reduced malnutrition and frequency of illness in young children when using MNP.

b) Custom: households that consume blended products

TC developed a facilitators training manual about nutrition for the training of blended flour processors. A highlight of this year was when the project trained Maasai women in Kiteto on how to make blended flour with a more nutritious recipe. This will extend the reach of quality blended flour. A household survey in quarter 4 revealed that most shops in target districts do not sell blended flour as most people like to mix it at home. This means that it is even more important to train on proper recipes to mix flours for maximum health benefits.

TC provided coaching and training to eleven blended flour groups to make sure they are producing safe and nutritious foods at the same time improving their economic status at their households. In order to ensure safety of their produced products three groups had been linked to labeling and packaging manufacturers. Also three moisture meters had been given as grantees to three groups.

In Morogoro, school children drink nutritious blended flour porridge as part of a school feeding program which is supplied by TC blenders.

Custom: number of households that recognize new social brands

In an effort to assist the public in recognizing new social brands, TC took part in the President's National Fortification Launch in May. The project exhibited MNP and a dossifier and were on hand to teach the public and government officials about the importance of eating fortified products. Hopefully, this publicity will allow people to better recognize MNP and be interested in purchasing fortified food products. Local radio programs (Top radio & Ulanga radio) were used for interaction sessions in Morogoro (Kilombero) to air information on fortification and MNP use aiding in brand recognition.

c) Activities implemented on Zanzibar

In Quarter 4, activities got into full swing on the Zanzibar Islands of Uguja and Pemba. A memorandum of understanding for introducing MNP for home fortification was signed by the Project and the Principal Secretary of MoH Zanzibar. The Behavior Change Campaign (BCC) team also prepared an agreement with Sains bury Company which was selected as a sole distributor of MNP in Zanzibar.

TC reviewed IEC materials to incorporate common Swahili words for Zanzibaris and culturally appropriate pictures, ie. Pictures with Muslim dress. The project facilitated the printing of 600 copies of the booklet with the guidelines for use for health workers, 5,000 brochures, 500 posters and 2,000 booklets on MNP for Zanzibar.

In July, the BCC staff spent three weeks in Zanzibar and Pemba to conduct sensitization and training seminars among key stakeholders on general food fortification with a special focus on MNP. The team also identified wholesalers and retailers for MNP and facilitated initial distribution through sales. Sensitization and training seminars were conducted in all 10 districts of Unguja and Pemba among the following groups; District trainers, District technical team, Health workers, Community Owned Resource Persons (CORPS) and community leaders. Sensitization and training seminars in Zanzibar were very successful with very high attendance and a lot of enthusiasm among the participants. The presentations stimulated discussions and very interesting questions were asked at the end of every session. Trainers demonstrated very high ability in providing facilitation after being trained. Trainers were also able to answer questions raised by the participants and provided real examples from their communities.

New culturally- sensitive marketing pictures for MNP on Zanzibar

TC shipped fifty cartons of MNP as an initial order and distribution started during sensitization and training workshops. Among those cartons thirty were distributed to Unguja and twenty to Pemba.

During the follow-up visit in September, a few observations were made; firstly there is a need for a residential BCC/social marketing person in Unguja and Pemba to accelerate demand creation of MNP, also, IEC materials produced and distributed were not adequate, the projects needs to produce more materials for awareness creation and education. TC also noticed that there is inaccuracy in filling out monitoring forms by the VHW. The forms will now be inspected by nutrition focal person as soon as they are submitted.

Sensitization of VHWs on Pemba Island, Zanzibar

2. CROSS-CUTTING ISSUES

While blended flour processing is considered a "women's activity" and maize/rice processing machines are for men, gender inequalities limit growth potential. The project is focusing on improving gender balance participation by training and sensitizing millers, processors and blenders on the engagement of gender quality in all value chains in an effort to increase the participation of women in leadership and management roles in processing.

In Turiani, the project has managed to facilitate the formation of a millers' association. The secretary, who is overseeing all activities for the formation, is a woman. Also in Vijana Mbasa processing machine, the blended flour processors group, were all women but the project managed to give advice on the importance/benefits of gender quality and now men are also participating.

TC has continued working in collaboration with Land O'Lakes under the IGE project to empower women. Through working with TC, twelve female processors were selected and invited to attend the training on access to legal rights which was organized by IGE.

The project recognizes that reducing gender inequality and empowering women in food processing is critical to reducing poverty and hunger. Consistent and compelling evidence demonstrates that when the status of women is advanced, agricultural productivity increases, poverty is reduced, and nutrition improves.

Stakeholders Participation or Involvement in Activities

On enhancing collaborations with other Feed the Future projects, TC met with NAFAKA to scope out areas of collaboration;

- Postharvest handling training, packaging, labeling and branding
- Provide market access to farmers by linking them to millers
- Dissemination of information
- Mycotoxin management
- Scaling up technologies

TC had also been intensively working with other development partners in the sunflower oil sub-sector on harmonizing intervention to beneficiaries and also the sharing of information. TC attended a planning meeting between SNV and CEZOSOPA and UMAMBE to get an understanding of which activities will be implemented by SNV and what will be implemented by TC. UNIDO also has shown an interest in assisting CEZOSOPA members on upgrading their operations. This project was among the stakeholders who were invited to discuss the areas where UNIDO can support the carrying out of the feasibility study for CEZOSOPA to install a refinery machine which would be donated by JICA. At this meeting it was agreed that UNIDO would organize the feasibility study before investing the refinery machine. With RLDC, TC has signed a MoU to collaborate on how to build the capacity of the sunflower oil industry associations and its members.

In collaboration with World Food Program, TC conducted a training session in Dar es Salaam to processors working with WFP on how fortification can be administered by the use of a simple machine mounted on a hammer mill called a dosifier.

3. CHALLENGES OR CONSTRAINTS

- Issues with VHWs- late submissions of report forms or inaccuracies in filling out the forms. Most VHWs have withdrawn from selling MNP due to lack of funds as *observed* in all the 8 districts of the project.
- There is a lack of product accessibility. There is huge shortage of shops selling MNPs, taking into consideration that health workers are not allowed to sell MNP within the health facility premises.
- Blended flour consumers – most of the clients are not buying the products from the shops or main processors, but prepare themselves at home, the challenge is how to train them to adhere to new guidelines for blended flour preparations so as to ensure the quality and safety of their product for the targeted clients.

- Consumption of MNP is still low which leads to low sales in most of the project districts due to little knowledge among consumers on the benefits of fortification as well as little knowledge among the educated people like doctors and teachers whom we expect to raise awareness. This will be combatted with this year's increased BCC campaign.
- Misconceptions of MNP in the community and donor dependency (some people believe that this product was supposed to be given for free and therefore do not want to buy it).
- Lack of TC staff residing in Unguja and Pemba for closer follow ups, social mobilization and sensitization.
- Majority of processors had not been registered by BRELA and this is one of the prerequisite of being certified by TFDA.

4. MANAGEMENT AND STAFFING

In the period covered by this report there are several change in staffing as the project ramps up to fully cover the targeted regions. A key change was the Regional Manager departing to return to government. That role was assumed by the newly hired Program Manager with the brief to oversee the logistics of coordinating and movement of staff and resources. Additionally two SME advisors, two food technologists, seven business advisors, one social marketing, the enabling environment advisor, four drivers and an office assistant.

5. PLANNED ACTIVITIES

5.1 SECOND LEVEL OBJECTIVE 1: TO INCREASE COMPETITIVENESS OF AGRO-PROCESSORS

Intermediate Result 1.2: Introduce New Technologies and Management

4.5.2(5) (RIA) number of processors who have applied improved technologies or management practices

In the upcoming year, the project plans to continue to facilitate the certification of progressive millers. TC also plans to explore applicable parboiling technologies in and outside the country for the removal of toxins on rice, once a new technology has been found, the project will educate processors on it and help them to adopt it.

Business and technical advisors expect to increase the rate at which clients are registering their businesses with BRELLA, TFDA and TBS. In addition, TC expects increased factory renovations as a result of the certifications and registrations that will be achieved.

Intermediate Result 3.3: Conduct Training & Capacity Building Programs for Producers and Processors

4.5.2(7) (RIA) number of individuals who receive short term training

In the next project year, TC will streamline the module trainings and reduce the number of required training modules by 50%. By doing so, the project expects to have a more targeted approach to addressing the specific training needs of project clients and stakeholders.

TC plans to continue to train new processors on GMP, GHP, OHS, MOM and PHH. In collaboration with TFDA, TC will provide training to 100 maize and sunflower processors on food fortification. To ensure project sustainability, local experts will be trained for after the project has phased out. This will allow for ongoing expertise in the milling and fortification sector. During the next year, TC will provide training to 200 flour blenders, resulting in more nutritious and quality products on the market, as well as, increased income for those blenders. There will be customized training for grantees on the use of grant-provided equipment. TC plans to facilitate a rice processing sector- wide training to help get processors ready to fortify.

Intermediate Result 3.1: Increase Agricultural and Rural Financing

4.5.2(29) (RIA) value of agricultural and rural loans

The project will continue to work with processors on gaining access to finance. In the coming year, the project will meet or exceed the set target on the value of loans that the processors in the three regions have received.

Intermediate Result 3.4.1: Increase Competitiveness of Agro-Processors

4.5.2(37) (S) number of MSMEs receiving BDS

This year, TC will continue to provide technical support and BDS towards the appropriate implementation of recognized national initiatives like fortification and will continue to link processors to external service providers to enable future sustainability of activities initiated by TC.

Two hundred and sixty agro-processors will receive direct and indirect BDS through business advisors, peers, market linkages, mentors and study tours. Two workshops with BDS providers will be conducted during the year to promote the use of external service providers for clients. Service providers may include local consultants, advisory companies, and marketing and linkages firms.

TC will continue to assist progressive and medium scale millers to apply new management practices in accounting skills, record keeping, business planning, access to finance and investment. The project will aid small scale blenders to apply new management practices in record keeping, business planning, access to finance and accounting systems. Also TC plans to help small scale processors apply new management practices in record keeping, business planning, investment planning, and access to finance.

4.5.2(43) (RIA) number of firms operating more profitably

Custom: number of grants awarded to associations, clusters and individuals

In FY14 funds will be drawn from catalytic grants and capacity building grants, as well as, fortification grants as TC begins to focus on fortification as it nears the end of the project. More funds will be directed to supporting local agro-processing industry associations and medium scale firms to receive TFDA certificates to allow them to fortify. Grant funds will be used to procure fortification technologies and fortificants. Also, grant funds will be expended to support qualified firms to advertise new fortified and blended products and also to develop social branding for them.

TC, in collaboration with EES and the Grant Manager, will work to identify three institutions that could benefit from training to operators; one of these will be selected for capacity building. Food Technologists will then develop a scope of work for the RFA distribution. The project will facilitate the disbursement of awarded grants and provide customized training to grantees.

Intermediate Result 3.4.2: Enhance Capacity of Food Processing Institutions/Industry

Custom: number of processor organizations undertaking capacity building

The project plans to continue the provision of technical support towards the appropriate implementation of the recognized national initiatives like fortification. Therefore, TC will continue to work with clients to achieve the TFDA certification. TC will aid one hundred trained processors in getting TFDA registration and to begin to produce fortified products, (predominantly this will be the biggest of the small processors, but some small mills will begin to test the practicality). Also, TC plans to identify premix dilution agents and facilitate the distribution of it to the trained processors. TC will provide training on PHH focusing on mycotoxin management and parboiling technology in collaboration with NAFAKA & RLDC.

Intermediate Result 8.2: Strengthened Institutions

Custom: Number of GoT institutions undertaking capacity building

In order to implement TC activities in all regions, staff will continue to work collaboratively with Ministry of Health and Social Welfare (MOHSW), Regional Administration and Local Government (RALG) Prime Minister's Office. Specifically, TC will carry on work with institutions like Tanzania Food and Nutrition Centre (TFNC), TFDA (MOHSW), as well as, Municipal and District Councils (RALG). Other Ministries the project plans to collaborate with include; Ministry of Education and Vocational Training (Vocational Training Centers), Ministry of Agriculture and Cooperatives (agro-processors), Ministry of Industries and Trade (Small Scale Industries Organizations and Tanzania Bureau of Standards). TC is committed to strengthening the capacity of these institutions and will partner with them in facilitating trainings. The project will facilitate eight TOTs of Government Officials on the subject of blended flour in Morogoro, Dodoma and Manyara.

5.2 SECOND LEVEL OBJECTIVE 2: TO INCREASE CONSUMPTION OF NUTRITIOUS PROCESSED PRODUCTS-SALES TO CONSUMERS OF NUTRITIOUS FOOD PRODUCTS

Intermediate Result 6.1: Demand for Nutritious Foods Created/Enhanced

a) Households that consume fortified products

The project's BCC Team will conduct follow-up training at the health facility level focusing on demand creation activities to ensure more sales and increased consumption of MNP. The team will also continue to promote the consumption of fortified maize flour and sunflower oil.

b) Households that consume blended products

TC will conduct multiple training events on blended flour for interested processors and associations in all project districts.

c) Households that recognize new social brands

In the next year, the project will conduct a mass campaign on MNP at ward level in the eight districts on the mainland, as well as, Zanzibar. This campaign will educate people on the importance of MNP to supplement children's diets and also reduce fallacies associated with using MNP. The campaign will bring a larger awareness to the fortification 'brand'.

TC plans to design promotional messages for mass media which will help to create demand for the consumption of fortified maize flour, sunflower oil, blended flour and MNP. This requires promotional messages which can reach targeted communities through mass media, such as TV and radio. TC intends to collaborate with key fortification stakeholders and a social marketing agency who participated in designing messages for the ongoing large scale fortification. This agency will help to create specific messages for small and medium scale fortification complementing those designed for the large scale fortification and messages for promoting blended flour and MNP. Conceived messages will be produced and pretested before use.

ANNEX A: PERFORMANCE AGAINST PMP INDICATORS (FROM IPRS)

FTF PROCESSING AND CONSUMPTION PROJECT							
INDICATOR NUMBER	**INDICATOR TITLE**	**FY13 TARGET**	**FY 13 Actual**				**% Achievement**
			Q 1	**Q2**	**Q3**	**Q4**	
4.5.2(5) (RiA)	Number of farmers and others who have applied improved technologies or management practices as a result of USG assistance	375* cumulative	185	217	329	383	383/102%
Sex of Owner	Female		1	3	17	4	
	Male		66	27	87	48	
	Joint		2	2	8	2	
Status	New		69	32	112	54	
	Continuing		116	185	217	329	
Up-scaling technology	Number of processors using dossifiers		0	0	0	0	
	Number of processors refining oil		0	0	1	0	
	Number of processors using moisture meters		0	0	22	24	
4.5.2(7) (RiA)	Number of individuals who have received USG supported short term agricultural sector productivity or food security training	2400* revised	226	1974	814	1304	4318/180%
Sex	Female		31	1151	271	685	
	Male		195	823	543	619	
Sector	Processors		226	145	385	706	
	People in Government		0	1829	429	598	

4.5.2(29) (RIA)	Value of Agricultural and Rural Loans	$600,000* revised	$144,000	$66,876	$214,900	227,500	$653,276/109%
Sex of Owner	Female		0	$1,563	0	102,500	
	Male		$144,000	$65,313	$214,900	104,400	
	Joint		0	0	0	20,600	
Scale	Small Scale		$19,000	$66,876	$214,900	227,500	
	Medium Scale		$125,000	0	0	0	
4.5.2(30) (S)	Number of MSMEs receiving USG assistance to access bank loans	20* revised	2	6	25	20	53/265%
Sex of Owner	Female		0	1	0	4	
	Male		2	5	25	12	
	Joint		0	0	0	4	
Scale	Small Scale		1	6	25	20	
	Medium Scale		1	0	0	0	
4.5.2(37) (S)	Number of MSMEs receiving business development services from USG assisted sources	270	51	85	133	72	341/126%
Sex of Owner	Female		1	8	10	7	
	Male		49	74	114	63	
	Joint		1	3	9	2	
Scale	Small Scale		46	83	133	72	
	Medium Scale		5	2	0	0	
4.5.2(43) (RiA)	Number of firms (excluding farms) or CSOs engaged in agricultural and food security related manufacturing and services now operating more profitably (at or above cost) because of USG assistance (reported annually)	230* cumulative	-	-	-	262	262/114%
Status	Number of firms that were already operating profitably in the business cycle, but are now operating more profitably because of USG assistance (costs<revenue)	-	-	-	-	262	

	Number of firms that were operating at a loss (costs>revenue) in the last business cycle before USG assistance	-	-	-	-	-	
Custom Indicator	Number of enabling grants awarded to processors, clusters, associations	100	0	53	0	41	94/94%
Custom Indicator	Number of agro-processing industry organizations undertaking capacity strengthening	4	3	2	1	0	6/150%
Custom Indicator	Number of GoT institutions undertaking capacity strengthening	3	0	11	0	0	11/366%
Custom Indicator Required	Percent change in sales to consumers of nutritious foods (reported annually)	14%* revised	-	-	-	13%	93%
Product	Fortified Maize	0	-	-	-	0	
	Blended Flour	50%	-	-	-	46%	
	Cooking Oil	0	-	-	-	0	
	Micronutrient Powder	0	-	-	-	11%	
Region	Morogoro	49%	-	-	-	50%	
	Dodoma	44%				35%	
	Manyara	43%	-	-	-	44%	
	Zanzibar	-	-	-	-	7%	
HH	HH with children under five years	-	-	-	-	47%	
	HH without children under five years	-	-	-	-	39%	
Custom Indicator Required	Percent of households that consume at least one blended product weekly (reported annually)	50%	-	-	-	46%	92%
Source	Home	-	-	-	-	1%	
	Mill	-	-	-	-	86%	
	Blender	-	-	-	-	6%	
	Shop	-	-	-	-	9%	
Region	Morogoro	-	-	-	-	48%	
	Dodoma	-	-	-	-	36%	
	Manyara	-	-	-	-	48%	

HH	HH with children under five years	47%	-	-	-	47%	
	HH without children under five years	32%	-	-	-	39%	
Custom Indicator	Percent of households that consume at least one fortified product weekly (reported annually)	8%	-	-	-	11%	138%
Product	Fortified Maize	-	-	-	-	0	
	Cooking Oil	-	-	-	-	0	
	Micronutrient Powder	-	-	-	-	11%	
Region	Morogoro	-	-	-	-	38	
	Dodoma	-	-	-	-	24	
	Manyara	-	-	-	-	38	
	HH with children under five years	-	-	-	-	11%	
	HH without children under five years	-	-	-	-	0	
Custom Indicator	Percent of households that recognize social brands+ of fortified products (reported annually)	16%	-	-	-	26%	163%
Product	Fortified Maize	-	-	-	-	0	
	Blended Flour	-	-	-	-	9%	
	Cooking Oil	-	-	-	-	0	
	Micronutrient Powder	-	-	-	-	70%	
Region	Morogoro	-	-	-	-	22%	
	Dodoma	-	-	-	-	25%	
	Manyara	-	-	-	-	53%	

ANNEX B: SUCCESS STORIES

Micro-Nutrient Powder Improving Child Health

USAID food fortification project paved way for child nutritional supplement to be sold locally and affordably in rural, food-insecure regions of Tanzania

Photo Credit: Brie Blacklidge, Abt Associates

Dr. Alex Mphuriu and his improved patient, Boniface Akley

"MNPs have changed the way we are able to address child health in Tanzania. They are easy to use and affordable. And now, we are seeing results."

Dr. Alex Mphuriu, Mazimbo Hospital, Tanzania

Since 2008, Dr. Alex Mphuriu had struggled to address the significant vitamin and mineral deficiencies in children he saw as the pediatric doctor at Mazimbo Hospital in the Morogoro Region of Tanzania. About 30 percent of his small patients had no appetite and showed deficiencies in iron or vitamin B, leading to low weight and developmental problems.

Then Dr. Mphuriu heard about the USAID-funded Micro-Nutrient Powder (MNP) being sold at Mazimbo in the pharmacy for about 100 Tanzanian Shillings (US$0.15) per sachet. "This is the only thing like this," Dr. Mphuriu explained. "There is F100 for severe malnutrition in children, but there is no basic vitamin mix to supplement children's nutritional difficulties."

USAID's Tuboreshe Chakula project, which specializes in food fortification approaches, negotiated with private and public sector entities to bring MNP into Tanzania from India and market it commercially in rural, food-insecure regions such as Morogoro. MNP sachets can easily be added to children's porridge after the first six months of exclusive breast feeding—a crucial time when initial malnutrition usually starts. MNPs help give children important vitamins their new diets might lack.

In January 2013, Dr. Mphuriu met 2-year-old Boniface Akley, who hadn't gained weight in months, prompting his worried mother to bring him into Mazimbo Hospital. Dr. Mphuriu, who had already successfully prescribed MNP to other children with good results, recommended it for Boniface. The boy's mother, Bahati, admitted, "At first, I was skeptical, but then the doctor told me how many other children in the area had improved health because of these vitamins. It is easy to trust a doctor. Since they are not expensive, I could easily afford to buy the sachets."

Within two months, Boniface's weight had increased from 12 kilos to 13.5 kilos (a change of about 4lbs). His iron levels increased and he had more energy and a bigger appetite. Boniface's mother has continued to add MNPs to his diet.

MILL IN DODOMA PROFESSIONALIZES OPERATIONS

Forward-Thinking Miller Applies USAID-Learned Business Improvement Strategies.

Sebastian Msola and his wife, Bahati, at their maize mill good photo!

Msola checks on his maize mill. Can this be cleaned up and edited a bit? Maybe play with the saturation and edit out what appears to be dust on the lens.

Sebastian Msola is a strikingly charismatic man—someone who smiles and laughs as he engages with his mill staff of 20 people. He has a wife, five children, and is the owner of Kibagwa Maize Mill, which produces approximately 120 tons of maize flour per week. Although this is a success in the medium sized agriculture town where Msola lives, he realized he could do more to increase his mill's productivity. He tried to become Tanzania Bureau of Standards (TBS) certified when he heard about new fortification laws, but he was discouraged when his building didn't meet regulations Then Msola attended a training by the USAID funded Feed the Future Project.

Feed the Future worked with Msola to re-design his mill to TBS standards—for instance, by putting wire mesh on the windows to prevent dirt and insects from entering. After some re-building, Msola's mill is now ready to be TBS-certified, an approval that will help Msola go far once fortification of maize becomes mandatory.

In addition, Msola said, "the program helped me apply for a grant from the project for a drier, which will save a lot of time and make a better product."

The USAID project also taught Msola the importance of record keeping. "I know that we need qualified people to make this mill a profitable business." He hired a university-educated accountant to manage the books, and now "things are flowing much better." Msola also has a marketing person evaluating packaging materials and how to advertise their maize flour. "A successful business must look at things from all sides and take everything into account," Msola said. "Feed the Future has helped me do just that. I am a much better businessman then I used to be."