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TUBORESHE CHAKULA

SEPTEMBER 2012

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TUBORESHE CHAKULA; FEED THE FUTURE PROCESSING AND CONSUMPTION PROJECT-

SEPTEMBER 2012

DISCLAIMER

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ACRONYMS

CEZOSOPA	Central Zone Sunflower Processors Association
DOFPA	Dodoma Food Processors Association
FtF	Feed the Future
GoT	Government of Tanzania
GMP	Good Manufacturing Practices
HKI	Helen Keller International
IEC	information, education, communication materials
Lishe	Swahili for 'Nutrition'
LGA	Local Government Administrator
MNP	Micronutrient Powder
MoHSW	Ministry of Health and Social Welfare
MB	Mwanza Bora - the FtF nutrition project
PFS	Partners in Food Solutions
PLWA	People living with AIDS
TFDA	Tanzania Food and Drug Administration
TC	Tuboreshe Chakula
TFNC	Tanzania Food and Nutrition Counsel
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WFP	World Food Programme

EXECUTIVE SUMMARY

INTRODUCTION

The purpose of the USAID Feed the Future Processing and Consumption project, Tuboreshe Chakula (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 will achieve this goal by building the capacity of agro-processors to improve the quality, safety, presentation, sale and distribution of new and existing food products. To maximize our 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), our team will work 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 to our target regions), plus local NGOs, and government agencies at all levels.

Tuboreshe Chakula is a key activity of the Feed the Future (FtF) initiative, a major U.S. Government effort which aims to address the root causes of global hunger by sustainably increasing agricultural productivity to meet the demand for food; supporting and facilitating access to strong markets; increasing incomes for the poor so that they can meet their food and other needs; and reducing malnutrition.

Within the Feed the Future (FtF) program, TC activities are sandwiched between the FtF Value Chain Project (NAFAKA) and the FtF Nutrition Project (Mwanzo Bora). Its clients take raw materials from the target value chains and produce processed products that are the staple foods of Tanzania. The project will increase the quantity and quality of the processed staple foods available, and in the process improve hygiene, food safety and public nutrition. TC will help maize flour, blended flour and sunflower oil processors fortify their products to help improve the nutrition of the general public and particularly that of small children. TC will work with the rice processing sector to improve production and safety of processed rice. It will also facilitate the distribution of micronutrient powder (MNP) which specifically targets improving the nutrition status of children aged 6-59 months. Micronutrient powder distribution will be a component of Infant and Young Child Feeding Program (IYCFP) and therefore will contribute to the reduction of stunting in children.

The project is implemented by Abt Associates, in collaboration with TechnoServe (TNS). The Abt/TNS Team delivers its assistance through the implementation of four core project components:

1. Business, Enterprise, and Market Development
2. Technology Transfer
3. Support to Food Processing Institutions and Industry Associations
4. Demand Creation/Nutrition

With core activities in the three regions of Morogoro, Dodoma and Manyara, TC is specifically targeting eight districts within these regions including Morogoro urban and rural, 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 through the

processing of these commodities and the consumption of fortified products.

IMPLEMENTATION PROCESS

SECOND LEVEL OBJECTIVE I- TO INCREASE COMPETITIVENESS OF AGRO-PROCESSORS- INCREMENTAL SALES

Intermediate Result I.1: Food Processing Institutions and Industry Associations Supported

a) Agro-processor industry organizations undertaking capacity strengthening

Earlier this year, a scope of work (SoW) was initiated for the development of a strategic plan for the Central Zone Sunflower Oil Processing Association (CEZOSOPA). The SoW was sent to five potential bidders that exhibited through previous work an expertise in the requisite organizational development.

✓ Activities In Quarter 4:

CEZOSOPA

In this reporting period, Q4, TC conducted a competitive bidding process whereby four companies and one individual were assessed for the capabilities on developing a strategic plan for CEZOSOPA. MRA Associates was successful and has been commissioned to develop a strategic plan for the association. TC had also participated in developing a position paper that addressed problems which negatively affect the development of local sunflower industries by the existing oil importation policy for the attention of the Ministry of Industry, Trade and Marketing. The position paper resulted in the reintroduction of duty to importation of edible oils, a situation that has negatively impacted the local industry with new rules to safeguard the development of small and medium scale sunflower processors.

Dodoma Food Processors Association (DOFPA)

DOFPA is a private non-governmental and voluntary organization registered under the Association of Laws of Tanzania. The association coordinates processing of nutritious foods in Dodoma, especially in the area of blended nutritious flour. All DOFPA members are blended nutritious flour processors. TC provided capacity building to DOFPA members through training on Business management, good manufacturing practice and processing and packaging. The TC assessment also indicated the need for association capacity building on which TC is currently working with the management of the association to develop a three year action plan which will be the framework and will highlight the magnitude of capacity

building activities required by the association if it is to fully support its expanding membership.

Tanzania Women Food Processors Trust

This association is based in Morogoro. It was established June 2012 with a current membership of 220 members. Of the 220 members, 102 are processing blended flour, 15 sunflower oil and 103 other food products. The association had been working with UNDP and secured funding of 22.5 million Tanzanian Shillings to support construction of processing facility. With the association's strong leadership and improved lobbying skills, the association managed to secure a plot from Morogoro Municipal for construction of the processing facility. TC had begun capacity building through training on some of the membership's immediate needs and has developed more rigorous training programs which are to commence in November.

b) GoT institutions undertaking capacity strengthening

From the start of the project, TC has worked with a number of GoT institutions to assist them in building strong working relationships and understanding the importance of working with the wider communities on achieving GoT goals. The project began the process of building the capacity of Tanzanian Governmental Institutions that work to regulate and support local processors. TC is primarily engaging with the Tanzania Food and Drug Association (TFDA), the Tanzania Food Nutrition Centre (TFNC), Small Industries Development Organization (SIDO) and the Tanzania Bureau of Standards (TBS). An MoU was developed between TC and TFDA with the objective of working together with the milling industry. Initially the efforts are focused on recruiting the "biggest of the smaller sized" maize flour and vegetable oil processors who potentially would qualify for the acquisition of a TFDA license within the three regions of TC operation. After the licensing regime has achieved success in these regions, it can then expand to other regions of the country. The MoU activities focused on various steps in the licensing process including;

- 1) Development of guidelines for fortification of each commodity
- 2) Selection of a few progressive processors targeted to receive subsequent follow-up by TFDA
- 3) Training of the selected processors

During Quarter 4, TC was continuing to support the efforts of TFDA and TFNC on moving forward with the national food safety and nutrition agenda.

TFDA

TC is facilitating the development of guidelines for small and medium scale mills on fortification of edible oil and maize flour which will be used to train the small and medium processors. These guidelines will be used by TFDA for training purposes and will also help the processors to implement GMP and fortification at their respective levels. In this reporting period the first drafts of the guidelines for both edible oil and maize flour had been developed.

TFNC

With TFNC, project staff are working with the acting management and senior personnel in helping them to better understand the role of TFNC on advocating nutrition. The TFNC is the secretariat of the National Food Fortification Alliance and it is through the alliance that

virtually all of the guidelines and recommendations are brought to the proper government authorities. TC had been also been working closely with TFNC to ensure that proper information regarding nutrition is being delivered to intended audience. AS TFNC is also to be a recipient of capacity building from the Mwanzo Bora project through their sub-contractor Deloitte, TC has established a working relationship with Deloitte through an MOU with Mwanzo Bora on supporting the activities within TFNC with Deloitte working on building management capacity and TC working with them on building the technical leadership and implementation of the fortificants program.

c) Number of individuals who received short-term training

- ✓ *Total in 4th Quarter: 131 individuals; total for year 424.*
- ✓ *In this Annual Reporting year: 424 individuals have received short term training from TC.*

In Quarter 4, TC conducted trainings with nine 'lishe' women groups in Mtibwa, Dakawa, Morogoro urban, Kilombero and Kiteto. Lishe women groups are groups of women making blended flours for children (6 months - 5 years), lactating women and people living with HIV/AIDS. It is important to mention that due to the high nutritional value of lishe, the same blended flours can also be consumed by other members of society as porridge. One hundred and twenty-eight women from the groups and two males and one female from local government received short-term trainings in basic business management, financial management, record keeping and good manufacturing practices (GMP) and proper lishe preparation and marketing techniques.

Morogoro

TC, in its effort to improve the nutritional quality and quantity of blended flour in the marketplace, organized trainings for blended flour processors in the period between June and September. The trainings were on GMP and blended flour processing for the lishe processor groups at Turiani, Ifakara and Morogoro urban. In Turiani the trainings were conducted for a total of 39 lishe processors, in Dakawa 40, Ifakara 26 and Morogoro urban 25. All the trainings received a positive response and the trainees indicated that they were very happy with the knowledge and skills offered. As a part of the training TC had an opportunity to show them the actual processing of blended flour and the recommended ratio of cereals and legumes to be used for the most nutritious blend. The processing involved sorting, washing, boiling (for soy bean), de-husking, drying and frying, especially for groundnuts followed by the milling to get blended flour. The seasonality on the market affects the lishe processors output denying them a chance to process on commercial basis. During harvesting periods, most people are willing to buy blended flour but during the off season when people return to their farms the market opportunities tend to dry up.

Dodoma and Manyara

Trainings are organized in these regions by geographic cluster. In the first cluster, a total of 41 individual millers of maize and sunflower have been trained on GMP, GHP, packaging and labelling as well as worker safety. Additionally, a total of 73 members, from 20 women's groups that are focused on blending flour, attended the training on both business management and proper methods of making the blended flour product. Upon completion of these trainings, most of these processing participants received Occupation Health Sign (OHS) certification. TC Food Technologists have been working on providing technical

advisory services and follow up to blended flower, sunflower and maize flour processors to ensure that both maize, sunflower and the blended flour processors are making the recommended improvements in their product and in the implementation of the project's objectives.

Intermediate Result 1.2: Business, Enterprise, and Markets Developed

✓ *New management./technology applied 4th Q 22; annual total 116*

a) Agro-processors that have applied new management practices

In Ifakara 28 rice millers, in Turiani 45 millers and a further 28 millers in Morogoro urban have started to apply new management practices, particularly in regards to record keeping. These millers have also put occupational health and safety signs on their premises reflecting the knowledge acquired in training.

b) Value of agricultural loans

Quarter three was the most successful lending quarter this year. TC worked with a medium sized food processor, Gabsons, to help it access a loan facility to complete a new processing factory. Although the client experienced challenges in securing an SME loan for capital investment, TC's recommendations to explore other financial products from Gabson's banking partners attracted a TZS 250 million (~\$160,000) working capital loan. This agricultural loan was used to purchase raw materials. The loan has relieved the company's cash flow burden and a proportion from the earnings during the quarter were used to continue building the new production facility

In addition, TC is assisting a total of eight processors – three existing clients (KenMillers, Gabsons and PowerFoods—Power Foods is no longer in the project due to change in ownership but it was a project client when they secured their loan) and five of the new processors. TC is assisting them in applying for the African Enterprise Challenge Fund's (AECF) Agriculture Window for Tanzanian SMEs. The financing window is opened for a sixty-day period and AECF is accepting applications for agriculture and agribusiness related financing proposals that range between a financing need of \$100,000 to \$1,000,000. Help-requests from six clients (two existing and four new processors) have been received and the team is currently assisting these clients with their financing proposals. In addition, TC invited In-Return Capital, a development financier focusing on both debt and equity investments to visit TC's new pipeline of clients in Dodoma and Morogoro regions. The SMEs gave resounding praise for providing them with a platform to have direct one-to-one discussions with potential financiers. Of the four clients visited, Katundu Limited was identified as a high potential client for In-Return Capital. Katundu subsequently prepared a business plan for the opportunity.

In the fourth quarter, there were no small scale processors acquiring loans through financial institutions. However, TC is in the process of preparing business plans for several small scale processors who will access loans in the near future.

The project is also in the process of organizing workshops in which they will invite banks and other financial institutions to meet with processors and explain the financial opportunities that can benefit small scale processors. These workshops will be conducted throughout the project's three regions.

c) MSMEs gaining access to credit

- ✓ *To-date two MSMEs have gained access to credit, one in the first quarter and one in the third quarter.*

In response to the low credit uptake during this quarter, the project team started strengthening financier relationships by making regular visits in Morogoro and Dodoma to meet with banks, micro-finance institutions and other lenders. In the coming year, the team will continue to strengthen partnerships with micro-lenders by conducting workshops and platforms for micro-lenders to educate processors on the financial products offered and the requirements to access such products.

d) MSMEs receiving business development services

- ✓ *BDS delivered annual: 105; 4th Quarter: 67*

This year the focus was placed on identifying twenty-two Medium Sized Enterprises as potential candidates to be engaged in the project under the "medium scale" category. The project selection criteria were developed with Partners in Food Solution (PFS) and were based upon their potential for growth, ability to get finance, scale of operations and ability to adopt new management and technology. The diagnostics were performed by the TC technical team with the outcome that five candidates qualified under the established criteria and were recruited into the program. The clients selected are Katundu Traders Ltd, Uncle Milo Sunflower Ltd, Kibaigwa Flour Supply Ltd, Best Animal Feed Ltd and Kibaigwa Maize Mill and Food Products Ltd.

A total of 66 small scale processors received business development services in Morogoro and Dodoma regions in Quarter 4. Ten of those who received business development services were female, 53 male and 3 were joint male/female owned businesses. The delivered business development services included business plan development, plant lay-out planning, cleanliness and safety procedures, packaging and labelling advice.

Intermediate Result 1.3: Technologies Transferred

a) Agro-processors that have applied new technologies

This year, in Quarter 3, two Food Technologists were brought on board to develop and oversee the technical activities related to the production capacity building of the targeted millers. These support areas will include evaluation of product formulas, packaging advice, machine procurement, factory layout evaluation, environmental impact evaluation,

development of HACCP plans, laboratory setup and any other related technical area identified by both miller and project food technologists as key to their business operation.

In quarter 4, the small scale team focused on monitoring the adoption of Good Manufacturing Practices (GMP) as a result of the technical and business trainings that were conducted in Q2 and Q3. Processors applied new management practices mostly in record keeping practices, cleanliness of their plants, and occupational health techniques application. Twenty-two processors were able to apply new management practices for the period between July and September 2012.

Morogoro

The speed of implementation of new technologies is fairly slow because of low miller capacities and limited revenues. Millers generally do not have the financial resources or credit facilities at their disposal to invest in new processes, human resource, management or technological innovation. An exception is a rice miller from Dakawa who bought a new milling machine, upgrading from the older SB 30 to the new which is a more advanced SB 40. Another miller from Mtibwa Midizini has bought a new rice machine and his yield has shown an immediate increase in his projected annual revenue by 9%.

Dodoma and Manyara

Through the trainings offered, the technical advisory and the follow up, most of the lishe processors have changed their packages from SHIBE brand to an individual logo and brand name, taking the example from Matabitha and Samalia group blended flour processors. However, Kimanga Group in Kiteto who was not previously processing blended flour but began the activity through the knowledge acquired in the short term trainings provided by the TC technical team and they are now processing and supplying nutritious Blended flour in Kiteto market and nearby villages. These areas previously depended on a few suppliers from Arusha and Dodoma.

Flap Sunflower Oil Processors has installed a new vacuum machine in August as a recommendation of the TC team technical advisory services.

Kilomo Super Rice received TC technical advisory services that helped them to start packing their products in 25 kg labelled packs of different rice grades allowing the consumer to better understand when they were getting a quality product.

b) Agro-processors operating more profitably

By the end of quarter 4, a total of 99 small scale processors and four medium scale processors are now operating more profitably than they were before due to the knowledge and support by TC. This was achieved through business training, technical training and advice provided by TC experts.

In Ifakara, 18 rice millers have shown an increase in their revenue. Adoption of new technologies and an increase in the miller's capacities has also shown a substantial increase in revenue which was reflected in the overall profit increase. TC trainings have contributed positively to processors' businesses. Samalia Nutritious Blended Flour previously produced an average of 30kg per month at a cost of Tsh.2500/= @ 1 kg packet, making a total profit of Tsh.30000/= per month. After the trainings provided by the TC technical team, Samalia

changed their packaging design, label and processing procedures boosting the sales of their blended flour and an increase to 200kg per month at a cost of Tsh.4000/= @ 1 kg, making an average total profit of Tsh.300,000/= per month.

The new technology adapted by Kilomo Super Rice has enabled them to expand their market, thus increase sales and this will eventually increase the overall profit of the operation.

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

Intermediate Result 6.1: Demand for Nutritious Foods Created/Enhanced

a) Households that consume fortified products

TC has been working through multiple obstacles to develop, package and market micronutrient powder (MNP) for children ages 6-59 months. The program brought together stakeholders in fortification (TFNC, TFDA, UNICEF, FFA, and Sokoine University of Agriculture) for extensive work sessions and meetings where the formulation of the MNP was agreed upon. The project then contracted a designer to create a new MNP logo and to design the MNP boxes and sachets. With minor changes by TFDA these were approved. The nutrition team for TC negotiated then with various potential MNP manufacturers to obtain quotes for an initial 2,000,000 sachets of MNP and after an intensive evaluation process selected Heinz (India) as the supplier. This was then followed by a request that they submit a sample of each ingredient to TFDA for approval which was finally achieved in the 4th quarter. TC has developed a region/country plan for MNP distribution which has been presented to FFA and TFDA. The project has throughout the process collaborated with other organizations to write and finalize drafts of educational materials on MNP which have been approved by TFNC. Micronutrient powder will be on the market in Tanzania in February 2013, with a major launch kicking off the process when the MNP is available for purchase in the three regions.

b) Households that consume blended products

TC is continuing to work with women who blend flour to make it more nutritious. However, the exact formula for the portions of what is used varies greatly and the project is conducting training sessions to somewhat standardize the mix. The project is looking at encouraging these women to form associations through which they will work with a standardized formula and packaging of some kind that will be recognized in local shops as a “good” blend. This would ensure quality and consistency to the consumer.

c) Households that recognize new social brands

The TC team participated in Nane Nane (August 8 Holiday) exhibitions with the goal of sensitizing the public to fortified products. TC had an opportunity to introduce project

activities including fortification plans for maize flour, sunflower and MNP to the communities. Most of the people who visited the pavilion made very positive comments on project activities and the communities served by the project are eagerly waiting (and willing to pay) to buy fortified products as well as the MNP. The team also conducted sensitization meetings on project activities, including fortification and MNPs, in Mvomero, Kongwa and Babati district council reaching village health workers, local leaders and home based care providers. A total of 238 participants (128 male and 110 female) were sensitized. This was a collaborative activity with Mwanzo Bora Nutrition Program.

CROSS-CUTTING ISSUES

GENDER

Maize flour milling and sunflower oil processing are fields predominantly occupied by men. However, during the most recent quarter the number of women attending our capacity building workshops on the twelve better business training modules equals the number of men. Women are primarily involved in the blending of flour. TC sees this occupation as a viable livelihood for many women who the project will assist to gain the skills to manufacture and sell their products to a wider market, therefore creating improved nutrition to the community while supplying an income for these women.

ENVIRONMENT

It is clear that an environmental mitigation program for small-scale food processors must begin with training. The cluster training that the FtF TC project is implementing is an important vehicle in making the community aware of environmental issues. The introduction of Good Manufacturing Practices (GMP) is at the heart of the training program which will also include aspects pertaining to environmental safeguarding. It will be complimented by additional training on hygiene, food safety, quality control and worker safety, as well as the requirements to achieve TFDA registration, which focus on many of the same issues. TC will be raising awareness of the importance of appropriate premises for processing negative aspects of the noise and air quality on the health of workers. A few basic steps such as keeping animals out of the factories and sweeping or cleaning the floors regularly will be important early steps towards an improved environment.

HIV/AIDS

Our consumer survey shows that efforts to improve nutrition are much appreciated among PLHA, who were particularly interested in our introduction of MNP. Like small children, PLHA often do not have the appetite to consume sufficient quantities of food to meet their nutritional needs. MNP and also quality blended flour products provide PLHA with options to meet their own nutritional requirements.

STAKEHOLDERS PARTICIPATION OR INVOLVEMENT IN ACTIVITIES

Tuboreshe Chakula has been collaborating with various organizations and institutions including SNV, SUA, RUDI, RLDC, NAFKA, Mwanzo Bora, District Councils of Morogoro, Mvomero, Kilombero, Babati Town, Babati Rural, Kiteto, Dodoma Urban, and Kongwa in trainings, workshops, joint activities and meetings.

Associations that the project has collaborated with and support include CEZOSOPA and CARITAS of Dodoma, UMAMBE of Babati and Morogoro Food Processors Association.

TC has conducted a campaign to sensitize Dodoma Food processors who on the basis of the new knowledge subsequently formed an association called DOFTA with 20 active members so far. The team is in the final process of ensuring that Kilombero Rice millers have an association as well as the Mvomero millers.

Local Government Administrators (LGA) and Government Nutritionists are playing a vital role in supporting project activities in their areas. In a number of cases they have been assisting the project to gather information on the actual number of processors in their location and the production capacity of available processors to allow for an accurate initial baseline assessment and determination of steps forward. To keep all relevant actors involved in nutrition activities we incorporate LGAs as the respected leaders in their communities to assist with official opening and closing of trainings. In most of our trainings, Government Nutritionists are playing a crucial role in supporting the mission of TC and the LGAs are very supportive when it comes to identification and recruitment of trainees.

CHALLENGES OR CONSTRAINTS

- Most millers have very small premises and lack storage space, therefore, the arrangement of equipment and other materials becomes difficult contributing to problems in cleaning of the equipment and the surrounding area. This situation also hampers any efforts on keeping a clean environment for the fortification potential.

- Slow adoption of new management and technology practices due to a lack of financial understanding and limited educational background of millers.
- The wide dispersion of clients has made logistical planning a bit difficult but with more vehicles on order this is expected to be alleviated in the near term.
- It has proven to be difficult to work with Government officials without giving them many of the sitting and other allowances not allowed through USAID funding. These officials are key to messaging to the wider community.
- There is a bureaucratic 'quagmire' significantly slowing the multiple processes for the procedures required in registering MNP and securing approval of IEC materials by the MoHSW.
- The fortification regulations specifically exclude small scale millers.
- The tax issue for MNP and pre-mix of fortificants has not been resolved and could seriously hinder acceptance (due to price) of MNP and fortified foods.
- As grants are a component of the project it has been determined that most of the millers find it difficult to fill out basic grant requests and the accompanying concept notes due to the English language requirements so changes are being incorporated to do parallel sets.
- Tanzanian small-scale oil processors do not have access to oil refining facilities, and refining is required before oil can be fortified.
- The knowledge of what fortificants are, why one would consume them and how they are used is not yet common knowledge in Tanzania
- Most small millers do not meet basic hygiene, food safety and worker safety regulations, and have not invested in equipment (cleaners, destoners) that could improve hygiene and food safety.

MANAGEMENT AND STAFFING

- The project has identified and recruited most of the remaining project staff with the exception of a junior level food technologist, but the further project scope and expansion has caused a need for positions that were not initially planned. In addition, the loss of a few key project staff members has made it necessary for some additional re-hiring. These situations will be resolved in the 1st quarter of the new year.
- There is no budget for an office in Babati in the original contract budget and we have not yet done an official budget realignment, but we believe that the project budget can be realigned to use unspent funds to fund an office in Babati/Manyara. We need to move forward with establishing the Babati office and hiring the 2-3 employees that will comprise the staff .

PLANNED ACTIVITIES

SECOND LEVEL OBJECTIVE I: TO INCREASE COMPETITIVENESS OF AGRO-PROCESSORS- INCREMENTAL SALES

Intermediate Result I.1: Food Processing Institutions and Industry Associations Supported

Number of GOT institutions and agro-processor associations undertaking capacity strengthening as a result of USG assistance, disaggregated by type of training, institution

Year 2 Outcome Target:

- *Three GOT institutions*
- *Three Agro-processor associations*

New indicator: number of enabling grants awarded to individuals, clusters and associations 2013 target: 100

a) Agro-processor industry organizations undertaking capacity strengthening

TC will continue work with current clients, but in addition, will focus on client recruitment and business and financial scoping with targeted business and technical advisory services including market analyses and linkages, investment planning and financial linkages. There are eleven agro-processors in the project under the Partners in Food Solutions model (four new medium sized enterprise clients recruited). The targeting of new clients will be from Morogoro and Manyara Regions with at least two in the rice value chain.

TC has found very few existing miller associations in the maize and rice value chains. Associations in the sunflower oil value chain are better established, having already received support from RLDC, SNV or other organizations. CEZOSOPA represents the sunflower oil millers of Dodoma, has a dynamic chairman, and its members are involved in contract farming with about 20,000 small-holder farmers producing sunflower seed. The project would like to support the association to provide better services and representation to the participating millers. TC is providing a capacity building grant to CEZOSOPA, but efforts must be closely coordinated with RLDC which supports the millers as well as a means of helping sunflower farmers. CEZOSOPA and UMAMBE miller members are among the few that are aware of the new fortification standard and requirements, and that after enforcement begins that this event will theoretically prohibit the sale of branded oil products that are not fortified. TC will solicit a concept paper/capacity building grant application from promising associations and then support millers with advertising and marketing advice to assist them to create ties to the social marketing campaigns.

b) GoT institutions undertaking capacity strengthening

TC has already begun collaborating closely with TFDA to guide the selected mills through the fortification and registration/licensing process. Unfortunately, most of the mills observed in the operating areas do not have TFDA registration/licensing, even among resale millers and the larger of the small millers. TFDA has stated that only registered/licensed mills should be allowed to fortify, excluding most mills. Unfortunately TFDA is understaffed and admits that it has very limited capacity to increase the number of mills registered/licensed. Small mills are not required by law to fortify, and TFDA's focus is on those that are required to fortify.

TC will continue to work with TFDA, TFNC, the FtF Nutrition project and other partners and stakeholders as well as the relevant BCC staff to develop the training program and materials required for the educational initiative as well as to launch the Fortified Foods Behaviour Change Campaign.

c) Number of individuals receiving short-term training

✓ 2013 target: 250

Intermediate Result 2.1: Business, Enterprise, and Markets Developed

Value of incremental sales of participating agro-processors:

✓ Year 2 Impact Target: \$1,300,000

Number of agro-processors who have applied new management practices and new technologies, disaggregated by processor type, product, sex of owner, geography:

✓ Year 2 Outcome Target: 190

a) Agro-processors that have applied new management practices

TC will continue work with current clients but in addition will focus on client recruitment and business and financial analysis with targeted business and technical advisory services; market analysis and linkages, investment planning and relevant financial linkages with eleven agro-processors under the Partners in Food Solutions model (four new medium enterprise clients recruited). The recruited clients will be from Morogoro and Manyara Regions with at least two in the rice value chain.

b) Agro-processors that have applied new technologies

TC will continue to engage with existing clients while also bringing on board new waves of clients. For technical advisory activities, this support may refer to any of the following: evaluation of formulations, packaging advice, machine procurement and factory layout evaluation, environmental impact evaluation, development of a HACCP plan or laboratory setup. TC will continue to provide technical advice to the millers in the areas of hygiene, food safety and worker safety; processing layout; destoning; drying and moisture control;

improved sunflower seed pressing and acquisition and use of refining equipment; proper expeller replacement schedules. The issues of packaging, labelling and marketing the products will also be addressed on an ongoing basis. In collaboration with the technical team, the project training advisor will use the recommendations listed above and incorporate them into the technical training manuals.

In the 1st week of November the initial pilot dossifier will be installed in a maize mill to serve two purposes. First to prove the technology for fortifying and secondly, to serve as a demonstration facility for fortifying mechanically. Assuming a successful installation, a local supplier(s) will be identified and brought into the process to become the local source for the dossifiers.

c) Value of agricultural loans

✓ 2013 target: \$300,000

TC will issue an RFA for hands-on miller training partnering with a local training institution which will provide a basis on which potential participants can prepare competitive grant requests.

d) MSMEs gaining access to credit

✓ 2013 target: 60

TC will define target areas for equipment related grants; e.g. cleaning and destoning, drying and moisture control, improved equipment for sunflower seed processing, oil refining equipment, replacement of expeller worms, blended flour, Shinyanga style rice mills and post-harvest technical issues (in collaboration with FtF NAFKA). TC will develop an RFA for matching grants for equipment/training that addresses target areas for grants which provides a basis on which interested parties can prepare competitive grant requests. The RFA will be available to cluster and association members and other millers with whom the project works, giving special priority to women specifically to increase their control of productive assets in joint efforts. Many of the quality improvements require equipment that is relatively expensive for small millers and selected millers will receive matching grants to provide a demonstration effect in their communities.

e) MSMEs receiving business development services

✓ 2013 target: 200

For both new and existing clients the project team will work with the agro-processors to create financial models/production plans that outline capital flows for new projects which require financing. These projects also require narrative business plans to accompany the financials requests and the project team will also assist with the creation of these

documents.

For the larger-of-the-small and medium agro-processors that require external financing, the project team will provide financial linkage services by introducing the enterprises to local and international funding sources - including commercial banks and social impact funds. TC will provide “*handholding and mentoring*” support with the SMEs to help them address critical questions and assumptions about the financial models and business plans.

The project will also conduct up to seven region-specific workshops and trainings in relevant operating management disciplines including: Access to Finance (4), Accounting and Financial Management (1) and Business Development Services (2).

Intermediate Result 3.1: Technologies Transferred

This IR is now combined with IR2. Management practices

Agro-processors operating more profitably

✓ 2013 target: 130

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

- Percent increase in sales to consumers in targeted districts of nutritious food products (fortified sembe and oil, blended flour and MNP)
 - ✓ Impact: 140% over LOP
- Percent households in target districts that consume at least one fortified product weekly, disaggregated by rural/urban area, product, sex of household head, geography:
 - ✓ Outcome: 22% over LOP
- Percent increase in the number of households that consume at least one blended product weekly, disaggregated by rural/urban area, product, sex of household head, geography:
 - ✓ Outcome: 15% over LOP
- Percent of households in target districts that recognize new social brands of nutritious foods, disaggregated by rural/urban area, geography:

✓ Outcome: 50% over LOP

New indicator: number of households reached by social marketing campaigns

✓ 2013 target: 60,000

- a) households that consume fortified products
- b) households that consume blended products
- c) households that recognize new social brands

The team will contribute to develop promotional messages and IEC materials with HKI and TFNC for promoting fortified products. In February, the district launches of social marketing campaigns will begin. The BCC Activities TC will take part in are a radio campaign, exhibitions, printed materials and promotional activities (in collaboration with FtF Nutrition and social marketing stakeholders).

BEST PRACTICES AND LESSONS LEARNED

- Collaboration with relevant NGOs and other stakeholders is key to avoid conflicts and duplication of efforts. Collaboration will also help TC to work mutually with target communities.
- If the project meets all of the objectives, it will have a major positive impact upon Tanzania's targeted communities. It is expected that TC will meet the targeted goals through teamwork and collaboration that will continue to be highly encouraged.

ANNEX A: PERFORMANCE AGAINST PMP INDICATORS (FROM IPRS)

While all medium scale millers keep good records and therefore calculating baseline and current sales were not difficult, almost no small scale millers kept records before they began participating in Tuboreshe Chakula Project activities. In order to estimate baseline sales and production costs, project business advisors established high season and low season averages for 2011. The same procedure was used for current year sales projections, as millers have only come on board since February and March. In 2013, the current crop of millers will all have records of sales and costs, but the above procedure will have to be used for new millers.

A few numbers previously reported had to be modified for the annual report. It emerged that there had been misunderstandings regarding two of the indicators: new technology or management practices applied and BDS. This resulted in inaccurate numbers being reported in Q2 and Q3. Additionally when the project switched from project year targets (Apr-Mar) to the FY targets (Oct-Sept) in May, the 2011-12 target for SMEs operating more profitably was miscalculated. That has now been rectified. LoP targets remain the same.

Finally three of the IR6 indicators were modified from numbers to percentages, following completion of our supplementary baseline survey and advice from the Mitchell Group.

FtF Processing & Consumption Project

Indicator / Disaggregation	Baseline Value	2012 Target Provisional	Achieved to date	Q1	Q2	Q3	Q4	LOP - Life Of Project	Units
IR 1: Improved Agricultural Productivity / Sub IR 1.1.1: Enhanced human and institutional capacity development for increased sustainable agriculture sector productivity									
Custom: Number of agro-processing industry organizations undertaking capacity strengthening	0	3	2	0	2	0	0	12	

Disaggregates Not Available									
Custom: Number of GoT institutions undertaking capacity strengthening	0	3	3	0	3	0	0	10	
IR 1: Improved Agricultural Productivity / Sub IR 1.1.3: Enhanced human and institutional capacity development for increased sustainable agriculture sector productivity									
4.5.2(7): Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	0	245	424	8	168	117	131	800	
Female									
People in firms			1	1	0	0	0		
People in government			5			4	1		
Processors			244	1	35	80	128		
Disaggregates Not Available									
Male									
People in firms			4	4	0	0	0		
People in government			3			1	2		
Processors			167	2	133	32	0		
Disaggregates Not Available									
Disaggregates Not Available									
People in firms									
People in government									
Processors									
Disaggregates Not Available									
IR2: Expanding Markets and Trade Sub IR 2.1.1 Enterprise & market capacity enhanced									
4.5.2(23): Value of incremental sales attributed to FTF implementation		\$450,000	\$662,300				\$662,300	\$6mil	
Size of agro-processor									
Small scale							585,700		
Medium scale							76,600		
IR 2: Expanding Markets & Trade / Sub IR 2.1.2 Enterprise & market capacity enhanced									

4.5.2(5): Number of farmers and others who have applied new technologies or management practices as a result of USG assistance	0	185	116	3	53	38	22	600
Continuing								
Female			15	0	1	5	9	
Joint			6			1	6	
Male			131	0	2	50	79	
n/a								
Disaggregates Not Available								
New								
Female			18	1	4	4	9	
Joint			6	0	1	5	0	
Male			92	2	48	29	13	
n/a								
Disaggregates Not Available								
IR 2: Expanding Markets & Trade / Sub IR 2.1.3: Improved access to business development and sound and affordable financial and risk management services								
4.5.2(29): Value of Agricultural and Rural Loans	0	\$200,000	\$232,000	\$72,000	0	\$160,000	0	\$1,000,000
Agro-processors								
Female				0		0	0	
Joint			\$72,000	\$72,000		0	0	
Male			\$160,000	0		\$160,000	0	
Size of agro-processor								
Medium scale			\$232,000	\$72,000		160,000	0	
Small scale				0		0	0	
n/a								
Disaggregates Not Available								
IR 2: Expanding Markets & Trade / Sub IR 2.1.4: Improved access to business development and sound and affordable financial and risk management services								

4.5.2(30): Number of MSMEs receiving USG assistance to access bank loans	0	30	2	1	0	1	0	200
Medium							0	
Female			1	1				
Joint								
Male			1			1	0	
n/a								
Disaggregates Not Available								
Small				0	0	0	0	
Female								
Joint								
Male								
n/a								
Disaggregates Not Available								
IR 2: Expanding Markets & Trade / Sub IR 2.1.5: Improved access to business development and sound and affordable financial and risk management services								
4.5.2(37): Number of MSMEs receiving business development services from USG assisted sources	0	*185	^105	3	*0	*35	67	700
Medium								
Output processor								
Female			1	1	0	0	0	
Joint			0	0	0	0	0	
Male			7	2	0	4	1	
n/a								
Disaggregates Not Available								
Small								
Output processor								
Female				0	0	4	10	
Joint				0	0		3	
Male				0	0	27	53	
n/a								
Disaggregates Not Available								
IR 3: Increased investment in agriculture and nutrition related activities/Sub IR 3.1.2: Increased private sector investment								

4.5.2(43): 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	3	*50	103				103	500	
# of firms that were already operating profitably in the business cycle, but are now operating more profitably because of USG assistance (costs<revenue)	3		103				4 medium 99 small		
# of firms that were operating at a loss (costs>revenue) in the last business cycle before USG assistance			0				0		
Disaggregates Not Available									
IR-6 Improved Nutrition Related Behavior Sub IR 6.1 Demand for Nutritious Processed Products Increased									
Custom: Percent* increase in sales to consumers of nutritious foods	44%		0					140%	
Targeted product									
Maize	0								
Blended flour	3,500MT								
Oil	0								
Micronutrient powder	0								
Region									
Morogoro									
Dodoma									
Manyara									
Location									
Rural									
Urban									
IR-6 Improved Nutrition Related Behavior Sub IR 6.1 Demand for Nutritious Processed Products Increased									
Custom: percent* of households consuming at least one fortified product weekly	0		0					22%	
TOTAL	0								
Targeted product									
Maize									
Oil									
Micronutrient powder									

Region									
Morogoro									
Dodoma									
Manyara									
Location									
Rural									
Urban									
Household									
With children under five									
No children under five									
IR-6 Improved Nutrition Related Behavior Sub IR 6.1 Demand for Nutritious Processed Products Increased									
Custom: percent increase in number of households that consume at least one blended product weekly	44%								16% increase
TOTAL	3,500								
Source									
Home									
Blender									
Mill									
Shop									
Region									
Morogoro									
Dodoma									
Manyara									
Household									
With children under five									
No children under five									
IR-6 Improved Nutrition Related Behavior Sub IR 6.1 Demand for Nutritious Processed Products Increased									
OVERALL									
Custom: percent* of consumers that recognize new social brands of fortified product	0		0						50%
Targeted product									
Maize									
Blended flour									

Oil									
Micronutrient powder									
Region									
Morogoro									
Dodoma									
Manyara									
Household									
With children under five									
No children under five									
Household head									
Female									
Male									

*modified in annual report

ANNEX B: FUTURE SUCCESS STORIES*



lische women group members participate in a TC training



Blended Flour Processors in Morogoro receive training on GMP from TC Food Technologist



Flap's Former "Two-Filtered" Machine



Flap's New Vacuum Filters

Lishe Processor new packaging



Kilomo Old Packaging Style



Kilomo new packaging style



***SUCCESS STORIES ON THESE PICTURES AND OTHER STORIES WILL BE COMING IN THE FIRST QUARTER.**

