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STAPLES VALUE CHAIN NAFAKA ACTIVITY

TASK ORDER NO. AID-623-I-10-00001

QUARTERLY PERFORMANCE REPORT
(October 1, 2012 – December 31, 2012)

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DISCLAIMER

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

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I. INTRODUCTION

The NAFKA Staples Value Chain Activity is a five year Task Order issued by USAID/ Tanzania and administered by ACDI/VOCA. The NAFKA team is composed of a consortium of subcontractors that include: Farm Input Promotions-Africa (FIPS); Rural and Urban Development Initiative (RUDI); Mtandao wa Vikundi vya Wakulima Tanzania (MVIWATA); International Fertilizer Development Center (IFDC); Kimetrica; Catholic Relief Services (CRS); Danya International; Crown Agents; and Associates for International Resources and Development (AIRD). Activities during this reporting period were focused on sensitizing new villages within NAFKA entry points identified in our Annual Workplan. NAFKA entry points include outgrowers contracted by the Kilombero Rice Plantations, Uwawakuda Water Users Cooperative in Dakawa, development and support of rice producer associations in irrigated and non-irrigated areas of Kilombero and Mvomero, development and support of maize producer associations in Kongwa and Kiteto, NAFKA's coordination of the Tanzania Rice Partnership (TARIPA); initiation of input dealer networks in the NAFKA target areas; and initiation of rice producer associations in Zanzibar.

This Quarterly Performance Report contains the following sections: (1) this Introduction; (2) Implementation Progress; (3) Cross-cutting Issues; (4) Stakeholder Participation; (5) Challenges and Constraints; (6) Management and Staffing; and (7) Planned Activities for the Next Reporting Period. Included in the annex of this Quarterly Report is the indicator tracking table containing project indicators, targets and achievements of the reporting period. Financial information for the reporting period will be contained in the Quarterly Financial Report to be submitted along with this Quarterly Performance Report.

I.1 Implementation Overview

During this reporting period, the NAFKA Staples Value Chain Activity entered into its second year of implementation. Since its inception, NAFKA has made significant progress on many key entry point activities as identified in the NAFKA Workplan. The main entry points on NAFKA include the following:

- Kilombero District: a rice growing region in the south of Morogoro region.
 - Kilombero Rice Plantation (KPL) & KVTC – activities are focused around facilitating KPL out-grower scheme development in 11 villages. NAFKA is working with KVTC employees to develop their own rice operations.
 - Kilombero North and South: Subcontractor RUDI is focused on developing associations in regions not covered above, in 30 villages.
- Mvomero District: a rice and maize growing region in the north of Morogoro Region.
 - Uwawakuda Water Users Cooperative: NAFKA is working with irrigated rice farmers from the association to improve yields, cooperative development and water-resource management.
 - Irrigated and Rain-fed Rice areas: local Subcontract MVIWATA is focused on developing associations with rain-fed rice producers and maize producers in 14 villages.
- Kongwa and Kiteto Districts : maize growing regions in Dodoma and Manyera Regions.
 - NAFKA is focused on working with maize producers in these two counties.

Major activities across these geographic entry points are outlined below:

Increasing productivity:

This quarter, NAFKA moved into its second production season, as rains started in our project regions. Main techniques for improving productivity across entry points include: development of private-sector sponsored demonstration plots; facilitating access to inputs and extension services via village based advisors, agrodealers, input providers and bulk purchasing; developing a network of lead farmers.

During the start of this quarter field staff the Productivity Team developed demonstration protocols for 14 improved technologies or practices at demonstration plots; worked with producer groups to select lead farmers; coordinated with input dealers; and facilitated the establishment of demonstration plots. The technologies imparted in these demonstration plots include land preparation, harrowing, bund building, ripping, herbicide application, planting and spacing.

District	Demo-plots	
	Rice Plots	Maize Plots
Kilombero	234	0
Kiteto	0	56
Kongwa	0	27
Mvomero	12	7
Overall	246	90

Increasing access to inputs and strengthening input sector:

NAFAKA continued to strengthen a network of village based agricultural advisors-entrepreneurs who distribute small packs of inputs, and later become rural input dealers. This quarter, NAFKA increased the networks of VBAs to 137 from 100 in the last quarter with 5 District Coordinators.

District	VBAs
Kilombero	59
Kiteto	17
Kongwa	34
Mvomero	27
Overall	137

The training this quarter gave VBAs a platform to discuss the weakness, opportunity, threats and strength of agricultural business. They were trained on conservation tillage, how to arrange prices, handle customers, maintain relationship with the buyer as well as access to markets. In addition, elaboration of the technical guide on QDS of maize and business plan preparation for maize, rice and poultry vaccination was conducted. The training will be extended to VBAs in the remaining districts over the next quarter. The table 4 below highlights the topics and participant attendance during the training.

VBAs Development Training			
Training Topic	Female	Male	Total
Agricultural Business/Entrepreneurship	27	15	42
Conservation Tillage and Ripping using tractor or plough	9	34	43
Ripping Using Spring Jembe	141	254	395
Maize Seed Planting And Small Pack Distribution	29	26	55
Record Keeping Instructing/Refresher Training	10	6	16

NAFAKA also launched its agro-dealer development program, which saw 6 grants issued to agrodealers in Morogoro. NAFKA will be working with these agro-dealers to expand their services to extension provision via demonstration plots and field days.

Strengthening producer groups

NAFAKA Association Development team focused heavily this quarter on sensitizing new villages to the NAFKA projects and the benefits of group membership. NAFKA facilitated the formation of new producer groups which comprise smaller farmer groups. The Association Development team continued to provide capacity building support to associations from the 2011-2012 season. In Morogoro district, NAFKA works primarily with associations established with support from the project.

In Kongwa and Kiteto, NAFKA has primarily been working with 2 established associations: the Kongwa Cereal Grower's Association and the Kibaigwa SACCO – at this time it is still being determined how many farmer groups these two associations represent. Furthermore, in Kiteto, many farmers are engaged in cooperatives, and NAFKA is working with stakeholders to determine the best strategy for engagement with farmers so that they can achieve economies of scale through bulk purchasing and marketing.

District	Farmer Groups		Producer Associations		Totals		
	Previous FY2012	New Q1FY13	Previous FY2012	New Q1FY13	FGs	POs	Farmer Members
KPL & KVTC	57	43	10	10	100	10	2411
Kilombero	67	151	12	18	216	30	3540
Mvomero	33	57	6	8	90	14	1570
Kongwa/Kiteto	TBD	TBD	2	2	TBD	2	4000

NAFAKA is developing the SOW for hiring services of an association development and financial management consultancy to carry out assessments of all the associations as they are formed. We are also looking into recruiting a business advisor, possibly with post-harvest management experience that will be based in the field to work with the associations.

Increasing collective bargaining and marketing

In the past quarter, NAFKA Market Linkages Specialist, who came on board the previous quarter, has begun the process of identifying and meeting with potential buyers. Local consultancy MatchMakers Associations (MMA) are concurrently assessing the market landscape and developing tailored recommendations for NAFKA associations. These initiatives will be integrated with the process of strengthening the associations and building their capacity at collective bargaining, negotiation and marketing.

This past season, NAFKA facilitated the negotiations for KPL to purchase paddy, while in Kilombero, farmers saw success with storing paddy past the harvest season to obtain better prices. Farmer associations were also able to procure inputs at bulk rates. Unfortunately, in Mvomero, a buying agreement fell through due to an inability of the producer associations to process paddy into rice prior to sale. The NAFKA team is working with the association to better understand and meet the requirements for next season.

Increasing access to finance

This past quarter, ACIDI/VOCA Finance Specialist [REDACTED] came out to work with the NAFKA Access to Finance specialist. They are in the process of developing a strategic workplan; and have articulated a few key strategies moving forward for this activities.

- NAFKA is continuing to work with credit providers NMB and Yosefo on developing the KPL outgrower's scheme.
- We are continuing discussions with the Tanzania Investment Bank and the Uwawakuda Rice Association.
- Our progressive farmers program, which last year was primarily a grants program, is expanded in this season to specifically link progressive farmers to formal bank credit. We have profiled the 50 progressive farmers and shared the information with NMB for further assessment.

Catalyzing innovation and investment grants:

NAFAKA has issued a number of grants over the past couple of months, as well as finalized a 2012-13 grants pipeline. Grant recipients this quarter include:

- Progressive Farmers: 50 micro-grants to develop the capacity of these potential commercial farmers.
- Tanseed International: a grant to develop a certified seed outgrower program with farmers in Mvomero.

- **Agro-Dealer Specialist:** 6 agrodealers received grants to enable them to expand their services to include agricultural extension and demonstration plots to local farmer's and associations.

Monitoring and Evaluation:

In addition to advancement on these activities, NAFKA finalized its end of year (seasonal) outcome survey, updating on the status of outcome level performance indicators established by the Feed the Future Initiative. The results of the outcome indicator data from this survey may differ from data previously reported since it was based on sampled farmers in all NAFKA working areas. Section 3.4 of this document highlights some of the key findings of the survey and summarizes some of the achievements on the key outcome indicators. The PMP summary with the first quarter indicator achievements appears in Annex I of this document.

2. IMPLEMENTATION PROGRESS

This section presents NAFKA's progress in implementing activities according to the key entry points as identified in the Year Two Workplan. For purposes of this report, additional activities are addressed under Section 3 - Cross Cutting Issues: these include Gender Integration, Behavior Change Communication, Environment and Natural Resource Management, Monitoring and Evaluation.

2.1 Facilitate Development of the Kilombero Rice Plantations and KVTC Outgrower Schemes

Agricultural Productivity:

- 109 demonstration plots are being established showcasing SRI Technology among KPL outgrowers, and three with KVTC. The demonstration plots were in various stages of development at the end of the reporting period. In KPL, 44 are in the planting stage.

Association Development:

- A total of 2,411 (75 from KVTC) outgrowers from 100 producer groups comprised the membership of the 10 village associations formed and supported by NAFKA within the KPL villages. 41% percent of whom are women. This represents an increase of over 1000 participating farmers from last season.

Access to Finance:

- NAFKA contracted the National Microfinance Bank (NMB) to conduct training to up to 1,000 KPL outgrowers during this reporting period to prepare them to qualify for agricultural loans. This arrangement also helped to attract another major credit provider to the KPL outgrower program, in addition to our association with YOSEFO last year. Our efforts have thus resulted in two major credit providers serving this area where none existed previously. Of the 1,000 targeted outgrowers, NMB trained 758 to qualify them for agricultural loans in preparation for the coming growing season. Of those 758 trained, NMB distributed loans of TSh. 400,000 to 189 outgrowers. While this number was disappointing, NMB is now established in the area and has expressed its commitment to serve this group in the coming years. Reasons for the low loan rate include outgrower frustration with the rather complex documentary requirements of NMB, which discouraged many outgrowers from applying. NMB is reviewing these procedures to determine how they can be streamlined for next year.

- In addition to the NMB loans, YOSEFO issued loans to 350 outgrowers, a substantial increase from last year when NAFKA contracted them to initiate activities in the KPL area. As such, a total of 539 of the targeted 1,600 KPL outgrowers received loans.

Marketing

- NAFKA facilitated the negotiations for KPL to purchase 130 tons of outgrower paddy at the competitive price of Tshs. 10,000/= per 'tin' of 13.5 Kg.

2.2 Entry Point: Strengthen the Uwawakuda Water Users Cooperative – Dakawa

NAFKA's association development and productivity improvement efforts with the Uwawakuda Water Users Cooperative continue to be coordinated with those of other FtF IPs, including the infrastructure, nutrition and horticulture activities. Specific interventions this reporting period include:

Agricultural Productivity

- In anticipation of the coming rains, NAFKA has begun preparation of the Dakawa model farm for the 2012-2013 growing season, working closely with input companies to showcase their products and with IFDC in developing appropriate soil fertility management practices.
- The Nafaka productivity team attended a meeting held by Clean Development Mechanism (CDM), the contractor working on USAID FtF project infrastructure rehabilitation program at Dakawa Irrigation scheme during the quarter. The Agenda for was to present the monetary budget for the rehabilitation of the irrigation scheme.

Access to Finance:

- The development of the MOU with the Tanzania Investment Bank (TIB) as an initial step to provide financing to value chain players in UWAWAKUDA is still in progress. The priority areas highlighted in the MOU as requirements for the UWAWAKUDA Cooperative agreement include, the inclusion of agro – equipment, inventory credit, investment on warehouse facility and processing equipment. In addition, prior to financing TIB has recommended that a feasibility study be conducted to investigate into the potential benefits of investment in the cooperative.

Marketing:

- NAFKA has been in working closely with the Cooperative and the Tuboreshe Chakula Project on warehouse upgrading grants. Based on the fact that both NAFKA and Tuboreshe Chakula are currently working with the UWAWAKUDA Cooperative, we suggested identifying mills within the cooperative, then consider for upgrade grants, to enable the farmers in the cooperative to have easy access to the mills and/or alternatively Tuboreshe Chakula consider facilitating the cooperative to procure a mill, which will remain the property of the cooperative at the end of the project. Working with UWAWAKUDA through Feed the Future will transform a critical segment of Tanzania's rice processing industry to ensure sales are increased, management and technologies are applied, investment opportunities are created and consumption of quality and safe food is adhered to. Tuboreshe Chakula would use this opportunity to seek millers association /cluster members who are also UWAWAKUDA members for delivering its services.

2.3 Entry Point: Strengthening Irrigated and Rain-Fed Farmers in Kilombero and Mvomero Districts

During this reporting period, Kilombero and Mvomero Districts were affected by drought, with few agricultural activities in the rice producing areas, particularly in irrigated farmland. The project therefore focused on preparing farmers for the coming season by establishing new farmer's associations, sensitizing them on irrigation management and other production techniques for sustainable, high yielding irrigated rice production. Interventions in this quarter included:

Kilombero

Agricultural Productivity:

- 125 demonstration plots were established in this district in non-KPL areas. 2 demonstration plots were established by Village Based Agricultural Advisors (VBAAAs). NAFKA agronomists further trained 57 farmers on demonstration plot protocols and layout, 20 female and 37 male.
- The NAFKA Team, through village based advisors, distributed improved small packs of seed from East African seed as follows:
 - PADDY RICE TXD 306, 6500 small packs, 25 grams each;
 - PADDY RICE TXD 88, 1000 small packs, 25 grams each; and
 - PADDY RICE SUPER INDIA, 1000 small packs at 25 grams each.
 - 250 Kg of Minjingu Mazao's donated fertilizer was distributed to farmer groups.
 - 225 Kg of various vegetable seeds were also donated for demonstration as complimentary crops that can increase the income and nutrition of farmers and their families. These vegetables will be planted during the off season in sites with access to water.
- The NAFKA grant program assisted 4 Agro-dealers in Mlimba (1), Ifakara (2), and Man'gula (1) in improving their competitiveness and increase availability of inputs to farmers in the rice value chain. The grant program aims at assisting Agro-dealers in improving their competitiveness and increase availability of inputs to farmers in the rice value chain. Nafaka's grant contribution to each beneficiary was Tshs. 7,472,000 and each beneficiary contributed Tshs. 2,280,000.
- Through the progressive farmers development grant project 10 candidates from the Kilombero District were selected to receive small production grants of Tshs. 5,666,000. Five of these are women.

Association Development:

- Sensitization was done to introduce NAFKA to 18 new village associations in Kilombero, making a total of 30 village associations reached. The Eighteen (18) new associations were organized into 151 farmer groups.
- The number of individuals who received NAFKA association development training was 1168 in this first quarter of year 2. Three farmer participant training modules were facilitated by the project as highlighted in table 2 below. Record keeping was conducted to 65 leaders at cluster level for the old first year farmer associations. Leadership training was conducted to 1071 new association members.
- A customized training on operations was conducted to 32 members of Mofu and Vigaeni associations on collective asset management. The Mofu association bought a tractor with implements and Vigaeni association bought a rice milling machine.

Table 1: Training Numbers in Kilombero (Outside KPL)

Association Development Training			
Training Topic	Female	Male	Total
Record Keeping for Farmer Association Leaders	27	38	65
Leadership & Good Governance for Association Members	488	583	1071
Operations – Collective asset management	15	17	32
TOTAL	530	638	1168

Marketing

- Through collective marketing arrangement the volume of paddy by producer associations reached 105 tons, worth over Tshs. 100 million. The farmers sold the paddy after storing it in the warehouses for 5 months after harvest. Some of the paddy will be sold in January 2013 when the prices are expected to be much higher. The farmers associations rented space in private warehouses to store their paddy.
- NAFKA has approved 2 grants to producer associations to upgrade the warehouses in order to meet the minimum standard for Warehouse Receipt Systems. However, these could not be implemented because the beneficiaries are required to be trained on governance before funds are disbursed. The training will be facilitated in the coming quarter.
- Farmer associations were linked to a major input supplier Suba Agro from Arusha who supplied inputs worth Tshs. 120 million, allowing them to procure inputs in bulk, of good quality at a timely manner.
- NAFKA has been active in continuing to explore possibilities for supporting the Association of Kilombero Rice Growers members with access to markets and financial services. AKIRIGO is an apex association with whom RUDI is working, that has a membership of 42 farmer associations. 2 out of 42 members of AKIRIGO are currently working with NAFKA. AKIRIGO was initially picked as a strategic partner of NAFKA through which farmers would be able to build strong market linkages, and also because of access to the USAID-COMPETE mills. We proceeded to link the farmer associations to the TAMAGRASAI Traders based at Tandale market in Dar es Salaam, who had expressed interest in purchasing rice from the farmers. A needs assessment for AKIRIGO and other associations will likely be carried out in coming quarters to determine our level of intervention.

Mvomero

Agricultural Productivity

- A demonstration plot survey conducted by NAFKA recommended that Mvomero Cluster should support Rice and Maize agronomic skills because most farmers in the surveyed areas are cultivating both crops at high percent. 7 lead farmers were taken to Kibaigwa for training on establishment and management of Maize demo plot through conservation system of ripping. And 8 lead farmers were taken to Dakawa for similar training on rice demo plots. 14 demonstration plots are in development thus far, though drought or late rains have constrained this activity.
- 100 Kg of Minjingu Mazao's donated fertilizer was distributed to farmer groups and 225 Kg of various vegetable seeds were also donated for demonstration as complimentary crops that can increase the income and nutrition of farmers and their families. NAFKA agronomists trained 57 farmers on demonstration plot protocol and lay out, 29 female and 28 male.
- Through the progressive farmers development grant project 19 candidates from the Mvomero District were selected to receive small production grants of Tshs 5,666,000. 11 of these are women.
- The NAFKA grant program assisted one agrodealer in Mvomero to improve their competitiveness and increase availability of inputs to farmers in the rice value chain. NAFKA's grant contribution to the beneficiary was Tshs. 7,472,000/= and the beneficiary contributed Tshs. 2,280,000.

- A grant to the Mkindo Farmer’s Training Center (MFTC) is currently being developed to host intensive, on-site, training to lead farmers in the region. Part of the grant will also focus on building the capacity of the center.

Association Development

- Sensitization was done to introduce NAFKA to new villages during the quarter. Eight (8) new villages were organized into 57 new farmer groups comprising of 820 beneficiaries. 384 are women and 472 are men.
- The number of lead farmers in Mvomero has also increased, from 11 to 33. 18 are female and 15 are male.

Marketing

A group of buyers called Tandale Market Grain Sellers’ Association and Investment (TAMAGRASAI) agreed to buy 30MTs of rice (not paddy) from Mvomero associations at a price ranging between Tshs. 1600 to Tshs. 2000 per Kg depending on the quality. This price is relatively higher compared to the existing market price of Tshs. 1150 to Tshs. 1300 within the Mvomero Cluster at that time. However the transaction fell through due to inability of the farmers to mill their rice into paddy and aggregate a sufficient volume. There is currently a lack of quality milling machines in the cluster, which the associations require in order to deliver high quality rice instead of paddy next season. The giant milling factory Tan Rice mills is willing to mill paddy from the associations but they require at least 400,000 Kgs to switch on their machines, and the cost of milling is almost five times more the price of using normal milling machines. Below are TAMAGRASAI’s trading procedures:

- Traders work only with rice sellers and communicate with a trader for negotiation where quality and type are considered. Traders will be obtained via MVIWATA Agricultural Marketing Information System (MAMIS).
- Packing of rice in 100 kg net neat bags
- Transport to Tandale (Dar es Salaam). Traders will pay for transport upon arrival.
- Signing of contract specifying amount to be paid under supervision of Traders association management.
- Full payments are done within a week and sellers do not have to wait after signature. The money will then be deposited in a seller’s bank account or other mutually agreed means.

NAFAKA will be working with associations to meet these requirements for next season.

2.4 Entry Point: Improving the Maize Value Chain in Kongwa and Kiteto Districts

NAFAKA interventions within the maize value chain were substantially limited during this reporting period, due to the intermittent rains. Therefore, activities planned of the quarter were partially completed. These activities include procuring of inputs, distribution of inputs, trainings, small pack promotions of seeds, establishment of demonstration plots and maintenance of five networks of VBAs. Despite the weather challenges, our major achievement in this quarter was securing donations of farm input supplier through strengthening our collaboration with private sector partners.

Agricultural Productivity

- 57 demonstration plots were established in Kongwa and Kiteto Districts. We anticipate being able to achieve our target before by the end of February and report on them in the next quarterly report.

- NAFKA, distributed 46, 579 small packs of seed from private sector partners to VBAs for promotion during the quarter.
- NAFKA distributed East African seed, donated vegetable seeds for demonstration as complimentary crops that can increase the income and nutrition of farmers and their families. These vegetables are planned to be planted during the off season in sites with access to water.
- NAFKA distributed 200 Kg of Minjingu Mazao's donated fertilizers for establishment of mother demonstrations plots in Kongwa and Kiteto Districts.
- Following training in Quality Declared Seed (QDS), we identified suitable VBAs for QDS production. The high cost of basic seeds, led to the decision to focus on 6 VBAs for QDS production this year. Four VBAs were selected for production of QDS rice and two VBAs were selected for production of QDS maize.

Access to Finance

- Through the progressive farmers development grant project 12 and 9 candidates from the Kongwa and Kiteto Districts respectively were selected to receive small production grants of Tshs. 6,640,000/=. Ten of these are women.

2.5 Tanzania Rice Partnership (TARIPA) Coordination Activities

NAFKA continued its coordinating role for Tanzania Rice Partnership (TARIPA) activities. Progress was made on: 1) commitments from input suppliers, Minjingu and Syngenta; and 2) the input insurance pilot which will take off in partnership between KPL, NAFKA and Syngenta Foundation, and the 'hyper local market place' that Vodafone will pilot with linkage and facilitation from NAFKA. NAFKA's TARIPA Coordination activities within the past quarter included:

Outreach activities to potential agri-business investors

- Connected KVTC to agribusiness consultancy firms for rice pre-feasibility study, pre-FS assessment and early stages financing.
- Conducted meetings with Vodafone, Tigo, KickStart, Syngenta Foundation, Syngenta, Yara.
- Met potential rice investors at the Tanzania Investment Showcase Event, i.e. Riceland International Ltd.

To strengthen network of input suppliers, the following activities were performed

- Established relations to Minjingu Mines and Fertilizers Ltd and secured their commitment to work in partnership with NAFKA.
- Syngenta participated in an agrodealer training in Ifakara, Kilombero. In addition, the Syngenta Foundation has decided to invest 46,000 USD in a pilot to develop a weather-based, scalable input insurance for paddy smallholders and rice farms. The pilot took off in December 2012. The role of NAFKA in the first season is: 1) to take weekly pictures from selected KPL outgrower farms and 2) to share rice value chain studies to help Syngenta Foundation calculate their business case.

Facilitated firm development of market information systems

- During the quarter the TARIPA coordinator worked with Vodafone and the NAFKA Market Linkage Specialist to support the establishment of a 'hyper local market place', i.e. a platform where farmers and traders connect directly to bypass middlemen. Planning of the pilot is at an advanced stage. Tandale grain traders, Kongwa Cereal Growers and three farmer groups in Kilombero have been registered on the platform. This trading platform will allow for transparency in the grain markets and further increase

access to finance for producers. It will connect farmers and traders by creating a virtual notice board for farmer associations to give offers of bulked and graded grains, and for traders to give their bids.

- We have started discussions with Tigo on a potential partnership to assist in the outreach of TigoKilimo, which was launched in year 2012. Tigo Kilimo, aims to provide farmers with relevant and timely agricultural information from their mobile phones.

2.6 Increasing Incomes for Vulnerable Groups

Catholic Relief Services as one of the implementing partners to provide services to NAFKA has continued to provide technical oversight to *Component 4: Increased Incomes for Vulnerable Smallholders*. Below is a summary of their activities during the quarter.

SILC groups formation monitoring saving and loans for group members

At the end of this quarter, CRS and its implementing partner, CARITAS- Mahenge staff continued with mobilization and training of SILC groups. New promotion techniques were applied during this quarter to increase awareness of SILC methodology to reach more community members. Applied techniques included:

- Use of testimony of the community members who are benefitting from SILC operations.
- Use of village Government meetings.
- Use of Farmer Group Associations.
- Use of mosque and churches to increase awareness on SILC activities.
- One to one where each member of SILC group was required to bring one new member for training.

As a result a total of 14 additional groups were formed during this period. 7 groups have started saving and the remaining 7 are still in the training phase. This adds up to 64 SILC groups mobilized from February 2012 to the end of December 2012. A total of 1,228 members have been reached through SILC, out of these 843 are females equivalent to 69%. Total cumulative savings increased from Tshs. 30,796,750/= in September to Tshs. 54,290,500/= in December 12, while value of loans increased from Tshs. 26,674,800/= in September to Tshs. 50,879,510/= (Table 5 and 6 below).

Table 2: Total update on SILC group formation and membership (Nov 30st 2012)

District	Total number of groups to date		Number of Beneficiaries	
	Started Saving	Under Training	Male	Female
Kilombero	51	13	385	843
Total	64		1,228	

Table 3: SILC Group Savings and loans

District	No. of groups	Savings	Loans outstanding	Loans beneficiaries			
				Men	Loan Value	Women	Loan Value
Kilombero	51	54,290,500	50,879,510	185	16,067,000	353	34,812,510

The above tables indicates that, more women are accessing loans compared to men, the loan size for women was higher at an average of Tshs. 98,000 compared to men at Tshs. 87,000. This is an indication that more women are starting petty businesses which need more capital depending on the availability of the market. More women trust the SILC methodology because of its transparency, which ensures safety of members' contribution, an important aspect for rural scheme saving methodology. NAFKA is planning to train field agents who are directly working with communities on SILC to ensure proper records are kept with members.

Pilot Certification for Private Service Provider (PSP)

3 Partner staff (one project Coordinator and two extension officers) were trained on certification process during this period, this was followed by an actual pilot certification of one field agent in Kalengakelu. The objective of involving partner staff in this piloting exercise is to equip them with the knowledge so that they do the same to the remaining uncertified field agents. Tools for certification included: FGD checklist to group members to assess group member's satisfaction, oral exam to field agents and data collection form for assessing group quality. At the end a public notification was done to inform the community in general that the field agent has become a PSP and will be providing SILC services.

KPL Extension officer recruitment

CRS in collaboration with CARTAS Mahenge conducted interviews on the 14th of November, 2012 for extension officer position. Out of two candidates who attended interviews Patrick Kifarua was selected and has been recruited and will work in KPL zone area.

KPL Village Identification and training of identified Field Agents in SILC methodology

A consultative meeting was held with KPL management to discuss the way forward towards introducing SILC in their communities. It was agreed that SILC will be implemented in seven villages out of ten as the other three have other microfinance practitioners. It was also agreed that further assessment be done to identify potential villages for SILC. CARITAS Mahenge in collaboration with CRS conducted an assessment and identified 6 villages leaving out Njage Village. 7 field agents were identified and mapped in the area. This is a new zone which includes six villages of Chisano, Udagaji, Merela, Chita and Ikule. Njage village was not selected because there seem to be concentrated with many organizations practicing microfinance. For Merela village two field agents were identified as its size justified the need to have two field agents. All 7 Field agents identified and selected were men and no women was selected. This is a challenge to gender inclusion however the component is currently developing the gender based recruitment plan that will be used in future to include more women participation.

Community leader's sensitization meeting

Sensitization meetings were conducted to community's leaders for 6 villages within KPL. The villages are Chisano, Udagaji, Merela, chittah, Ikule and Njage. However a Njage village was omitted due to concentration of other organization offering financial services in the area.

Follow-up on vegetable gardens and results

Follow up was made to 17 farmers supported with vegetable seed in Ngalimila, Igima, Mgudeni and Mwaya villages. The women pointed out benefits they got as a result of growing vegetables. The main advantage was easy access of green vegetable at household level for consumption and access to cash from selling of surpluses. The obtained cash was used to purchase household needs and others were saved in SILC groups where they are members in their villages.

2.7 Short Term Consultancies

The following short-term consultancies were conducted during the reporting period, with reports of these consultancies prepared and submitted to USAID.

- [REDACTED], Director of Environmental Compliance from ACDI/VOCA, visited to consult on safer use action plan for pesticides (SUAP) and Environmental Monitoring and Mitigation plans (EMMP).
- [REDACTED], Regional M&E Specialist from ACDI-VOCA, facilitated a training session on Data Quality Management and Conducting Data Quality Assessment.
- [REDACTED], Deputy Director, Agribusiness, ACDI/VOCA – came to work with the Grants Manager on the development and planning for the 2012-2013 innovation and investment grants pipeline, facilitating the finalization of strategic production grants for the production season. She also worked with the M&E team on NAFKA's PMP and database development.
- [REDACTED], Senior Technical Advisor, Financial Services, ACDI/VOCA—visited to work with the Access to Finance Specialist on developing a strategy and workplan for integrating FS into NAFKA activities in the coming year.

3. CROSS-CUTTING ISSUES

3.1 Gender Integration

In order to ensure that men, women and youth have equal opportunities to participate in the rice and maize value chain, our gender integrated activities are streamlined into all NAFKA activities. Among the 12,569 farmers supported by NAFKA to date, 44 percent of them are women. 26 women from a group of 50 progressive farmers prequalified and were approved for grants under the NAFKA progressive farmers' project during the quarter. During the quarter, the NAFKA Agro dealer grants program also assisted one woman and five male farmers with a grant in order to increase the availability of inputs to farmers in the rice value chain.

Our Gender Integration Specialist coordinated the process of sensitization of new NAFKA villages as well as supervised the exercise of selecting lead farmers and VBAs to make sure gender equity was understood and adhered to. The approach ensured that there was gender balance among the lead farmers and VBAs. Therefore in a village where a lead farmer is male, then the VBA was female and vice versa. This means each village selected both a lead farmer and a VBA.

The importance of integrating Gender and women's empowerment in the project was emphasized with the objective of:

- Addressing prevailing social -cultural issues /constraints in rice and maize value chain at household and community levels for increased incomes and food security.
- Importance of involvement of women in decisions with regards to paddy and maize farming, marketing, household expenditures etc.
- Access and ownership of assets by women and youth- land, equipment etc. and role of village government in facilitating access to these resources.

3.2 Behavior Change Communication (BCC)

The quarter under review was an extremely busy time, with tremendous progress in the implementation of BCC activities. During this quarter, the NAFKA BCC team was able to develop a series of communications materials targeting the good agricultural practices of using quality seed and the proper use of fertilizer. These materials were all pretested and refined based on community feedback and ultimately rolled out in the target districts. In addition, the BCC team formed a technical BCC Working Group (BCC-WG) within the larger NAFKA team to ensure integration of all BCC activities.

NAFAKA developed a multi-channel communication approach to try to increase the use of quality seed and proper use of fertilizer. NAFKA's BCC communication team identified the need to use agricultural behavior champions, including the farmer association leaders, VBAs, and extension agents, to promote these desired behaviors and increase their visibility within communities. To achieve this, our BCC specialist, with a Tanzanian and Kenyan graphic designer, developed several prototypes of posters and t-shirts in Swahili that could be used within a community setting. NAFKA developed pretesting instruments for each of these interventions so that we could gauge whether these interventions correctly communicated the intended messages. The BCC team also branded these with both the USAID FtF logos and NAFKA's BCC theme. All of the branding and marking was approved by USAID Tanzania.

We then pretested these materials in target communities and with NAFKA experts, and received numerous comments. While the comments were generally positive, there were several suggestions for improvement. The BCC specialist took these comments and redesigned the materials. After redesign, we again verified that these materials were achieving the intended results through expert interviews. The BCC specialist then worked with the NAFKA team to select vendors for printing and distributed these materials according to the distribution plan. NAFKA distributed 500 t-shirts and 2000 posters to the four target districts. All maize materials were distributed to Kongwa and Kiteto, and all rice materials were distributed to Mvomero, Mang'ula, Ifakara Nort, and Malimba. Initial feedback has been very positive, and a rapid evaluation is planned for next quarter to assess their impact. The final BCC materials that were distributed are shown below:



The project also developed two radio spots to promote the same two targeted behaviors. We followed the same methodology as it did for the t-shirts and posters. Initially, prototypes were developed based on the communication strategy. After developing the prototypes, the BCC team developed pretesting tools and tested them in focus group discussions in the communities. The radio spots were then adapted based on community and expert feedback. USAID approved the scripts for broadcast, and radio stations were selected after a media analysis was done. At the end of this quarter, the spots were ready to air and were only waiting for administrative approval to finalize contracts with the radio stations. An assessment of the radio effectiveness is scheduled to be conducted next quarter.

BCC staff also led the development of a BCC-WG to fully integrate BCC into project activities. The purpose of a BCC-WG is to provide the necessary technical and other specialist inputs, including information and data, required to develop respective BCC messages and materials. They contribute to the project's BCC activities undertaken by NAFKA. The WG is comprised of designated representatives from NAFKA respective Technical Components, BCC experts, and invited delegates, depending on the requirements of specific areas of expertise under consideration. The terms of reference for the group have been accepted, and the group will become functional next quarter.

3.3 Environmental Compliance and Natural Resource Management

Safe Use Action Plan (SUAP) is one of the deliverables of Pesticides Evaluation Report and Safe Use Action Plan (PERSUAP) which needed to be developed by NAFKA to make sure all pesticides used in the project

have been approved by the PERSUAP, and are used in a safe way by farmers i.e. use protective gears. The draft of the SUAP has been prepared and is in the process of submission to USAID.

██████████ - Director of Environmental Compliance ACDI/VOCA and ██████████ NAFKA's Environment Specialist visited Kongwa, Dakawa and Kilombero to discuss various issues with our beneficiaries. The issues discussed included: methods of clearing plots and how to clear demonstration plots ecologically. The team further assessed farmers on their knowledge of the environmental impacts of inputs such as fertilizers, seed, pesticides and irrigation technology. It was observed that there is little or no awareness of the impact of agricultural practices and inputs on the environment. Furthermore farmers in these areas do not use Personal Protective Equipment's (PPEs). The biggest concern to farmers was the irregular and diminishing rain fall pattern this season as well as, lack of access to good seed quality. The visit also allowed the team to obtain the impacts that agriculture is having to the soil and they have been in cooperated in the EMMP. Environmental Mitigation Monitoring Plan is one of the requirements under Feed The Future Initial Environmental Examination (IEE). A project needs to prepare an EMMP so that they are able prepare an Environmental Monitoring Mitigation Report to be submitted to USAID for review. The Draft EMMP has been prepared and is in the process of submission to the USAID Environmental Mission Officer.

To address the concerns observed during the Kongwa, Dakawa and Kilombero field visit, a training workshop on Environmental Compliance and Environmental Mitigation and Monitoring Plan (EMMP) development and implementation was conducted in Morogoro for all technical project staff. The objective of the training was to improve the overall understanding of environmental compliance issues with a particular focus on NAFKA activities. 37 old and new lead farmers were also trained on the safe application of pesticides, 13 women and 24 men. The training sessions involved practical demonstrations on field plots. The topics covered included:

1. The use and application of agricultural inputs (Seeds, fertilizer and pesticides).
2. Agricultural practices including preparations of demo plots.
3. Safe application and storage of agricultural inputs (fertilizer, treated seeds and pesticides), including the use of Personal Protective Instruments (PPE).
4. How to control pests and diseases in the demonstration plots and nurseries.
5. Practical demonstrations on the preparations of demo plots and a nursery.

3.4 Monitoring and Evaluation

The NAFKA M&E team engaged in the following activities during the reporting period designed to improve our M&E systems:

1. Preparation of the annual report and compilation of M&E indicator data.
2. Training by Kimetrica in Nairobi on review and initiation of the Ki-project database.
3. PMP review, which led to reduction of indicators from 40 to 25 indicators. A final draft of the NAFKA PMP was submitted to the The Mitchell Group (TMG) for review and comment.
4. Review/develop data collection tools to reflect indicators that are now in our PMP and train field staff on how to collect data using the forms.
5. Since some previous indicators were removed, NAFKA was prompted to set/review targets for the indicators before the start of the new cropping season.

In addition to the above, our M&E team was also involved in review of NAFKA data collection, management, analysis and reporting procedures; internal data audit for selected indicators; and an annual outcome survey. The review of data collection and reporting included the following sub activities:

- Facilitated a short training to all project staff including implementing partners.

- Reviewed the NAFKA performance monitoring plan to ensure detailed specifications for each indicator.
- Reviewed PPR submission for completeness and accuracy.
- Recommended specific improvements to the process so that confidence in completeness and accuracy of data are increased.
- Reviewed NAFKA PMP indicator targets, instrumentation, data collection and analysis procedures for capturing data for QRs and make recommendations for improvement.
- Consulted with TMG on how best to ensure data quality and trained NAFKA staff on the same.
- Developed plan of specific activities and timelines for regular support.

3.4.1 Annual Survey of Outcome Indicators

Our first annual outcome survey was conducted during this reporting period exclusively in villages that received NAFKA interventions between September, 2011 and October, 2012. The survey sampled a total of 400 smallholder farmers/households (including all eight farmers receiving Progressive Farmer Mini-grants), out of 5,502 farmers reached within the first year of NAFKA operations. These included 392 randomly-selected NAFKA farmers, plus eight selected samples (progressive farmers). For comparison purposes, data collected from members of the UWAWAKUDA water users cooperative were analyzed separately, to compare their gross margins with those obtained from the combined findings (irrigated and non-irrigated plots). The total number of farmers surveyed from UWAWAKUDA was 28. However, it should be noted that these comparisons were intended to provide indicative data on variations of farmers' margins under these different conditions. This means that the overall objective of the survey and its design did not intend to provide detailed data of comparative analysis.

It bears noting that this remains a work in progress. Of the 400 farmers sampled in the outcome survey, only 87 were maize growers. This focus on rice reflected our substantial first year emphasis on the SAGCOT region as mandated by USAID. As such, the results of the outcome survey are substantially skewed in favor of rice, yielding results for maize that do not reflect the full extent of our activities in Kongwa and Kiteto districts. We expect to repeat this survey on an annual basis during August-September as opposed to conducting it in December as we did during this reporting period, since August-September is closer to the end of the harvest when farmers are better able to recall the information.

Specifically the objectives of the survey were as follows:

1. To generate data for outcome level indicators: measure changes happening at the household level in terms of farmers' productivity and profitability in maize and rice value chain;
2. To Provide timely performance information necessary to enable the project take corrective actions;
3. To draw lessons that can help ameliorate challenges faced in year one; and
4. To update data/information previously reported to USAID and other stakeholders regarding the NAFKA's performance on outcome indicators.

The outcome survey focused on the following indicators:

1. Gross margin per unit of land, (for Maize and Paddy);
2. Yield: KG/Hectare for Paddy, and Maize ;
3. Number of farmers and others who have applied new technologies or management practices ;
4. Number of hectares under improved technologies or management practices ; and
5. Value of incremental sales (collected at farm-level).

The analysis is intended to compare data obtained from the outcome survey with those estimated by the baseline survey conducted earlier in 2011 and those reported to USAID during NAFKA's 1st annual

reporting period of September 2011 – October 2012. The following is a summary of the key outcome indicators:

I. Gross Margins for Maize and Paddy

It was observed that the combined gross margin for irrigated and rain fed Paddy is USD 543 per ha, whereas the gross Margin for rain fed Maize is USD 106 per ha. The survey further indicated significant variations in productivity per ha and the margins between irrigated rice/paddy plots and rain fed plots. A simple analysis indicated that the gross margin per ha of irrigated paddy plots is USD 1,627 per ha whereas the gross margin for rain-fed paddy plots is 521 USD per ha. Similarly the survey highlighted a big difference in margins between smallholder farmers and intermediate farmers supported by NAFKA through the progressive farmers grant scheme. The findings show that, on average, the eight farmers receiving Progressive Farmer Min-grants had a gross margin of USD 1,278 per ha.

The outcome survey data also revealed substantial variation in gross margin values between the baseline, PPR reporting in November, and the survey findings, as summarized below. The complete outcome survey report will be submitted to USAID in by mid-February, 2013.

INDICATOR DISSAGREGATION	Baseline Value	PPR Nov. 2012	Survey Dec. 2012
4.5-4 Gross margin per unit of land, kilogram, or animal of selected crops (rice, maize, legumes, in some cases horticulture)			
MAIZE	173	603	106
Hectares planted (MT)	2,200	533	279
Male	1,144	277	191
Female	1,056	256	88
Total Production (Ha)	4,180	1,013	273
Male	2,174	527	177
Female	2,006	486	96
Value of Sales (USD)	133,760	167,096	41,664
Male	69,555	86,890	25,903
Female	64,205	80,206	15,761
Quantity of Sales (MT)	418	506	179
Male	217	263	117
Female	201	243	62
Purchased input costs (USD)	10,700	13,367	33,946
Male	5,564	6,951	22,391
Female	5,136	6,416	11,555
RICE	321	1,015	543
Hectares planted	2,950	6,451	7,461
Male	1,534	3,355	4,277
Female	1,416	3,096	3,184
Total Production (MT)	6,490	56,577	17,681
Male	3,375	29,420	9,990
Female	3,115	27,157	7,691
Value of Sales (USD)	408,870	3,054,500	3,654,687
Male	212,612	1,588,340	1,752,396

Female	196,258	1,466,160	1,902,291
Quantity of Sales (MT)	649	22,631	8,435
Male	337	11,768	4,397
Female	312	10,863	4,038
Purchased input costs (USD)	32,710	1,086,289	3,608,827
Male	17,009	564,870	2,047,661
Female	15,701	521,419	1,561,166

As can be readily noted, significant variation exists between baseline values, those reported in the PPR in November 2012, and the results of the outcome survey conducted in December, 2012:

Baseline vs. surveyed figures

The main purpose of this section is to highlight some of the key findings of the first NAFKA outcome survey, which was conducted towards the end of 2012. Among other things, the survey aimed at collecting and analyzing first-hand information from farmers who benefit from NAFKA interventions, with the objective of updating and reviewing its existing data/information on some key performance indicators.

The main focus of the survey was to review whether data points for the gross margin calculation were factored in the earlier estimates. One of the differences realized is that farmers sampled in the baseline survey were interviewed for both maize and paddy, while the recent NAFKA outcome survey focused on each specific value chain supported in the districts separately, i.e., paddy and maize.

The average cost of producing maize in Kongwa as reported by the baseline survey was USD152 per ha and USD248 per ha in Kiteto. These costs are much higher compared to the average costs of producing maize in Kilombero which is USD54 per ha also reported in the baseline. Since the baseline used combined average costs for Kongwa and Kiteto which are much higher, and that of Kilombero which is lower, the overall average production cost for maize reported in the baseline must be lower, compared to that of the outcome survey costs which were obtained from the high cost averages of Kongwa and Kiteto only.

Other aspects which might have affected the gross margin values include drought, which affected production in the maize growing areas, continuous prices of inputs due to inflationary pressure, and limited adoption of agronomic technologies in the maize growing areas due to delayed interventions. We expect more NAFKA beneficiary farmers from year one to begin applying skills learned in the 2012/2013 cropping season.

Survey vs PPR report

The 2011 NAFKA outcome survey is the first large-scale survey implemented by NAFKA since the baseline survey. The survey sought to update information that was estimated and reported previously in the PPR in November. The findings of this outcome survey are intended to review the previously-presented data and reflect the real situation rather than relying on estimates. As can be noted in the Gross Margin chart above and data reported in Annex I, there is substantial variation between the two relative to outcome indicators.

Variations in Gross Margin for Paddy

The outcome survey recorded an average gross margin of USD 543 for paddy, whereas the baseline value was USD321. A significant reason for this variation is the fact that there has been some adoption of new technologies across all clusters resulting from NAFKA interventions. However, the rate of adoptions varies

from one cluster to another, with UWAWAKUDA and KPL clusters showing high rates of application of new agronomic practices. The high rates of adoption in these clusters can be attributed to intensive training in rice farming technologies that targeted UWAWAKUDA farmers as well as the propagation of the SRI technology among KPL outgrowers. Similarly, the findings show that the overall rate of adoption is 62% in paddy-growing areas and 55% in the maize areas among NAFKA beneficiaries.

2. Yield: KG/Hectare for Paddy, and Maize

The survey findings on yield show some parities with those reported in the baseline study. For example, the baseline survey estimated the average production of maize per ha to be 950 kg, whereas the outcome survey found the average yield per ha of maize plots to be 976 kg. However, there was a notable difference between yield data for rice between the two studies. The baseline estimated the average yield per ha of paddy at 1,494 kg against 2,370 kg per ha estimated by the December survey. One direct explanation for this variation could be the inclusion of irrigated rice farms in the outcome survey and the adoption of modern rice farming technologies as a result of NAFKA's capacity building activities in year one.

3. Number of farmers and others who have applied new technologies or management practices

The survey found that of 334 surveyed farmers in the paddy growing areas, 208 reported to have adopted at least one of the technologies that were made available by NAFKA in year I. This is equivalent to 62% of farmers, who received NAFKA support in year I. On the other hand, 33 of 60 farmers (55%) sampled and interviewed from the maize growing areas reported to have applied at least one of the technologies disseminated by NAFKA in year one. The findings of the survey were then generalized /extrapolated to estimate the number of NAFKA beneficiaries who have adopted new technologies as 3,357 in paddy growing areas.

4. Number of hectares under improved technologies or management practices as a result of USG assistance

The survey results indicate that approximately 62% of farmers in the paddy growing areas have adopted at least one of the technologies/practices that were made available by NAFKA in year one. Similarly, the survey found that about 55% of farmers in the maize growing areas have adopted at least one of the technologies/practices made available by NAFKA. Given the average landholding of 1.4 hectares per household, we have estimated that the total number of hectares under improved technologies or management practices to be 4,961 hectares. By the end of year one of project activity, NAFKA had reached a total of 5,502 beneficiaries in both maize and paddy growing areas.

5. Value of incremental sales (collected at farm-level)

In terms of sales, the survey found that the total sales by the 334 paddy farmers who were interviewed amounted to USD 226,000. Based on this, it is estimated that the total value of sales for paddy under NAFKA for 2012 is USD 3,696,350. The survey also collected data on farmer sales and types of markets to which they sell their produces. More details will be made available in the complete outcome survey report, to be submitted in mid-February 2013.

Annex I contains updated NAFKA quantitative information, to include both outcome and output indicators.

4. STAKEHOLDERS PARTICIPATION IN PROJECT ACTIVITIES

NAFAKA continued to strengthen its collaboration with other implementing partners in the planning and implementation of activities. Stakeholders include producers, the formal and informal organizations that represent them, local and national Government of Tanzania entities, government, local authorities, private sector (input suppliers/buyers/traders/ financial advisory/technical assistance service providers), research, training and academic institutions, and other FtF implementing partners.

Collaborating with Input Suppliers/ Buyers/Traders/ Financial Advisors/ Technical Assistance Service Providers

- Youth Self-Employment Foundation (YOSEFO) conducted entrepreneurship training to 310 small holder farmers. This training was conducted as a risk mitigation strategy for providing loans to farmers with no loan or credit history. The total amount of loans disbursed during the quarter was Tshs. 124,000,000/= . Tshs. 400,000/= per candidate.
- NAFKA continues its collaboration with Kilombero Plantation Limited (KPL) and Kilombero Valley Teak Company (KVTC) to provide SRI extension services to paddy out growers in 10 villages.
- Seed donating companies throughout the quarter include: Bytrade and East African Seed Co.
- Fertilizer donating companies throughout the year include; Yara Tanzania Ltd. and Minjingu Mines & Fertilizer Ltd.
- TARIPA coordinator worked with Vodafone to support the establishment of a ‘hyper local market place’, i.e. a platform where farmers and traders connect directly to bypass middlemen.

Collaborating with Feed the Future Implementing Partners

- Nafaka has been in discussion with Tuboreshe Chakula on warehouse upgrading grants. Tuboreshe Chakula is a key activity of the Feed the Future (FtF) initiative, whose purpose is to transform the Tanzania’s agro-processing industry – maize, rice and oilseed processing – and increase the supply of and demand for nutritious and fortified foods, especially among vulnerable populations in the food insecure regions of Morogoro, Dodoma and Manyara. Nafaka is also discussing plans to facilitate a gender integration training for their field staff.
- The link between agriculture and nutrition is fundamental to the Feed the Future initiative. Africare is the lead Feed the Future partner implementing nutrition activities under the Mwanzo Bora Nutrition Project. NAFKA has continued to partner with Mwanzo Bora by providing access to NAFKA producer groups for participation in training activities for improving maternal and child nutrition.

5. MANAGEMENT AND STAFFING

NAFAKA now employs 74 full time staff, including 48 direct ACDI/VOCA employees and 26 staff employed by our subcontractors. In addition to our representational office in Dar and main technical office in Morogoro, NAFKA has established satellite offices in Ifakara (on the KVTC compound) and Kongwa (sharing office space with the Kongwa Cereal Growers Association).

6. CHALLENGES AND CONSTRAINTS

- Weather: Our main challenges during this reporting period were caused by factors outside NAFKA’s control, such as poor infrastructure and poor weather that limited the number of activities performed during the quarter. There was a drought this quarter that affected the progressive farmers as well as the

'non-irrigated demonstration plots in Kilombero, Mvomero, Kongwa and Kiteto District. Smallholder farmers are highly dependent on rainfall; therefore climate conditions may pose a great threat to their production levels.

- Infrastructure: Poor transportation and irrigation infrastructures affect agriculture production and marketing.
- NMB Bank engagement: NAFKA engaged NMB to work with 1000 outgrowers in the KPL target region. NMB trained 758 to qualify them for agricultural loans in preparation for the coming growing season. Of those 758 trained, NMB distributed loans of TSh. 400,000 to 189 outgrowers. Reasons for the low loan rate include outgrower frustration with the rather complex documentary requirements of NMB, which discouraged many outgrowers from applying. NMB is reviewing these procedures to determine how they can be streamlined for next year.
- Marketing Agreement: A group of buyers called Tandale Market Grain Sellers' Association and Investment (TAMAGRASAI) had agreed to buy 30 metric tons of rice (not paddy) from Mvomero associations at a price ranging between Tshs. 1600/= to Tshs. 2000/= per Kg depending on the Quality. However the transaction failed due to lack of quality milling machines and poor organization of farmers in terms of aggregation set up. The farm associations have to make available high quality rice instead of paddy in order to make a business transaction with TAMAGRASAI next season. NAFKA is working with the association to meet TAMAGRASAI's trading requirements for next season.

7. PLANNED ACTIVITIES FOR THE NEXT QUARTER

7.1 Kilombero Rice Plantations Outgrower Scheme

- Follow up on NMB agriculture loan training report.
- Association Development training activities for new groups
- Demonstration plot development
- Establish database with village profile.
- Continue to Facilitate Associations formation and Registrations and Conduct Training to Farmer Based Organization (Associations) on leadership.
- Facilitate linkage of farmer associations to input suppliers and agro dealers.

7.2 The Uwawakuda Water Users Cooperative – Dakawa

- Continue to explore our collaboration with Tuboreshe Chakula.
- Follow up on TIB MOU.
- Follow up on NMB assessment for potential progressive farmers loan applications
- Land Preparation for Dakawa model farm
- Financial strengthening

7.3 Strengthening Irrigated and Rain-Fed Regions in Kilombero and Mvomero Districts

- Establish database with village profile.
- Continue to Facilitate Associations formation and Registrations and Conduct Training to Farmer Based Organization (Associations) on leadership.
- Facilitate linkage of farmer associations to input suppliers and agro dealers.
- Follow up on the NAFKA grants for warehouse upgrading.
- Collect product sales data from farmers both associations and non-association.

- Facilitate the formation of apex chapter of farmer associations in Mlimba.
- Conduct needs assessment and determine capacity gaps of apex associations.
- Provide capacity building activities to apex associations management.
- Facilitate and collaborate with other FTF to empower AKIRIGO to establish storage facilities for rice bulking.

7.4 Strengthening Maize Regions in Kongwa and Kiteto

- Establish database with village profile.
- Facilitate farmer group strengthening with Kongwa Cereal Growers Association
- Assess existing cooperative in Kiteto for potential collaboration under NAFAKA
- Work with MVIWATA and KCGA on maize market in Kongwa.

7.5 Development of Village-based Input Supply system

- Register VBAs as seed dealers
- Train VBAs and DCs on: *Deep Tillage; Village-approach / Demo protocols / Reporting / Sweet potato & Cassava; Chicken Vaccination* as soon as vaccine PERSUAP obtained; Tree and Vegetable Nurseries; and Business Skills*
- Set up demonstration plots and Small-pack seed distribution:

7.6 Tanzania Rice Partnership (TARIPA) Coordination Activities

- Outreach activities to potential agribusiness investors and Strengthen network of input suppliers
- Assess TARIPA partner info needs
- Hire Assistant to support TARIPA
- Facilitate firm on: collaboration to pilot input insurance in KPL; exploration of mobile transaction services; development of market information systems; and development of "Green Growth Corridor"

7.7 Increasing Incomes for Vulnerable Groups

- Conduct vulnerability assessment within Kilombero district within year one groups.
- Facilitate signing of agreements with Diocese of Ifakara and ArchDiocese of Arusha for C4 implementation
- Expansion to additional 7 villages of Kilombero District
- Develop work plans for year C4 implementation in Kilombero and Kiteto
- Conduct village mappings in Kiteto and Kilombero districts for C4 implementation
- Staff recruitment at partner level
- Conduct TOT in SILC methodology/MIS to partner staff
- Conduct FA identification process in Kiteto and Kilombero Districts

7.8 Gender Integration

- Finalize gender strategy in maize areas
- Analysis of KINNAPA- KITETO-Capacity to organize farmers-integrate gender /women empowerment
- Participate in CAVAT- identify opportunities to share experiences on Innovations on women empowerment
- Collaborate with staff to document and disseminate success stories on women's empowerment

- Address gender issues in out-grower schemes -Gender assessments in KPL zone and KVTC; design interventions
- Facilitate Youth empowerment groups in target villages; identify training needs, identify activities etc.
- Mobilize Youth groups in DAKAWA to access innovation grant- fabricate labor saving devices- push weeders etc. (these have already been trained by KATC).
- Gender training – among groups /associations- identify training needs, design interventions, decision making in Farming as a business
- Plan and facilitate participation in International Women’s day
- Facilitate training and dissemination of gender Policy to NAFKA Staff;
- Identify, recognize and award gender equality "champions" based on criteria
- Conduct gender training for NAFKA extension staff
- Ongoing collaboration and follow-up on gender integration in all components
- Participate in International Women's Day (IWD) events to raise public awareness about women and men's roles in food security

7.9 Behavior Change Communication (BCC)

- Broadcast of radio messaging
- Assessment of BCC effectiveness
- Routine monitoring of BCC activities
- Documentation of evidence-based best practices and lessons learned for BCC programming
- Development of next BCC seasonal campaign

7.10 Environmental Compliance and Natural Resource Management

- Work on environmental indicators with M & E team
- Meeting with Productivity team including partners (FIPS,IFDC) on training schedule on pesticide application
- Material safety Data sheets (MSDSs) collection and distribution to technical team.
- Awareness to farmers on the pesticides use and their risks.
- Collection of information on the issue of slash and burn from district offices.
- Review the EMMP and implement all the mitigation measures especially during this coming season
- Define best practices of inputs and chemicals
- Follow up on the green print of SAGCOT.
- Submission of EMMP and SUAP to an Environmental Mission Officer-USAID.

7.11 Seed Production Initiative

- Seed production
 - Assess fields where QDS seed will be planted; map on GPS.
 - Continue to develop collaboration with Tanseed and KATRIN; follow up on grant to produce certified rice seeds.
 - Distribute information about UDP to all maize and rice demonstration plots. Implement UDP training in rice and maize areas.
- Agro-dealer development
 - Organize ToT on product knowledge.
 - Link agrodealers to associations to ensure accessibility of inputs.
 - Introduce service provider agrodealers to associations and demonstration activities.

ANNEX 1: QUANTITATIVE REPORTING

NAFAKA PMP WITH ANNUAL TARGETS AND FY 2013 FIRST QUARTER ACHIEVEMENTS (OCTOBER–DECEMBER 2012)						
		BASELINE VALUE	ACTUAL THRU SEPT 2012	TARGET 2013	ACHIEVED OCT-DEC 2012	CUMULATIVE ACHIEVEMENTS THRU DECEMBER, 2012
IR_1: Improved Agricultural Activity						
FTF-4.5-4	Gross margin per unit of land, kilogram, or animal of selected product (crops/animals/fisheries selected varies by country) (RiA) (OUTCOME)	-	-	-	-	-
	Maize	173	106	607	N/A (measured and reported annually)	-
	Hectares planted(ha)	2,200	279	5,000	N/A	-
	Male	1,144	191	2,600	N/A	-
	Female	1,056	88	2,400	N/A	-
	Total Production (MT)	4,180	273	10,500	N/A	-
	Male	2,174	177	5,460	N/A	-
	Female	2,006	96	5,040	N/A	-
	Value of Sales (USD)	133,760	41,664	945,000	N/A	-
	Male	69,555	25,903	491,400	N/A	-
	Female	64,205	15,761	453,600	N/A	-
	Quantity of Sales (MT)	418	179	3,150	N/A	-
	Male	217	117	1,638	N/A	-
	Female	201	62	1,512	N/A	-
	Purchased input costs (USD)	10,700	33,946	113,400	N/A	-
	Male	5,564	22,391	58,968	N/A	-

NAFAKA PMP WITH ANNUAL TARGETS AND FY 2013 FIRST QUARTER ACHIEVEMENTS (OCTOBER–DECEMBER 2012)						
		BASELINE VALUE	ACTUAL THRU SEPT 2012	TARGET 2013	ACHIEVED OCT-DEC 2012	CUMULATIVE ACHIEVEMENTS THRU DECEMBER, 2012
IR_1: Improved Agricultural Activity						
	Female	5,136	11,555	54,432	N/A	-
	Rice	321	543	987	N/A (measured and reported annually)	-
	Hectares planted (ha)	2,950	7,461	17,000	N/A	-
	Male	1,534	4,277	9,520	N/A	-
	Female	1,416	3,184	7,480	N/A	-
	Total Production (MT)	6,490	17,681	42,500	N/A	-
	Male	3,375	9,990	22,100	N/A	-
	Female	3,115	7,691	20,400	N/A	-
	Value of Sales (USD)	408,870	3,654,686	5,355,000	N/A	-
	Male	212,612	1,752,396	2,784,600	N/A	-
	Female	196,258	1,902,291	2,570,400	N/A	-
	Quantity of Sales (MT)	649	8,435	12,750	N/A	-
	Male	337	4,397	6,630	N/A	-
	Female	312	4,038	6,120	N/A	-
	Purchased input costs (USD)	32,710	3,608,828	1,071,000	N/A	-
	Male	17,009	2,047,661	556,920	N/A	-
	Female	15,701	1,561,166	514,080	N/A	-
USAID(T)	Yields: KG/Ha for rice, maize and horticulture cultivated (OUTCOME)	-	-	-	-	Measured and reported annually after harvest. Indicator recently added to our PMP, so targets yet to be set.
	Maize	950	976	-	N/A	-

NAFAKA PMP WITH ANNUAL TARGETS AND FY 2013 FIRST QUARTER ACHIEVEMENTS (OCTOBER–DECEMBER 2012)						
		BASELINE VALUE	ACTUAL THRU SEPT 2012	TARGET 2013	ACHIEVED OCT-DEC 2012	CUMULATIVE ACHIEVEMENTS THRU DECEMBER, 2012
IR_1: Improved Agricultural Activity						
	Rice	1,494	2,370	-	N/A	-

NAFAKA PMP WITH ANNUAL TARGETS AND FY 2013 FIRST QUARTER ACHIEVEMENTS (OCTOBER–DECEMBER 2012)						
		BASELINE VALUE	ACTUAL THRU SEPT 2012	TARGET 2013	ACHIEVED OCT-DEC 2012)	CUMULATIVE ACHIEVEMENTS THRU DECEMBER 2012
IR_1.1: Enhanced Human and Institutional Capacity Development for Increased Sustainable Agriculture Sector Productivity						
FTF-4.5.1-27	CBLD-5 Score, in percent, of combined key areas of organization capacity amongst USG direct and indirect local implementing partners (S) (OUTCOME)	Data collection on this indicator is yet to start. Assessment of partners is expected to start at the end of the next reporting period.				
	Numerator: The total number of points scored	-	-	-	-	-
	Denominator: The total number of points possible	-	-	-	-	-
FTF-4.5.2-7	Number of individuals who have received USG supported short-term agricultural sector productivity or food security training (RiA) (WOG) (OUTPUT)	0	4,656	20,000	2,616	7,272
	Type of individual					
	Producers	0	4,656	19,600	2,616	7,272
	People in government	0	0	100	0	0
	People in private sector firms	0	0	100	0	0
	People in civil society	0	0	200	0	0
	Sex					

NAFAKA PMP WITH ANNUAL TARGETS AND FY 2013 FIRST QUARTER ACHIEVEMENTS (OCTOBER–DECEMBER 2012)						
		BASELINE VALUE	ACTUAL THRU SEPT 2012	TARGET 2013	ACHIEVED OCT-DEC 2012)	CUMULATIVE ACHIEVEMENTS THRU DECEMBER 2012
IR_1.1: Enhanced Human and Institutional Capacity Development for Increased Sustainable Agriculture Sector Productivity						
	Male	0	2,412	10,400	1,547	3,959
	Female	0	2,244	9,600	1,069	3,313
FTF-4.5.2-5	Number of farmers and others who have applied new technologies or management practices as a result of USG assistance (RiA) (WOG) (OUTCOME)	0	3,405	16,510	N/A (measured and reported annually)	3,405
	New/Continuing					
	New	0	3,405	13,010	N/A	3,405
	Continuing	0	0	3,405		0
	Sex					
	Male	0	1,759	8,585	N/A	1,759
	Female	0	1,646	7,925	N/A	1,646
FTF-4.5.2-28	Number of private enterprises, producers organizations, water users associations, women's groups, trade and business associations and community-based organizations (CBOs) that applied new technologies or management practices as a result of USG assistance (RiA) (WOG) (OUTCOME)	0	31	91	N/A (measured and reported annually)	31
	Type of organization					
	Private enterprises (for profit)		0	0	N/A	0
	Producers organizations		30	77	N/A	30
	Water users associations		1	3	N/A	1

NAFAKA PMP WITH ANNUAL TARGETS AND FY 2013 FIRST QUARTER ACHIEVEMENTS (OCTOBER–DECEMBER 2012)						
		BASELINE VALUE	ACTUAL THRU SEPT 2012	TARGET 2013	ACHIEVED OCT-DEC 2012)	CUMULATIVE ACHIEVEMENTS THRU DECEMBER 2012
IR_1.1: Enhanced Human and Institutional Capacity Development for Increased Sustainable Agriculture Sector Productivity						
	Women's groups		0	7	N/A	0
	Trade and business associations		0	2	N/A	0
	Community-based organizations (CBOs)		0	2	N/A	0
	New/Continuing					
	New		31	60	0	0
	Continuing		0	31	31	31
FTF-4.5.2-11	Number of food security private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations (CBOs) receiving USG assistance (RiA) (WOG) (OUTPUT)	0	32	91	25	57
	Type of organization					0
	Private enterprises (for profit)	0	0	0	0	0
	Producers organizations	0	30	77	25	55
	Water users associations	0	1	3	0	1
	Women's groups	0	0	7	0	0
	Trade and business associations	0	1	2	0	1
	Community-based organizations (CBOs)	0	0	2	0	0
	New/Continuing					
	New	0	32	60	25	25
	Continuing	0	0	32	32	32

NAFAKA PMP WITH ANNUAL TARGETS AND FY2013 FIRST QUARTER ACHIEVEMENTS (OCTOBER–DECEMBER 2012)						
		BASELINE VALUE	ACTUAL THRU SEPT 2012	TARGET 2013	ACHIEVED OCT-DEC 2012	CUMULATIVE ACHIEVEMENTS BY END DECEMBER 2012
IR_1.2 Enhanced Technology Development, Dissemination, Management and Innovation						
FTF-4.5.2-13	Number of rural households benefiting directly from USG interventions (S), of which X are vulnerable (Output)	0	4,552	21,386	6,740	11,292
	New/Continuing					
	New	0	4,552	17,000	6,740	11,292
	Continuing	0	0	4,552	4,552	4,552
	Gendered Household Type					
	Adult Female no Adult Male (FNM)	0	1,957	1,069	193	2,150
	Adult Male no Adult Female (MNF)	0	0	1,069	77	77
	Male and Female Adults (M&F)	0	2,595	19,247	6,470	9,065
	Child No Adults (CNA)					
FTF-4.5.2-2	Number of hectares under improved technologies or management practices as a result of USG assistance (RiA) (WOG) (OUTCOME)	0	4,961	18,354	This is reported annually via annual survey a household sample.	
	Technology type					
	crop genetics			0		
	animal genetics			0		

	pest management	0		8,494		
	disease management	0		5,662		
	soil-related	0		5,662		
	Irrigation	0		4,247		
	water management	0		2,831		
	post-harvest handling and storage	0		2,831		
	Processing					
	climate mitigation or adaptation					
	fishing gear/technique					
	total w/one or more improved technology			28,312		
	New/Continuing					
	New			18,354		
	Continuing			9,958		
	Sex					
	Male		2,817	14,722		
	Female		2,144	13,590		
	Association-applied					
FTF 4.5.2-39	Number of technologies or management practices in one of the following phases of development: Phase I/II/III as a result of USG assistance (S) (Output)	0	8	14	5	9
	Phase I Number of new technologies or management practices under research as a result of USG assistance	0	0	0	0	0
	Phase 2 Number of new technologies or management practices under field testing as a result of USG assistance	0	0		0	0

	Phase 3 Number of new technologies or management practices made available for transfer as a result of USG assistance	0	8	14	5	9
NAFAKA	Number of beneficiaries reached(both direct and indirect) (OUTPUT)	0	5,502	20,000	7,067	12,569
	New/Continuing					
	New	0	5,502	20,000	7,067	12,569
	Continuing	0	0	5,502	5,502	
	Sex					
	Male	0	2,869	10,400	4,180	7,049
	Female	0	2,633	9,600	2,887	5,520

NAFAKA PMP WITH ANNUAL TARGETS AND FY2013 FIRST QUARTER ACHIEVEMENTS (OCTOBER–DECEMBER 2012)						
		BASELINE VALUE	ACTUAL THRU SEPT 2012	TARGET 2013	ACHIEVED OCT-DEC 2012	CUMULATIVE ACHIEVEMENTS THRU DEC. 2012
R_2.1: Improved Market Efficiency						
FTF 4.5-10	Total increase in installed storage capacity (m3) (S)		0	0	0	Awaiting results of study conducted last reporting period on existing warehouses in project areas. Findings and recommendations from this study will inform these activities.
	Dry storage		0	0	0	
	Cold storage		0	0	0	

FTF-4.5.2-30	Number of MSMEs, including farmers, receiving USG assistance to access loans (S)	0	0	1,500	310	310
	Size of MSME					

	Micro		0	3	310	310
	Small		0	2	0	0
	Medium		0	0		
	Sex of owner					
	Male		0	765	180	180
	Female		0	731	130	150
	Joint					
FTF 4.5.2-37	Number of MSMEs, including farmers, receiving business development services from USG assisted sources (S)	0	0	7,000	0	0
	Size of MSME					
	Micro			4,900	0	
	Small			1,960	0	
	Medium			140	0	
	MSME Type					
	Agricultural producer			6,979	0	
	Input supplier			7	0	
	Trader			7	0	
	Output processors			7	0	
	Non agriculture			0	0	
	Other			0	0	
	Sex of owner					
	Male			3,640	0	
	Female			3,360	0	
	Joint					
IR_3: Increased Investment in Agricultural or Nutrition Related Activities (Corresponds to NAFKA Component 5 Activities)						
FTF-4.5.2-12	Number of public-private partnerships formed as a result of FTF assistance (S)	0	2	5	12	14

	Agricultural production	0	2	2	12	14
	Agricultural post-harvest transformation			1	0	
	Nutrition			1	0	
	Multi-focus			1	0	

R 5: Increased Resilience of Vulnerable Communities and Households (Corresponds to NAFKA Component 4 Activities)						
FTF 4.5.2-25	Number of people with a savings account or insurance policy as a result of USG assistance (S) (OUTCOME)		913	5,273	315	1,228
	Type of account					
	Savings		913	5,273	315	1,228
	Insurance					
	Sex					
	Male		347	2,635	37	384
	Female		566	2,638	278	844
NAFAKA	Value of Savings accumulated by SILC groups under NAFKA (OUTCOME)		19,406	40,000	14,804	34,210
	Sex					
	Male		7762	16000	6,810	14,572
	Female		11,644	24000	7,994	19,638
NAFAKA	Number of beneficiaries with access to home gardens or alternate crops as a proxy to nutritious foods and income		913	4,360	0	913

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