The First Mile Project

Emerging results

Implementation of the First Mile Project within the AMSDP is emerging as an effective methodology for facilitating market linkages for smallholder farmers. Through district core teams of local experts and representatives of key stakeholders, farmers have been able to exchange learning and information with groups in different districts. In a few cases, information has been exchanged with groups outside the programme.

The district core teams have linked producers with other market participants for selected commodity chains. This has been achieved mainly through stakeholders’ workshops that have promoted coordination along market chains. Some of the initial results emerging from the First Mile initiative have been documented by the coordinator of the AMSDP.

Formation of district core teams

Core teams have been established by the AMSDP in 14 districts to facilitate programme activities. The district core teams support information flow and coordination along the market chain, while allowing the market participants to concentrate on their businesses. Some important lessons are emerging on how to commercialize and make sustainable the services provided by the core teams. For example, in Babati district, crop trading companies have expressed interest in contracting the services of the core team under commercial arrangements.

Sharing experiences and information

Members of the district core teams were appointed as district information focal points and trained in how to use the Internet. Using the Linking Local Learners network (http://www.linkinglearners.net), district core teams have started to exchange information about the challenges they face in undertaking their roles. With close facilitation by members of the International Support Group, the teams have also exchanged information on marketing of the particular commodities they are working on. This has helped producer groups and small traders learn about the market situation in other districts, and explore possibilities for enhancing the profitability of their enterprises. Farmers have sometimes exchanged information with fellow farmers in their district outside the programme area, for example in Kilosa district. In a few cases there has been communication from Kenya and Uganda.

Promoting coordination along market chains

The district core teams have organized workshops to bring together key players to explore problems in marketing their commodities, prepare a future vision of a working market chain and identify next steps on how to realize their vision. Next steps will be simple and will help to build trust between the market chain members. It is important to note that bringing small producers together with other key players in a given market chain, as has been achieved in some of the districts, is a vital step towards integrating smallholders into the management of the market chain. This means they become partners in the chain, rather than being simply a segment.

During some of the workshops, direct market linkages have been achieved between producers and traders or processors, where agreements have been reached for the purchase of crops from producers at agreed prices.

Examples from the districts

Following are some examples of outcomes of the workshops and ongoing activities:

Arumeru district

The core team facilitated links between small maize producers and grain milling companies, helping producers to sell their crops at 250 shillings per kilo, instead of 150 shillings per kilo, which was the price being offered at the local market in the same period. The team is helping producers with 0.4 hectares of irrigated rice. Most families have only 0.4 hectare on which they produce about 4.5 tons of paddy from two crops per year. Each family sells its own paddy to middlepeople at harvest time for 187 shillings per kilo. The team is helping families to store their paddy for six months, so they can increase their sale price to 312 shillings per kilo. This results in a total increase in income of just over half a million shillings per year.

Hai district

In Hai, the district team is helping tomato producers to access distant markets in Arusha and Dar Es Salaam. Producers are advised to grade and pack their tomatoes into crates, and to use varieties with a long shelf life, such as Tanya. The team has set up a business methodology for facilitating market linkages for smallholder farmers. Through district core teams of local experts and representatives of key stakeholders, farmers have been able to exchange learning between groups in different districts. In a few cases, information has been exchanged with groups outside the programme.

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tomato crop by identifying different methods of processing from those used by processing industries like Dash, in Arusha.

**Babati district**
The district team in Babati has facilitated farmers through their Savings and Credit Cooperative Society (SACCOS), from which they can take loans to participate in the AMSDP’s warehouse receipt scheme. Instead of selling to middlepeople for 100 shillings per kilo, they now sell at over 600 shillings per kilo. There are now 80 members of the SACCOS, with potential for 500 more members in the district. During the last season in 2005, Magugu producers sold 7,470 tons of paddy. Had the SACCOS and warehouses been operating at that time, the farmers would have increased their incomes by a combined total of some 3.7 billion shillings. Incomes could be doubled to 6.7 billion shillings if producers could sell their paddy as grade 1 milled rice, which fetches 1,500 shillings per kilo. The team is now working with producers and processors on applying for a loan from the AMSDP to have milling and grading equipment installed.

The team helped maize and sunflower producers to get their produce to a reliable market. They negotiated an arrangement for producers to sell directly to the Dodoma Transport Company Ltd, or to other buyers but through the company. Producers were required to adhere to the qualities and standards set by the company. The Dodoma Transport Company Ltd has promised that, if this arrangement is successful, there will be further opportunities for accessing reliable markets for beans, pigeon peas and bananas.

**Muheza district**
Orange market stakeholders in Muheza district participated in a workshop. Following is a summary of discussions and results.

The workshop’s main objective was to enable stakeholders to recognize the different roles of participants in the market chain, collectively identify the challenges to making the chain efficient, and explore possible solutions.

There were 15 participants including representatives of:
- orange producers
- traders (exporters)
- local middlepeople
- transporters
- processors
- service providers (partner agency, district focal person, the Tanzania Chamber of Commerce, Industry and Agriculture, cooperative)
- agricultural extension officer
- financial institutions

The agreed first step in facilitating improvement in the market chain was the analysis of the current market chain, including:
- roles of each player
- constraints faced by each player
- efforts by players to solve those constraints
- vision of market chain players to improve the current situation
- improvement of communication/market information

Apart from limited access to market information, the following are some of the crucial problems highlighted by each group:

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<th>Participants</th>
<th>Challenges</th>
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| Producers    | Low price of oranges  
Lack of capital to purchase inputs |
| Local middlepeople | Lack of trust between producers and middlepeople/traders |
| Processors   | Lack of capital  
High price of oranges  
Lack of market for their products  
Difficulties in getting certification by Tanzania Bureau of Standards (TBS) |
| Traders      | Lack of trust between traders and middlepeople  
Low quality of oranges (mixed varieties and sizes)  
Poor roads |
| Middlepeople/transporters | Lack of trust between producers and middlepeople  
Poor roads  
Low quality of oranges |

The workshop participants also discussed the importance of market information to all key players, and the need to use modern and easier means of communication. They selected two members to become information brokers: these people later attended an Internet course conducted by AMSDP.

Participants discussed different practical ways of communicating, especially use of mobile phones, as well as the type of information they would want to communicate.

The financial institution representative discussed the importance of establishing microfinance institutions like SACCOS, to improve accessibility to capital. He emphasized that his institution worked with strong SACCOS that were registered, had large membership and viable economic activities.

The participants and facilitators agreed on future plans to improve the existing market chain. It was clear from the meeting, for example, that sorting, grading and better packaging would immediately result in farmers getting higher prices for their produce. It was agreed that another workshop would be organized in collaboration with the Muheza district council. The main objective of the workshop will be to work out sustainable solutions to the prevailing constraints, including how to ensure coordinated access to market information along the market chain.

Following the first workshop, the district core team met to chart the way forward on issues agreed by the stakeholders during the workshop. The main immediate issue was how oranges were handled during sorting, grading and packaging. Sorting becomes necessary because farmers in Muheza cultivate mixed varieties/cultivars of oranges. Wooden crates were recommended for packaging, and grading of oranges by size was considered important. The team planned a programme for farmer awareness and training on these aspects.

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**Links**
First Mile Project
http://www.firstmiletanzania.net/
Linking Local Learners
http://www.linkinglearners.net/
IFAD in Tanzania