



FARM RISK MANAGEMENT IN AFRICA

**TANZANIA
STRATEGIC ACTION PLAN
2013**



Mtandao wa Vikundi vya Wakulima Tanzania
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EC-AGRINATURA Partnership

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1. Introduction and Background FARMAF

This Annual Work Plan highlights activities that are planned to be implemented for the period of January to December 2013 to promote Accessible systems and tools to manage risks in family agriculture in Tanzania through the so called Farm Risk Management for Africa – FARMAF Project. FARMAF is generally a four year project that was signed between the European Commission (EC) and AGRINATURA-EEIG on 23rd December 2011 that will run for 48 months from 2012 to December 2015. The project is being implemented in three African countries, namely: Burkina Faso (in West Africa), Tanzania (in East Africa) and Zambia (in Southern Africa). The implementing partners for FARMAF are AGRINATURA-EEIG and African farmers’ organizations at national, regional and continental levels. In Tanzania, the lead in implementing organization for FARMAF is Mtandao wa Vikundi vya Wakulima Tanzania (MVIWATA) and will be collaborating with other partners operating in agriculture sector in the country.

1.1. Goal and objectives of FARMAF

- The overall goal of the proposed programme is to improve food security and livelihoods of the rural poor in Africa, in particular smallholder farmers in the target African countries, namely Burkina Faso, Tanzania and Zambia. The specific objective is to enhance access to and use of effective farm risk management tools by smallholder farmers in Tanzania, Zambia and Burkina Faso. It is expected that this will reduce the exposure of smallholder farmers to downward shocks, improve access to credit and capacity to invest in yield-enhancing technology as well as strengthen their capacity to better manage the marketing of agricultural produce. The overall impact on farm output as well as household income and food security will therefore be positive, thereby reducing poverty in rural households.
- The main rationale for the project is to enable African farmers, who are mainly smallholder farmers, to better manage farm risks, which are prevalent at every stage of the agricultural value chain (from input acquisition to post-harvest storage, processing and marketing). The risks which smallholder farmers are vulnerable to include pests, diseases, price fluctuations, uncertain access to markets and adverse weather events (which are being accentuated by climate change). They also face uncertain access to markets and high price risks as a result of inefficiencies in agricultural marketing systems and, sometimes, disabling agricultural trade policies. As a consequence, the farm sector is unattractive to financial intermediaries, making access to agricultural finance difficult and hampering investment in productivity-enhancing technology.

- Tools already exist which allow farmers in most advanced economies to manage farm risks. For instance farmers can adopt technology to manage the impact of the forces of nature as well as depend on public-funded systems and market-based instruments to mitigate the effects of various shocks. While smallholder farmers in Sub-Saharan Africa are highly vulnerable to farm risks, they have limited options in managing them partly because of severely underdeveloped markets for risk management tools. They therefore tend to rely on traditional *ex ante* risk minimisation strategies such as diversification of farm activities (e.g. mixed cropping and crop rotation) and *ex post* coping strategies such as maintaining reserves of inventories and financial assets. Quite often, these strategies do not optimise productivity and provide limited protection against severe negative shocks.
- In a study undertaken by AGRINATURA-EEIG, some market-based tools were identified which African farmers can potentially use to manage farm risk (these are summarised in Annex 1). Some of these tools have already been successfully piloted in Africa. An example is the weather-indexed crop insurance scheme piloted in Malawi under a project led by the World Bank's Commodity Risk Management Group (CRMG). The scheme compensates farmers for yield losses arising from the vagaries of the weather and is increasingly being coupled with delivery of production finance in Zambia. Another example is the development of warehouse receipt systems (WRS) in Tanzania which has improved marketing and finance for export commodities (coffee and cotton) as well as, but on a rather limited scale, food crops (maize and rice) and has been beneficial to smallholder farmers.

1.3 Overall project implementation approach

Based on lessons from various pilot projects which promoted specific farm risk management tools, FARMAF adopts an approach that recognises that **risk management in agriculture is multidimensional**. As an illustration, in South Africa crop insurance is tied to production credit as well as price hedging using various market-based instruments. This system has contributed to substantial increases in grain output in the country. The evidence indicates that crop insurance on its own is often not attractive to farmers if it is not linked to improved access to credit. FARMAF will, therefore, involve scaling up and/or expanding the scope of farm risk management tools which have been successfully piloted in Africa and are accessible to smallholder farmers. In implementing the project, the following important lessons from other pilots will inform strategies at national and regional levels:

- Limited understanding of the context in which the tools work often leads to underdevelopment of complementary instruments, thereby making it difficult to optimise the benefits from their use.
- Sustainability of many market-based risk management tools tends to be doubtful if the capacity of the private sector to provide the instruments is not fostered.
- Even where private provision is promoted, an enabling policy and regulatory framework is often crucial. Furthermore, government/donor investment in required infrastructure

can significantly impact on the success of the tools as well as improve access to smallholder farmers.

- Advocacy for enabling environment needs to involve not only farmers but a broad range of stakeholders in agricultural value chains such as banks, traders, processors and insurance companies who would also benefit if the risk management tools are developed.
- Demonstration effects can prove very powerful in mobilising broad support behind the development of these tools, particularly where they are seen as new.

Project activities are categorised into the following work packages (WP):

- Work package 1: Start-up, mobilisation and coordination: which includes mobilisation of partners and other stakeholders (especially national and regional). The main outputs are national and regional action plans that reflect shared understanding among partners about the feasible tools which are to be promoted and the context in which they are to be developed and/or scaled up.
- Work package 2: Strengthening capacity of national and regional farmers organisations as well as other national and regional stakeholders in order to ensure effective implementation of action plans.
- Work package 3: Improving and/promoting innovative marketing institutions and fostering access by smallholder farmers which entails: developing, strengthening and/or scaling up market institutions such as market information systems, warehouse receipt systems and commodity exchanges as well as fostering collective marketing by smallholder groups (where necessary).
- Work package 4: Developing and/or promoting insurance products accessible to smallholder farmers
- Work package 5: Generating, synthesising and sharing evidence on project outcomes and determinants of success as well as evidence for effective advocacy for the creation and maintenance of supportive policy and regulatory framework for the risk management tools.

National farmers' organisations, such as MVIWATA in Tanzania, will play a pivotal lead role in implementation of FARMAF. This will involve close collaboration with other stakeholders, including other national farmers' organisations, in defining and implementing national plans. AGRINATURA-EEIG will be responsible for overall management and coordination of project implementation and will as well provide technical experts to complement available national and regional resource persons in supporting implementation of national action plans. PAFO and the regional farmers' organisations will be involved in monitoring and evaluation of project implementation as well as in facilitating lesson-sharing.

ANNEX 1: LIST OF POTENTIAL MARKET-BASED RISK MANAGEMENT TOOLS

Risk/uncertainty	Risk management tools
Output uncertainty (due for instance to vagaries of the weather as well as pests and diseases)	Crop insurance, including weather-indexed insurance supplied by the private sector – piloted in India and Malawi by the Commodity Risk Management Group (CRMG) of the World Bank.
	Livestock insurance piloted in South Africa, Kenya and Zambia.
	Calamity fund to compensate for losses associated with highly covariate risks which cannot be covered by private insurers – piloted in India by the CRMG.
	Improve access to production finance to encourage uptake of improved farm technology.
Uncertain access to markets	<ul style="list-style-type: none"> • Warehouse receipt systems, including institutionalisation of grading standards and market information systems – successfully piloted in Uganda, Tanzania and South Africa. • Promoting commodity exchanges which are accessible to smallholders; as well as • Collective marketing by smallholder farmers' groups.
	<ul style="list-style-type: none"> • Using procurement of local grains by government and aid agencies to foster development of formal markets (e.g. procurement by World Food Programme in Uganda).
	<ul style="list-style-type: none"> • Forward contracting involving farmer groups (e.g. milk producers in Kenya; and with grain farmers by a large-scale trader in Zambia).
Price risk management	<ul style="list-style-type: none"> • Futures contracts – used by the Government of Malawi in managing the landed price of grains imported to fill a deficit in domestic supply. <p>Options contracts traded on SAFEX and used by farmers in South Africa.</p>

2. Background of Agricultural Development in Tanzania

Tanzania is one of the poorest countries in the world with a per capita income estimated at about US\$ 674 per year (2010). Covering an area of 945,000 square kilometres, Tanzania has a population of about 43 million people. According to the National Census of Agriculture 2002 to 2003, Tanzania is predominantly an agricultural country with 80% of its population engaged in subsistence agriculture with incidental surplus for income. The same census indicates that smallholder farmers dominate Tanzanian agriculture with an average of 2.3 ha utilizable land area per household which has not changed for over ten (10) past years. Small-scale farmers in Tanzania exclusively depend on rain fed agriculture, poor technology, inadequate road infrastructure, unreliable markets, lack of market information and limited access to financial services including access to credit.

Tanzania is believed to be food self-sufficient and has a comparative advantage in the production of many crops. Tanzania has about 29million ha of irrigable land, but only 0.3million ha were being utilized by June 2011. Data on aggregate national food production indicates that Tanzania is not a famine-prone country, and regularly produces enough food to meet national requirements. Since 2004/05 season, the country has been self-sufficient in food; as reflected by the food self-sufficiency ratio (SSR) which is the ability of food production to meet demand. The SSR in 2007/08 was 104% (PHDR, 2009).

Wide variety of crops can be grown in Tanzania due to its diversified climatic variation and agro-ecological conditions. Maize, cassava, rice and banana are the principal food crops while traditional export crops include coffee, cashew nuts, cotton, tea and sisal. Other widely grown crops include beans, sorghum, millet, sweet potatoes, and a wide variety of fruits, vegetables, oilseeds and flowers.

There is a big potential for increasing production of items such as maize, wheat and rice to replace imports and to expand food crop exports to neighbouring countries. Another opportunity is expansion of domestic market for food, especially for crops with a high-income elasticity of demand. Similarly, Tanzania's membership in regional trade groupings and as a signatory to international trade protocols is making markets within the region and globally increasingly available. At the same time, the unexploited natural resource stock permits virtually unlimited expansion and diversification in crop and livestock production (Amani, 2004).

However, national production aggregates may conceal variations in food security among regions and districts. According to a rapid vulnerability survey carried out by Food Security Information Team (FSIT) in 2008, the following 10 mainland regions (out of 21 regions) were identified as endemically food insecure: Arusha, Kilimanjaro, Lindi, Manyara, Mara, Mwanza, Mtwara, Shinyanga, Singida, and Tabora. In total 20 districts were identified as having food shortages in 2007/08. The food security problem in Tanzania is described to be transitional food shortage, whereas in some areas there might be bumper harvest but yet the country may still be experiencing hunger in some other geographical areas due to poor infrastructure and other entrepreneurial incentives.

Forecast of food crop production in the country indicates that during 2011/12 financial year, Tanzania is going to produce 12,810,818 tons of which 6,786,602 tons will be from cereals and 6,024,217 tons from non-cereals. But in terms of demand the country will have cereal deficiency of 413,739 tons and a surplus of 1,725,143 tons for non-cereals. According to the food balance sheet for Tanzania during 2011/12 financial year, 11 regions including Arusha, Pwani, Dar es Salaam, Kagera, Kigoma, Kilimanjaro, Lindi, Mara, Mwanza, Shinyanga, and Singida are likely face deficit in cereals despite the impressive statistics on food production forecast.

In terms of the level of malnutrition, the NEPAD country report for Tanzania (2011), indicates that despite significant growth of the economy, the level of malnutrition remain high particularly for children and other vulnerable groups. As noted previously, the hungry and most affected by food insecurity and malnutrition are vulnerable rural poor and small hold farmers who have not been benefiting from agricultural growth, as rising farm and

national incomes have had little effect on households' access to food, ability to acquire food, or both; which raises further concerns about a possible disconnect between agricultural growth and nutritional outcomes. Food insecurity is as high as 45% in some regions. Chronic malnutrition is endemic with 38% of children under 5 in Tanzania stunted, making it one of the 10 worst affected countries in the world, and the third worst in Africa.

Following the above situation, the government of Tanzania and other development actors have been undertaking various initiatives for many decades to address poverty and food security related problems in the country. In recent years, more focus has been on promoting medium to large-scale producers through investments with little consideration of small scale farmers who constitute the majority of the total population engaged in agriculture sector and who will continue to be the major producer group in the country at least in the foreseeable future. The existing plans for investment in agriculture such as the Agriculture Sector Development Program (ASDP), Kilimo Kwanza, Tanzania Agricultural Investment Plan (TAFSIP) and SACGOT are typical examples of such initiatives which have not clearly demonstrated benefits to smallholder although the assumption is that the benefits to small scale farmers will be attained through the out growers schemes model.

Despite the efforts and resources invested in agriculture to address food security and poverty related challenges since decades, the agricultural production in Tanzania has largely remained unchanged probing questions as to whether the policies and priorities are right or are well implemented. Overall, smallholder agriculture accounts for more than half of national GDP, and providing 75% of exports (HBS, 2007). Over last two decades, the contribution of agricultural sector to the Tanzanian GDP has been increasing year after year whereby the agriculture share in the national GDP was 50.7% in 1995. After that time, its share decreased dramatically year after year to the extent that the share of agriculture in the national GDP reached 25.8% in 2007. (Economic Surveys 2001, 2003, 2005, and 2007). The same study indicates that although its contribution has been decreasing, agriculture in Tanzania has remained the main employer sector, employing 67% of Tanzanians.

In terms of performance, the agriculture sector is mainly composed of food crops, cash crops, livestock, cooperatives and agricultural marketing. During the period of 1997/8 to 2007/8, The performance of the sub-sector within the agriculture sector has been mixed but with some encouraging signals of growth (URT, 2008). From 1997/8 to 2007/8, the cumulative average growth rate (CAGR) in food production quantities was 2.7%. The average contribution to total food production was 31.6% for cassava, maize (17.6%), potatoes (16.7%), bananas (16.4%), paddy (6.5%), pulses (legumes) (5%) and others (6.2%). During the same period, the cumulative average growth rate (CAGR) in quantities of for cash crops produced was 2.8% nearly the same as the food crops. On average, cotton and sugarcane were the leading at 25% each, followed by tea (19%) and Cashewnuts (14%). The traditional leaders in the past were behind having contribution of coffee (6%), tobacco (6%), sisal (4%) and others (1%).

3. Interventions done by MVIWATA to address similar challenges

In collaboration with local, regional and international development agencies, MVIWATA has implemented various programs to address poverty and food security related challenges to improve the livelihoods of small scale farmers in Tanzania. Through these programs, MVIWATA has been facilitating formation of Production and Marketing Groups, training small scale farmers on group management, entrepreneurship, business management skills and linking them with traders and other actors in the market value chain to facilitate them access to better prices for their produce. To facilitate access to markets for agricultural commodities, MVIWATA with financial support from EU and the Government of France government undertook the following activities since 2002:

- capacity building of producers, traders and service providers
- capacity building of local government in order to create sound partnership with producers
- establishing and capacitating local institution to become hub of managing established rural markets
- establishing and managing SMS – based market information system (MVIWATA market information System, abbreviated as MAMIS)
- supporting establishing and strengthening of farmers’ financial institutions
- and construction of rural markets rural markets centres in Dodoma (Kibaigwa), Morogoro (Nyandira, Tawa, Tandai), Iringa (Igagala), Tanga (Mkata), Mbeya (Igurusu), Rukwa (Matai and Kasanga) with the purpose of improving quality and conditions of agricultural marketing as well as increasing participation of producers in the marketing process.

These markets have become active business centres where small scale farmers and traders meet for business purposes. Various brokerage and business development services are offered by these markets including weighing, storage, quality control, price negotiation and other. For effective operations of constructed markets, MVIWATA has been supporting technically the established and registered marketing board companies to ensure proper management of market operations and improvement of service delivery at the markets. The operation of marketing activities has been supported by a computerized Market Information System (MIS) whereby market information is accessed through SMS, a system established and managed at MVIWATA Head office to help farmers and other market stakeholders to access up to date price information for various commodities on daily basis. Currently, stakeholders are able to access to price information for different commodities on daily basis, as well as potential buyers and sellers with respective quantities of commodity needed or ready for sale. So far the experience shows that MIS at MVIWATA has enhanced farmers’ capacities on decision making on production, marketing and price bargaining power.

To ensure that smallholder farmers are actively participating in production and other remunerative activities, MVIWATA have been supporting the establishment and management of farmers’ owned saving and credit cooperative societies (SACCOS) to facilitate access to financial resources for investment. These interventions have shown

success mainly in Morogoro, Dodoma, Kilimanjaro and Iringa regions and now continue to expand to other regions where MVIWATA has ongoing interventions. Parallel to that, MVIWATA is facilitating establishment of cereal crop banking to facilitate members' access to loans from existing SACCOS for investments in agriculture and other businesses while waiting for relatively higher and better prices. Another important activity being implemented by MVIWATA is facilitating farmers and partner's access to agriculture and market related information through documentation and dissemination of its experience on community economic empowerment (access market, financial services), networking, lobbying and advocacy for scaling up. Documented information is communicated to the target groups through various media including radio and TV programs, newsletters, website, booklets, etc.

Table 1: Trends of maize quantities (tones) supplied to Kibaigwa Market from 2007 to 2012

Month	2007	2008	2009	2010	2011	2012
January	5409	3835	3806	12154	3224	5393.1
February	5420	3825	3028	9295	2544.42	4466.5
March	4281	2725	4280	4719	2852	4057.2
April	5872	2756	4093	750	1529.3	2233.9
May	9428	6581	7384	857	10458.4	7524.4
June	10052	10162	7977	1097	19857	
July	9185	11019	9969	12657	20047.6	
August	9638	10725	6226	9778	16489.6	
September	7494	10305	3535	5672	14250	
October	8224	8093	2822	5293	7874	
November	7915	6735	3440	4720	8921.5	
December	7216	5753	1502	4745	8047.3	
Annual	90134	83514	58062	71739	116095.1	

Source: MVIWATA, Kibaigwa Market

Table 2: Trends of maize quantities (tones) sold from Kibaigwa Market to other markets from 2007 to 2012

Month	2007	2008	2009	2010	2011	2012
January	5476	3520	4346	1933	5237	5670.23
February	4671	2571	4193	1219.5	4557.44	5978.1
March	4514	2134	5907	777.42	4554.6	6858.54
April	4277	1485	4496	4565	2303.44	3895.67
May	9001	5960	7251	9816	9729.4	6896.71
June	14863	12203	8445	10833	20264.36	
July	12292	12762	9704	9918	22645.3	
August	10576	12717	6890	10346.58	13451	
September	8799	10972	3273	6926.44	16501	
October	6538	11043.3	3891	7335.42	10261	
November	6608	8676	3933	6015	11240	
December	5453.5	7475	1967	6087.44	9208	
Annual	93068.5	94518	64294	75773	129953	

Source: MVIWATA, Kibaigwa Market

However, although much efforts have been directed in this area by MVIWATA and other development actors, only a small ratio of smallholder farmers in rural areas have been facilitated to have better access to markets and credit facilities. The majority of small scale farmers are still facing a number of challenges ranging from lack of access to reliable market and marketing information; lack of access to financial services to invest in agriculture and other productive and remunerative activities; low volumes of produce and lack of access to potential information on best practices for scaling up to improve their living standards.

Additionally, poor implementation of agriculture and marketing related policies and strategies accompanied with political interference has complicated the situations. Farmers are not well facilitated by the government to get access to agro – inputs through the subsidized program and even where they happen to get it, they get small quantities as opposed to the needs, and in most cases inputs reach farmers late off season where they no longer need them. Every year, the government imposes export bans on cereal crops for food security purposes, a situation that deprive farmers from the right to get choice for selling their produce to get better prices.

The situation is worse when it comes to taxation on farm produce. As opposed to other businessmen, smallholders farmers are faced by a multi-taxation on farm produce which is imposed to them starting from the farm gets to the market. This has made them vulnerable in the sense that the benefits that they may realize from investment in agriculture is paid to local government and tax collecting agencies who do not in turn provide services to them. This situation makes smallholder farmers not perceive agriculture as business to invest in the reason why subsistence farming system dominates agriculture sector.

4. Intervention strategy of the proposed project

In Tanzania, the project will be implemented by the national network of small-scale farmers groups in Tanzania (MVIWATA) as lead implementing organization. However, the project will be implemented in partnership with other development actors from both public and private sector and farmers organizations. Local and central government authority will be involved to ensure that existing policy gaps and challenges on agriculture, land and marketing are carried forward and actions taken to address the situation.

The project will build on and scale up from MVIWATA experience and ongoing initiatives in facilitating small scale farmers access to market and financial services to improve livelihood and reduce poverty. The project will support activities in areas around MVIWATA constructed wholesale markets to promote and strengthen smallholder farmers access to reliable markets for agro produce and financial services that will enhance investment in agriculture by smallholder farmers. So far, MVIWATA has facilitated construction and improvement of nine (9) whole sale market namely: Kibaigwa (Dodoma region); Kinole, Tawa and Nyandira (Morogoro region); Mkata (Tanga region); Igagala (Njombe region); Igurusi (Mbeya region) and Matai and Kasanga (Rukwa region).

The project will use methods that will help to reduce the exposure of smallholder farmers to downward shocks, improve access to credit and capacity to invest in yield-enhancing technology as well as strengthen their capacity to better manage the marketing of agricultural produce. The project activities are therefore developed and organized around the five work packages as indicated in the main project plan and the table below:

Work package 1	Stakeholders mobilisation and project planning
Work package 2	Strengthening capacity of targeted national farmer organisations (NFOs) and regional farmer organisations (RFOs)
Work package 3	Improving and/promoting innovative marketing institutions and fostering access by smallholder farmers
Work package 4	Developing and/or promoting insurance products accessible to smallholder farmers
Work package 5	Generating, synthesising and sharing evidence on project outcomes and determinants of success.

5. Project intervention Logics

Farm Risk Management project will be implemented in Tanzania by MVIWATA to address a number of challenges and manage risks faced by smallholder farmers in the country. Since its inception, MVIWATA has implemented a number of interventions to address challenges faced by smallholder farmers including but not limited to the followings: lack of a strong organisation of small scale farmers in the country; Exclusion of small scale farmers from decision making of matters that touch the welfare of small scale farmers, Low prices of agricultural produce accompanied by lack of reliable markets for agricultural produce and under-representation or complete lack of representation of small scale farmers in decision making bodies.

To address these challenges, MVIWATA has two main goals. The first one is lobbying and advocacy to ensure that smallholder farmers have a strong voice platform to defend their interest and the second one is facilitating economic empowerment for smallholder farmers through interventions that aim at improving economic status of farmers such as access to market, market information system and access to financial services. Through this project, MVIWATA in collaboration with farmer organizations and other stakeholders will implement activities that will contribute to increasing capacities for smallholder farmers in managing risks associated to production, access to market and market information systems, access to financial services other services through five work packages that have been proposed in the project document. To achieve these objectives, the following interventions will be implemented in 2012.

6. Project Implementation Status

The implementation of FARMAF project in Tanzania started in 2012. For the period of to December 2012, the project supported number of activities ranging from project

coordination and administrative work, office running activities, national stakeholders mobilization and consultation workshop as well as studies to establish the country status on the use of various risk management tools. During the reporting period, MVIWATA commissioned three studies to: (1) assess the impact of MVIWATA constructed markets as a tools for farm risks management, (2) assess the country status and use of collective actions as a way to manage farm risks and (3) assess the collateral management actions in Tanzania. While the reports from the commissioned studies are under final stage of compilation, the report of FARMAF stakeholders workshop is ready for sharing.

6.1 Review of MVIWATA Markets Development Programme

The aim of the study was to assess the MMDP, its impact and identify elements of it which need to be strengthened as well as the complementary interventions which are required to scale it up and increase access by smallholder farmers, small to medium-scale traders and other buyers. It aimed to assess the progress and achievements made so far, assess the impact of markets constructed by MVIWATA and facilities provide (e.g. MIS, storage, security, grading, weighing, cleaning and other services) on sellers, buyers, brokers, employees and the communities and to identify factors accounting for outcome (success or otherwise) and related to that outline measures to scale-up, strengthen and complement.

6.2 Government Involvement in Grain Marketing in Tanzania: Review of Roles and Impact of the National Food Reserves Agency & Other Mixed Produce Board

This study was commissioned to assess how the operations of the National Food Reserve Agency (NFRA) and the Crop and Other Mixed Crop Board (COPB) are or can affect grain output marketing so as to provide an evidence-basis for any required reforms. The study intended to review the statutory legislation establishing these agencies, review the implementation of the interventions of the agencies and to assess the impact of involvement of agencies in the grain markets on producer prices, consumer prices, income and agric financing in Tanzania.

6.3 Review of Provision of Collateral Management Services in Tanzania

This study aimed to review the state of the industry providing collateral management services in Tanzania and propose actions which can position the industry to play an important role in the evolution of modern marketing and finance systems in the country. The study intended to describe in detail, the state of the collateral management industry in Tanzania, types of services provided and beneficiaries; to describe typical collateral management transactions in Tanzania and propose possible actions needed to enhance role of industry in structured finance and trade in Tanzania.

6.4 FARMAF National Stakeholders Workshop

The national stakeholders workshop for the FARMAF Project was held on the 5th and 6th of December 2012 in Dar es Salaam, Tanzania. The workshop brought together about 60 stakeholders who came from different backgrounds including farmers, traders, Local Government Authority officials, researchers, representatives from the central government, government parastatals, NGOs and media companies. The aim of the workshop was to share

with the national stakeholders FARMAF concepts and proposed project intervention strategy, tools for implementing FARMAF project and get their inputs and agree on roles of various actors in its implementation. At the end of the workshop, one of the outputs was the establishment of a multi-stakeholder platform instead of an advisory committee that shall provide guidance and advise on the implementation of the project. It was agreed that the national platform shall involve stakeholders from diverse backgrounds who would meet periodically to discuss pertinent issues. A number of organizations that were proposed to be part of the initial platform include National Food Reserve Agency, Warehouse Receipt Licensing Board, Cereals and Mixed Crop Board, WFP, Tanzania Investment Bank, Private Agricultural Sector Support, CRDB Bank, NMB Bank, LGAs, Ministry of Agriculture Food Security and Cooperatives, Ministry of Industry and MVIWATA.

7 FARMAF Implementation Plan for 2013

FARMAF project implementation plan and timeframe are summarized here below:

S/N	Work Package and Proposed activities	Targets by end of 2013
1.	<i>WP 1: Stakeholders mobilisation and project planning</i>	
1.1	Conduct consultations and mobilisation meetings with national stakeholders	Number count of FARMAF stakeholders committed and capable to promote Risk Management tools
1.2	Conduct national stakeholders workshops	At least two workshop conducted
1.3	Conduct semi annual meetings of the advisory committee	At least 2 meetings conducted
2.	<i>WP 2: Strengthening capacity of targeted national farmer organisations (NFOs) and regional farmer organisations (RFOs)</i>	
2.1	Conduct capacity building programme for MVIWATA staff and leaders on the use of FARMAF tools	Number count of MVIWATA staff and leaders capacitated
2.2	Conduct an assessment of the capacity of the farmers organisations in the project areas and develop plan for capacity development (marketing tools)	Capacity assessment report produced Capacity development plan developed
2.3	Implement capacity building programme with national farmers organizations on FARMAF tools	Number count of leaders and members of farmer organizations (Middle level Networks) capacitated
2.4	Implement capacity building programme for market stakeholders around MVIWATA constructed markets on the use of tools	Number count of market stakeholders capacitated
3.	<i>WP 3: Improving and/promoting innovative marketing institutions and fostering access by smallholder farmers</i>	
3.1	Review current state of market institutions	One review study commissioned
3.2	Review the state of warehouse receipt system in Tanzania.	One review study commissioned
3.3	Review and document the state of crop	One desk review commissioned

	banking system	
3.4	Establish the status of studies on export bans and its implications on smallholder farmers in Tanzania	At least one synthesis study produced
3.5	Conduct a training needs assessment for farmer producer groups and associations around MVIWATA markets	One need assessment conducted
3.6	Promote establishment and strengthening of cereal crop banking	Number count of cereal crop banks strengthened
3.7	Implement support programme for improvement of MAMIS (Mobilization, awareness creation, publicity, use of available media for visibility: e.g website)	% increase in number of MAMIS users
3.8	To implement capacity building for market boards, farmer producer groups and associations around MVIWATA markets on the use of tools	Number count of market boards members and producers capacitated
3.9	Conduct stakeholders meetings for market actors from around MVIWATA constructed markets	At least two meetings conducted
3.10	Conduct field visits to MVIWATA markets and cereal crop banking to learn from MVWATA experience on collective actions	At least two learning visits conducted
4	<i>WP 4: Developing and/or promoting insurance products accessible to smallholder farmers</i>	
4.1	Conduct a reconnaissance (quick survey) on availability of agricultural insurance in Tanzania and the willingness to get engaged.	One survey study conducted
4.2	Conduct a study to establish awareness and willingness of farmers on agric insurance and select piloting areas.	One study conducted
4.3	Conduct awareness creation for smallholder producers and market stakeholders on agricultural insurance	At least two sensitization workshops conducted
4.4	Organise a study visit for FARMAF stakeholders to Zambia to learn on how agricultural insurance companies are working with smallholder farmers	One study visit to Zambia organised
4.5	Develop products and plan for promoting agric insurance	A plan for promoting agric insurance developed
5	<i>WP 5: Generating, synthesising and sharing evidence on project outcomes and determinants of success.</i>	
5.1	Develop and disseminate communication materials for the project activities	Number count of study reports, workshop reports, and project reports shared
5.2	Disseminate using appropriate forum and tools results of review studies.	Number count of forums facilitated

5.3	Conduct policy lobbying and advocacy meetings with parliamentary committees and senior government officials	Number count of L&A meetings conducted
5.4	Programme coordination and management	

Project Implementation Time Chart

S/N	Work Package and Proposed activities	Implementation timeframe											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1.	<i>WP 1: Stakeholders mobilisation and project planning</i>												
1.1	Conduct consultations and mobilisation meetings with national stakeholders												
1.2	Conduct national stakeholders workshops												
1.3	Conduct semi annual meetings of the advisory committee												
2	<i>WP 2: Strengthening capacity of targeted national farmer organisations (NFOs) and regional farmer organisations (RFOs)</i>												
2.1	Conduct capacity building programme for MVIWATA staff and leaders on the use of FARMAF tools												
2.2	Conduct an assessment of the capacity of the farmers organisations in the project areas and develop plan for capacity development (marketing tools)												
2.3	Implement capacity building programme with national farmers organizations on FARMAF tools												
2.4	Implement capacity building programme for market stakeholders around MVIWATA constructed markets on the use of tools												
3	<i>WP 3: Improving and/promoting innovative marketing institutions and fostering access by smallholder farmers</i>												
3.1	Review current state of market institutions												
3.2	Review the state of warehouse receipt system in Tanzania.												
3.3	Review and document the state of crop banking system												
3.4	Establish the status of studies on export bans and its implications on smallholder farmers in Tanzania												
3.5	Conduct a training needs assessment for farmer producer groups and associations around MVIWATA markets												
3.6	Promote establishment and strengthening of cereal crop banking												
3.7	Implement support programme for improvement of MAMIS (Mobilization, awareness creation, publicity, use of available media for visibility: e.g website)												

3.8	To implement capacity building for market boards, farmer producer groups and associations around MVIWATA markets on the use of tools												
3.9	Conduct stakeholders meetings for market actors from around MVIWATA constructed markets												
3.10	Conduct field visits to MVIWATA markets and cereal crop banking to learn from MVWATA experience on collective actions												
4	<i>WP 4: Developing and/or promoting insurance products accessible to smallholder farmers</i>												
4.1	Conduct a reconnaissance (quick survey) on availability of agricultural insurance in Tanzania and the willingness to get engaged.												
4.2	Conduct a study to establish awareness and willingness of farmers on agric insurance and select piloting areas.												
4.3	Conduct awareness creation for smallholder producers and market stakeholders on agricultural insurance												
4.4	Organise a study visit for FARMAF stakeholders to Zambia to learn on how agricultural insurance companies are working with smallholder farmers												
4.5	Develop products and plan for promoting agric insurance												
5	<i>WP 5: Generating, synthesising and sharing evidence on project outcomes and determinants of success.</i>												
5.1	Develop and disseminate communication materials for the project activities												
5.2	Disseminate using appropriate forum and tools results of review studies.												
5.3	Conduct policy lobbying and advocacy meetings with parliamentary committees and senior government officials												
5.4	Programme coordination, administration and management,												

7. Expected outcome/impact from the project interventions

Overall, the impact of the proposed project intervention will be to improve food security and livelihoods of the rural poor in Africa, in particular smallholder farmers in the target African countries, namely Burkina Faso, Tanzania and Zambia.

Specifically, the impact will be evidenced in three levels as follow:

Level	Impact
Farmer producer groups and associations (farm families)	<ul style="list-style-type: none"> • Improved knowledge and skills in the application of developed tools for risk management • Improvement of leadership and governance in producer groups and associations • Increased income arising from improved access to markets, financial services and increased production • Social networking
Local and national farmer organizations	<ul style="list-style-type: none"> • Improved knowledge and skills in the application of developed tools for risk management • Improved leadership and governance in local and national farmer organization • Increased recognition of local and national farmer organizations by relevant authorities
Other Project stakeholders	<ul style="list-style-type: none"> • Improved knowledge and skills in the application of developed tools for risk management • Integration of risk management tools into stakeholders won programmes

8. Monitoring and evaluation

A participatory monitoring and evaluation will be applied, involving all target beneficiaries and other stakeholders to assess the impact of project activities and use of risk management tools on the beneficiaries economic status and livelihoods at farm families. The process of monitoring and evaluation will be done through the meetings with producer groups/associations, farmer organizations (networks), task teams and advisory committee meetings and stakeholders meetings. The Board of Directors of MVIWATA will review the progress of the project in each quarter and the leaders of MVIWATA will review the project during semi-annual Council meetings. Normally the audited report of the project is presented at the Annual General Meeting each year.

Tools for gathering information and reporting, including monitoring plans already exist and may be adapted to suit the project. Tools for assessment of farmers networks already exist and will be used for self assessment of the producer groups and associations. A quarterly and annual reports (both technical and financial) will be prepared for project and institutional use. These reports will also be presented to the Board of Directors of MVIWATA for their approval before submission to Agrinatura for accountability. There will be follow-up visits to project sites by MVIWATA leaders and management team to assess the project performance. In addition, semi-annual reflection meetings will be held. An external mid-term evaluation and a end of project final evaluation will be conducted to assess the impact of the project on the livelihood of the target communities

9. Budget

The Budget is attached in a separate Excel file.