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Commodity Chain Development for Livelihood Security in Tanzania in the Northern and Lake Zones of Tanzania

F.A. Massawe *, E. Charles *, S. N. Silim **, T. Remington ***, W.F.B Massawe ****

* Catholic Relief Services (CRS) Tanzania Programme, P.O. Box 1687, Mwanza, Tanzania; Email: crsmwanza@crstanzania.org,
** International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), P.O. Box 39063, Nairobi, Kenya, Email s.silim@cgiar.org
*** Catholic Relief Services, East Africa Regional office, P.O. Box 49675, Nairobi, Kenya, Email: tremington@crsearo.org,
**** Technoserve Tanzania, P.O. Box 73875, Dar es Salaam, Tanzania, Email:

Tanzania is emerging from a centrally dominated government with social policies to a government that is based on a Poverty Reduction Strategy Paper promoted by the International Monetary Fund, in which the private sector is reaching out to small farmers to increase agricultural production. CRS Tanzania has adopted a "Commodity Chain Development for Livelihood Security in Tanzania". This is an innovative approach to livelihood security consisting of: 1/ A Commodity Chain Approach to improve widespread livelihood security of poor farmers including all aspects of production and commercialization of crop commodities. This consists of the chain of activities including technology development on farmers' fields, especially improved varieties, sustained seed supply of preferred varieties and market development at local, regional and international levels, 2/ Changing farmers' and development agencies' perspectives from trying to sell what is produced to producing what the market demands, 3/ Enabling the private sector, especially traders and exporters in the market chain, to support farmers in producing commodities that have a high demand in markets and 4/ Exploiting the added incentive farmers, who are successfully marketing a commodity, will have to conserve and sustain their natural resource base of soil and water, which produces it.

This paper describes how CRS is working with local NGO partners and collaborating with national Agricultural Research and Development Institutes and Agricultural Extension Departments as well as International CGIAR institutes such as ICRISAT and CIAT. CRS has worked for three seasons with chickpea, pigeonpea and groundnuts in the Northern and Lake Zones of Tanzania. Early results indicate that the gross margins per ha estimated for pigeonpea and chickpea in the Lake Zone ranged from US$668 to US$300 for improved varieties. Gross margins per ha received with local varieties were estimated to increase with the use of improved varieties by US$121 to US$233 for these crops. These profit margins for farmers will increase considerably (recently estimated for the USAID funded TARGET proposal for Kenya and Tanzania to be 50%) when small farmers are organized and empowered with marketing and production information as Producer Market Groups assembling their commodities at Collection Centers.