Smallholder Crop Finance (SCF) is a rice value chain consortium established by Competitive African Rice Initiative (CARI) in Kilombero district. The consortium is led by Kilombero Plantation Limited (KPL) and 10 out-grower farmer associations. The scheme has 958 active members surrounding the company’s rice plantation of 5,000ha. Through SCF 2,000 smallholder farmers have benefited from access to finance, trainings and guaranteed market for their paddy.

Within one year 478 smallholder farmers have secured agricultural loans of up to TZS 648,989,792 (USD 29,000) to finance inputs for 386 hectares equivalent to an average of TZS 670,444/ha.

Through SCF, 31 paddy aggregation centres were established in 2016 through which 566.1MT were aggregated and sold to KPL at 494,000 TZS/MT (USD 221/MT).

SCF consortium has a plan to ensure at least 2,000 smallholder farmers access finance for inputs to increase area under paddy cultivation to at least 2,000 ha produce 10,170MT for sale to Kilombero Plantations Limited.
Better Education Opportunities for Children Through CARI Project in Dodoma

Ms. Stella Bonaventura is a single mother of 6 children who depend on paddy production for their livelihood. Stella’s farm of 1 hectare is used to grow paddy plus other crops. Half a hectare is used to grow paddy while the other half is for other crops including maize, groundnuts, tomatoes and vegetables. For the previous 3 years, Stella has been able to harvest on average of 12 bags of paddy (each 90kg) due to poor agronomic practices; giving a revenue of between TZS 660,000 – 780,000 (USD 295-349).

Although three of Stella’s children could be in higher learning in 2015, only one (the eldest) was in college because of limited family income. To improve income, Stella joined Matajira Agricultural Marketing Cooperative Society (AMCOS) to participate in collective marketing with other farmers and negotiate for better prices for their paddy.

In August 2014, Kilimo Trust introduced CARI project to their AMCOS in Bahi District, Dodoma region. Stella was one of the representatives who attended the meetings. Matijira AMCOS together with 6 others formed the Promoting Bahi Rice in Dodoma region (PBR-DR) value chain consortium led by Kimolo Super Rice Company as the off-taker. Stella was among the first engaged farmers. She received Good Agricultural Practices (GAP) and Farmer Business School trainings which were instrumental to her success. In 2016, she used her little savings from 2015 paddy harvest to buy 1.5 tin of seeds from a fellow farmer and 1.5 bags of Yara Milla and prepared the farm. She borrowed some money from her brother to finance nursery preparation and planting activities. Stella implemented the newly acquired knowledge on GAPs and harvested 32 bags of 90kg (2.9MT) from the 0.5 hectare she cultivated that season.

Ms Stella Bonaventura in her rice store

In July 2016, Stella bulked 28 bags of paddy in the Matijira AMCOS warehouse using the Warehouse Receipt System. She
left 4 bags at home for consumption. That month, she sold 15 bags to Kimolo Super Rice Company and received TZS 975,000 (USD 436) and it to send her second eldest child to College of Business Education (CBE) in August 2016. She kept the remaining bags for sale in next months for future money requirements. She is grateful to CARI program for the opportunity to work and save together with other farmers; for her children to attain higher education.

Good Agricultural Practices (GAPs) in Paddy Production Pays in Mbarali District

Mr. Dennis Benjamin is a paddy smallholder farmer from Mambi village in Mbarali district. He is among the founding members of Mashara Irrigation scheme. Benjamin has been growing paddy for many years using poor agricultural practices such as; traditional varieties, broadcasting while planting, no use of fertilizer and weeded his fields inadequately. The resulted in low yields of only 14 bags of 100kg (1.4MT/ha) from his farm of 1 hectare. Most of the paddy was just left home to feed his 8-member household, and limited surplus for sale. With the establishment of Mbarali Rice Consortium (MRC) led by G2L Company Limited under CARI project in Mashara scheme, Benjamin was among the farmers engaged. He received GAP training and decided to allocate 0.25 ha portion of his 1 hectare rice farm to try out the GAP trainings. He planted Saro 5 with proper spacing, applied basal and top dressing fertilizers and cleared weeds 3 times. Benjamin harvested 6.5 bags of 100kg (2.6 MT/ha). The remaining 0.75 ha, he continued with the traditional practices, and harvested 8.5 bags (1.1MT/ha).
Harvesting of Benjamin’s paddy

Benjamin sold 650Kg of his paddy to G2L at TZS 680/Kg (USD 0.3/Kg). He received TZS 442,000 (USD 198). The production cost for 0.25 ha was TZS 239,000 (USD 107/Ha) and he made a net profit of TZS 203,000 (USD 91/ha).

NMB Bank Trains Farmers to be Financially Literate

Shinyanga Rice for Competitive Markets (SHYRICE) Consortium linked smallholder farmers with NMB Bank Foundation for provision of financial literacy training with the aim of accessing finance from the bank. NMB is training farmers on good governance, loan management and record keeping. The training is aimed at building capacity on loan management and leadership skills so as to develop farmer groups into more organized institutions that are attractive for financing by NMB Bank. NMB foundation has so far trained 250 farmer representatives who have in turn trained an additional 1,500 fellow farmers; out of which 500 have accessed input loans from the bank.

The input loans were provided in terms of actual inputs including 125MT of fertilizers, 15MT of improved paddy seed, 15Mt of improved maize seed and 15MT of improved sorghum seed.

As a pace in commercializing smallholder paddy production, SHYSRICE has also trained 1337 rice farmers through Farmer Business Schools (FBS). About 99% of farmers trained through FBS were very happy with structured four days’ trainings of 30 trainees per class. After attending trainings participants have been awarded certificate which has been motivation for
farmers to attend and use technics from FBS class.

Farmers in one of SHYRICE FBS classes

By end of CARI, SHYRICE plan to conduct financial literacy and FBS training for at least 5,521 farmers in Igunga; Shinyanga; Kahama; Maswa; Mbongwe and Bukombe districts. The lead firm of SHYRICE consortium, Musoma Food Company Limited (MFCL) which is rice off taker in the consortium is working to increase more collection centers and exploring foreign markets in Uganda and Rwanda.

Interventions of CARI project implemented through MCFL has led to good reputation of the company as market and support for small holder farmers engaged. The company is now recognized by farmers as important partner in rice value chain through providing direct rice market through contract with farmers. By working direct with farmers, SHYRICE has succeeded to provide agro inputs credits, extension services and assured market. Also MFCL has been accessing improved quality rice than before working together with other actors in the consortium.

Dry Season Paddy Cultivation Put Smile on Farmers Faces in Rufiji

Despite living near the might Rufiji River, rice farmers in Nyangala village have been producing paddy once a year totally relying on rain water. Through the Competitive African Rice Initiative (CARI) project, the Rice Market Hub (RIMAH) consortium was established in 2016; led by Mamboleo Farm Limited. The consortium has mobilized farmers into groups and provided trainings, mechanization services, inputs and implements financing to enable farmers grow paddy during the dry season. Mvomero group and Upendo groups with 18 and 13 members respectively; are among those that have been recently formed and consequently engaged in dry season rice production. The farmers established a 20 acre (8ha) farm in nearby Nyangala ox-bow Lake which is one of the tributaries of Rufiji River.

Dry season farm in Nyangala village
One of the farmers said;

“It is the first time to grow rice in dry season, using fertilizers and improved seed and irrigating rice. Through CARI we have obtained this opportunity and now I am sure of food and additional income from rice I never had previously at this time” Mariam Kassim, a farmer in Nganyala said during an interview on 16th December, 2016. “We are happy for these interventions in our area as I can get more than double of my previous income from paddy through two rice seasons, improved technologies and assured market through Mamboleo farm, Mariam added”.

“How Improved Paddy Farming Changed My Life” - Salim Ramadhani Farmer From Singida

Mr. Salim Ramadhani is one of farmers engaged by a consortium called Sustainable Rice Production (SURIPRO) in Singida; led by Biosustain Tanzania Limited. The consortium was formed under the CARI program. Before CARI program in Singida, Salum was producing 72 bags (5.76 MT) of paddy from 4 acres (1.6 Hectares). After being engaged in the SRIPRO consortium, Salum attended GAP training and applied the techniques taught. Last season he planted improved variety of seed (SARO 5) together with Fertilizers application. Salum harvested 109 bags (8.72 Mt) from the same field of 1.6 ha.

It seemed to be expensive for Salim to spend 1,316,000 TZ Shillings to manage his 4 acres from which he got 109 bags of 80Kgs (8.72 MT) never produced before. He sold 91 bags (7.28 MT) of paddy to Biosustain Limited at 50,000 per bag and got 4,550,000/=.

The remaining amount about 1.44MT was stored for family consumption.

Salim in his paddy store

“Among major challenges addressed by CARI in paddy farming is poor agronomic practices, lack of improved inputs (seeds and fertilizer) and market access. I am proud of being paddy producer after acquiring knowledge and use of Good Agricultural Practices, linked
to access to inputs and market for produce. I have got better yield, extra income and attain enough food for my family from paddy. I have started to construct a new and modern house which I expect to finish it next season. Improved paddy farming has changed my life, thanks CARI”

Salim’s new house under construction

Biosustain Tanzania Limited through SURIPRO consortium has trained 3,065 farmers. In addition, the company distributed 110.6MT of improved SARO 5 seed and 168MT of fertilizer to farmers in return. Biosustain Tanzania Limited received 1,303 MT of paddy from contracted smallholder farmers who paid back the input loan by supplying paddy.

CARI Supports Private Sector Involvement in Tanzania’s Rice Industry Through Formation of Rice Platforms in Kahama

In addressing objective four of Competitive Africa Rice Initiative (CARI), Kilimo Trust in collaboration with Rice Council of Tanzania (RCT) organized two days meeting on 30th November and 1st December 2016 in Kahama district. CARI objective four focus on promoting Enabling policy environment for rice sector development. Members’ recruitment drive was done in concurrence with launch of the Strategic Plan of RCT and popularization of the existence and benefits of membership of RCT to value chain actors at grassroots level.
The two-day meeting aimed at creating awareness/sensitizing and establishing rice stakeholder’s platform in six districts engaged by Shinyanga Rice for Competitive Markets (SHYRICE) consortium. The meeting involved several participants including Smallholder farmer’s representatives, traders, processors, Input suppliers, Rural Urban Development Initiatives (RUDI) and Vision Fund Tanzania.

In her remarks, Mrs. Winnie Bashagi, the CEO of RCT highlighted Tanzania potentials and challenges facing rice Sub sector and initiatives RCT has been taking. “About 70% of the rice in East Africa is from Tanzania. However, rice sector is highly rainfall dependent (more than 74% rice farmers depend on rain), even in the areas that undertake irrigation, they also supplement with rainfall and once there is rain shortage all the streams dry up; 5% - 40% is wasted due to poor post harvesting handling techniques. Other challenges include lack of drought resistant varieties, pest and diseases, export barn which affect prices and mixing of different varieties which diminishes the value of Tanzanian rice making it less competitive. We thank CARI for its contribution in addressing these challenges in Tanzania” said Mrs, Bashagi.

Among other challenges addressed which hinder East Africa rice trade includes act of Rwanda to block importation of Tanzanian rice due to cheating done by unfaithful traders and VAT of 18% imposed by Uganda on imported rice from Tanzania. Other challenges include prolonged procedures involved in getting rice export permit and double taxation done by local authorities. Mrs. Bashagi promised to work on all rice policy emerging issues and invited all rice stakeholders to contribute in addressing them together by joining RCT.

Participants of the meeting agreed to establish Kahama Rice Platform and selected interim leaders to fast track registration to RCT. A total of 1957 RCT forms were given out, it expected the move will register more than 1,957 members.

The rice platform will simplify the private sector involved in Tanzania’s rice industry and will ensure effective value chain coordination and hence ensure organized critical mass of commercial activity, and strong representation of the private sector in key discussions and decisions relating to policy, regulations and development issues in the country.
1. For SHF to progress, they need to transform into independent, business-minded companies: For smallholder farmers to progress, they need to their heavily dependable, with political influence, organizations to more independent, business-minded companies. Until when their association/cooperative organizations turn into limited companies, these farmers will not have a clear understanding of a true definition of being an entrepreneur. When their organizations become companies, they will plan and execute their missions better. They will understand better an importance of investing wisely, will apply necessary technologies, will calculate their risk and perform cost-benefit analysis better, and will certainly attract financial institutions easily.

2. With transformation of farmers group into stronger association/cooperation to limited company, bring positive attraction to financial institutions to work with them: PBR-DR consortium support the network of 7 AMCOS to form an apex board, that was transformed into a limited company (JUWAMBA) as apex board. Hence they manage to attract two financial institutions, i.e. Akiba Commercial Bank (ACB) and Private Agricultural Sector Support Trust (PASS). The company now is fully registered and has started its operations.

3. Through CARI project inputs and purchasing contract is the best approach and win-win business between farmers and buyer. MRC farmers received embedded services from buyer like inputs and extension servicers which promote high production. Whereby G2L get a good deal of assured quantity and quality paddy supplied by farmers. Therefore, contract farming through consortium approach is a best business model.

4. Contract farming with small holder farmers requires a lot of capacity building: The establishment of contract farming with small holder farmers is a process which requires a lot of capacity building to small holders so as to bring them in board. Most of the farmers are not practicing commercial, they practice subsistence farming and harvest low quality produces for consumption only. Therefore, transforming them into commercial farming requires time and resource. But despite of their low pace of adaption, small holder farmers are still very important for food supply.
5. The benefit of hindsight: As a hindsight to this project should include activities in water harvesting technology to rice small holder farmers who depend on rain fed as the only source of water for irrigating their paddy. Most of these farmers face challenges on assured supply of water in their field when growing paddy. Since it is not possible to build large scale irrigation infrastructure in all paddy fields. Small scale irrigation technology could help farmers in rain fed areas to adopt new farming technologies like System of Rice Intensification (SRI) which require little amount of water but with assured supply. Water harvesting can also motivate farmers to grow horticulture crops as diversified crops after harvesting paddy for more income.

6. The potential for scale/impact/sustainability of KTCA2VC approach: The project approach is promising a greater positive impact to both Lead partner and small holder farmers. The benefits are enjoyed in terms of assured supply quantity and quality of raw materials (paddy) in time to processors from farmers, while farmers are benefiting with the delivery of assured market and incentives on extension services, business skills and support to access of financial services from Lead partner. This relationship promises to continue as each partner appreciates the role of the other in the growth and development of their business.

7. Change in perception due to well noted farmer’s technology adoption: While most of the decision makers and planners have a perception that farmers are hardly to accept and adopt new technologies, the farmers under RIMAH proves that the perception is very wrong as they adopted the project very well with its new technology towards Rice farming.

8. Strong and high involvement of farmers resulted into positive mind set toward project: Also the highly involvement of the farmers in the decision making on every steps toward implementation of project, this has encouraged the effective and fruitful participation from the farmers with very positive mind-set towards the project.