# Organic farming and marketing channels in Tanzania

# Challenges and chances for development

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# Introduction

- Research results based on my work for the World Vegetable Center - Regional Center for Africa (AVRDC-RCA), Arusha, Tanzania

- Research on organic vegetable marketing conducted in Senegal, Tanzania, South Africa

- Surveys: February - June 2008

# Introduction (contd.)

- Organic vegetable sector in SSA largely certified export-oriented
- Important to build domestic & regional market to secure income
- Growing demand for organic produce in SSA
- Specialised & non-specialised outlets in capital cities

  (NOGAMU Shop; Supermarkets: Uchumi Kampala, Nakumatt Nairobi)

# However…

. . . domestic org. veg. market in Tanzania hardly developed

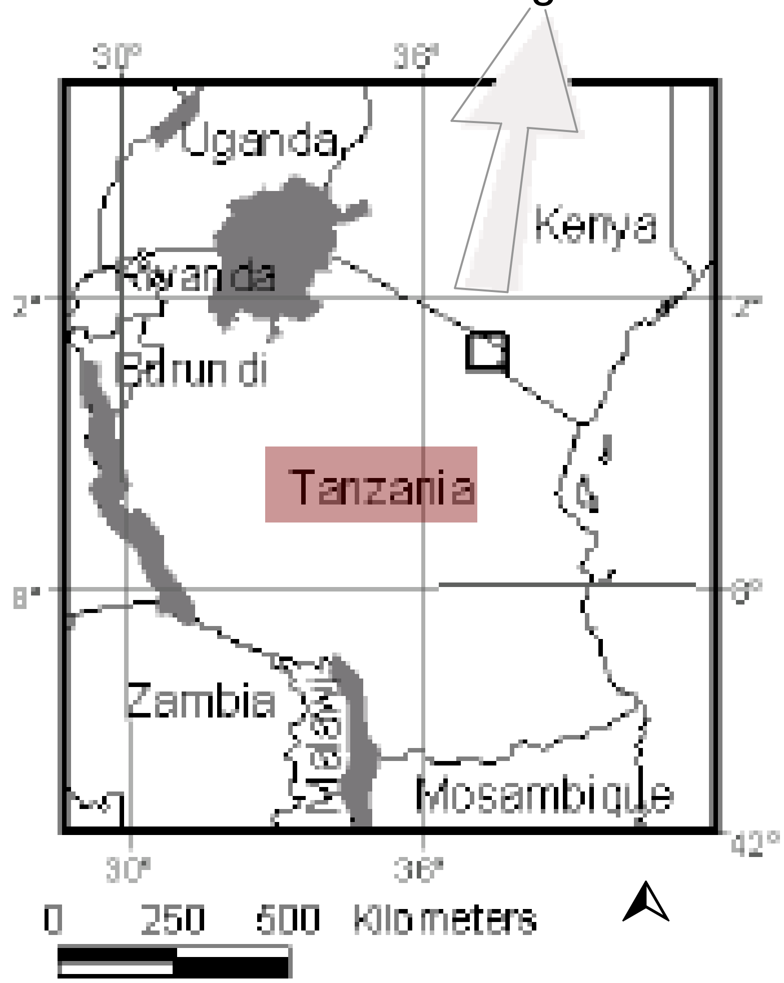
⇨ ***Lack of proper marketing***

⇨ ***No detailed research on org. veg. for Tanzanian market***

# Objective

To assess strategies and constraints of marketing organic vegetables (OVs) in the supply chain and the potential demand for certified organic vegetables in:

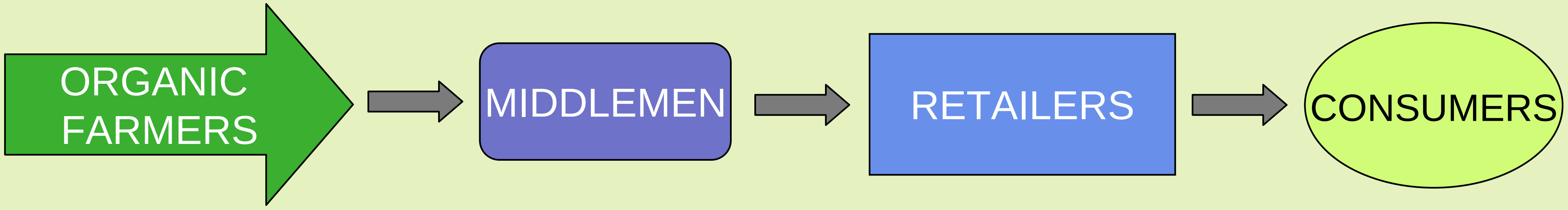
Arumeru & Marangu Distr.




Source: http://www.elisanet.fi/esoini/Own_docs/WP%202002-3%20livelihoods.pdf

# Objective (contd.)

crops: organic vegetables




- Where do the constraints occur?
- What can best be done to reduce and overcome them?

# Questionnaire - based survey

INTERMEDIARY (n=71)

MIDDLEMEN (n=29)
Random-sampling

Open Air Markets
- Collectors
- Wholesalers
- Distributors

RETAILERS (n=42)
Quota-sampling

- Supermarket
- Organic store
- Hotel, Restaurant

ORGANIC FARMERS (n=218)
Quota-sampling

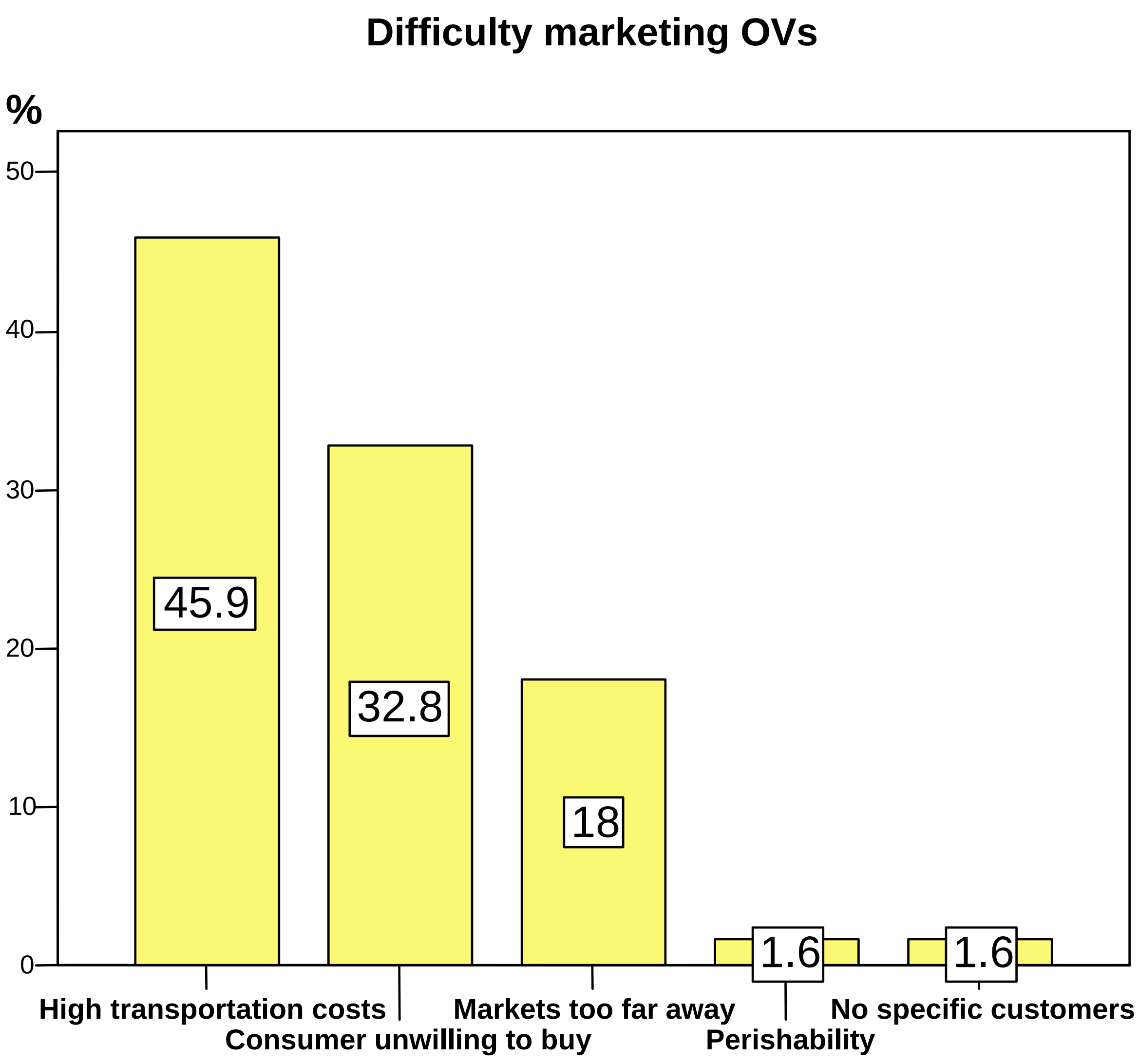
CONSUMERS (n=212)
Stratified-sampling

- at supermarkets, organic store (by income and location)

**N = 501 in Tanzania**

# Farmers

- Gender: > 72% female
- Education: ca. 80% Primary
- Age: > 30% between 29-39 yrs
- Non-certified organic: > 98%
- OV Marketing: 78% by women
- Gross monthly: 50-100 USD (> 36%)



# Farmers

**Are you aware of Organic Standards (regulations)?**

| | | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|---|
| Valid | None | 216 | 99.1 | 99.1 | 99.1 |
| | EAOPS (East Africa) | 2 | .9 | .9 | 100.0 |
| | Total | 218 | 100.0 | 100.0 | |

**Do you think certification is necessary or better for sale of your OVs?**

| | | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|---|
| Valid | Yes | 200 | 91.7 | 91.7 | 91.7 |
| | I dont know | 10 | 4.6 | 4.6 | 96.3 |
| | No | 8 | 3.7 | 3.7 | 100.0 |
| | Total | 218 | 100.0 | 100.0 | |

# Intermediary

**Where do you think are constraints in the supply chain for buying and selling OVs?**

| | | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|---|
| Valid | Lack of awareness & training | 21 | 40.4 | 43.8 | 43.8 |
| | Insufficient supply of OVs | 8 | 15.4 | 16.7 | 60.4 |
| | No separate OV markets | 7 | 13.5 | 14.6 | 75.0 |
| | OV producers not known to buyers | 4 | 7.7 | 8.3 | 83.3 |
| | No stable market for OVs | 3 | 5.8 | 6.3 | 89.6 |
| | Price fluctuations | 2 | 3.8 | 4.2 | 93.8 |
| | Don't know | 2 | 3.8 | 4.2 | 97.9 |
| | Lack of committment in producing OVs | 1 | 1.9 | 2.1 | 100.0 |
| | Total | 48 | 92.3 | 100.0 | |
| Missing | System | 4 | 7.7 | | |
| Total | | 52 | 100.0 | | |

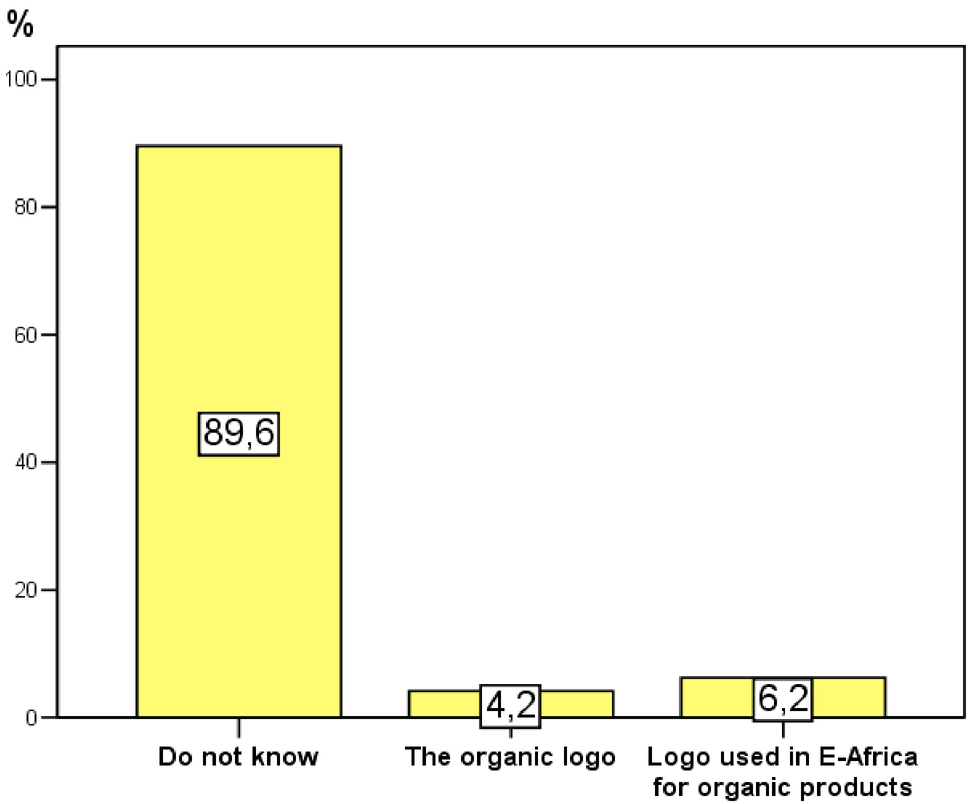
# Consumers

**What do you consider as main constraints for the development of the organic market in Tanzania?**

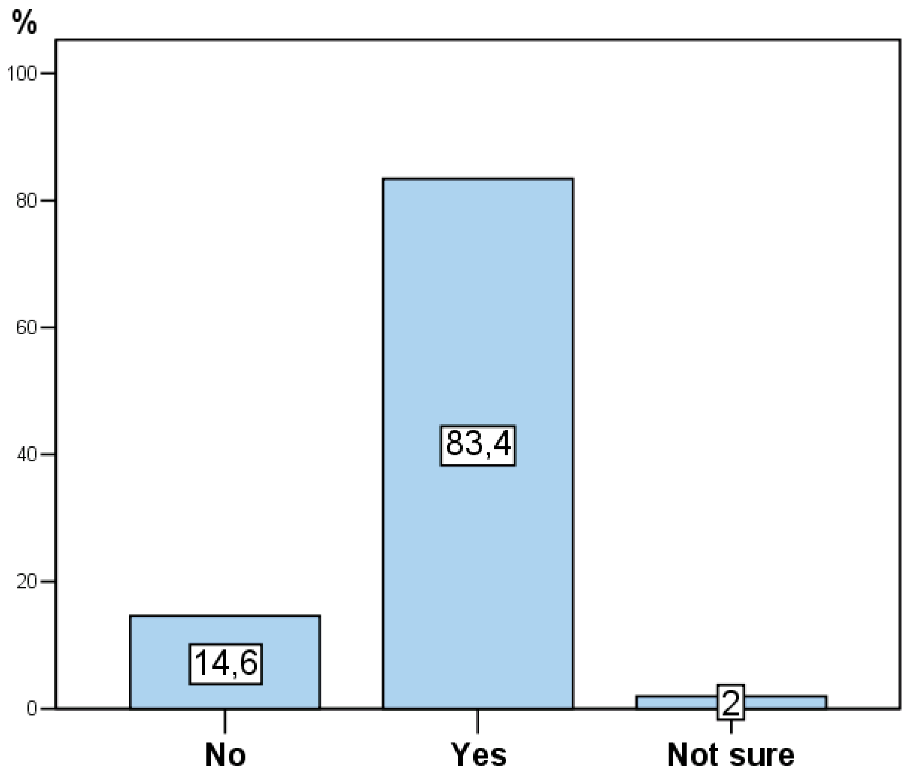
| | | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|---|
| Valid | Lack of awareness & training on OVs | 68 | 32.1 | 32.1 | 32.1 |
| | Don't know | 51 | 24.1 | 24.1 | 56.1 |
| | No strong organisations to promote OVs | 22 | 10.4 | 10.4 | 66.5 |
| | Low production of OVs | 21 | 9.9 | 9.9 | 76.4 |
| | Low price of OVs discourage farmers | 13 | 6.1 | 6.1 | 82.5 |
| | No specific market for OVs | 8 | 3.8 | 3.8 | 86.3 |
| | Poor belief on potential of organic inputs | 6 | 2.8 | 2.8 | 89.2 |
| | High production cost | 6 | 2.8 | 2.8 | 92.0 |
| | No organic stds & regulation in Tanzania | 6 | 2.8 | 2.8 | 94.8 |
| | No OV supply in Tanzania | 5 | 2.4 | 2.4 | 97.2 |
| | Economics | 4 | 1.9 | 1.9 | 99.1 |
| | Certification not trustable | 2 | .9 | .9 | 100.0 |
| | Total | 212 | 100.0 | 100.0 | |

# Consumers

What does the Kilimo Hai logo mean (to you)?




Are you willing to pay a premium price for certified OVs?



# Summarised…

⇨ ***Domestic market not much developed***

- poor infrastructure
- lack of market information
- lack of product quality requirements
- lack of awareness concerning availability of organic vegetables
- unclear price premiums

# Needed Action - Farmers

## Awareness

- if direct sale on market or via middlemen: inform about org. agric. (OA) production being used, make pamphlet
- explain benefits for health, soil, environment
- TOAM: explain certification & promotion of OA

## Price

- if uncertified: explain necessity of slightly higher price
- if certified: justification given

# Needed Action – Farmers (contd.)

## Transport

- organize shared vehicle to transport to market (remote areas)
- collection points

## Sale

- create own organic market place
- once quality & quantity more steady contact hotels / restaurants / lodges (latter mostly located out of town)

# Needed Action - Intermediary

## Sale & Awareness

- certification, promotion & label OVs
- sell as OVs on market stand / higher price
- no mixing while transporting / at storage

# Needed Action - Consumers

## Awareness raising

- for OA via organic farmers, NGOs, TOAM
- locations organic farmers: invite consumers to see fields
- get consumers involved in Teikei system (direct producer – consumer relationship)