

Purchase for Progress - P4P Tanzania



QUICK FACTS

Project start date:

February 2009

Number of farmers' organizations (FOs): 28**Number of members:**
18,999 (41% women)**Sales to WFP:**
US\$ 4,929,208 (12,717 mt)**Sales to other markets:**
An estimated US\$ 1,176,353
(3,035 mt)**Main commodities:**
Maize and beans**Main P4P activities**

- Warehouse rehabilitation and equipment
- Capacity development for group marketing
- Group marketing through emerging warehouse receipt system

Funding

P4P's technical and administrative costs in Tanzania are sponsored by the Bill and Melinda Gates Foundation. All food purchases are financed by WFP's regular operations.

Figures as of March 2014

P4P in Tanzania

In Tanzania, P4P activities cover 14 districts in 10 regions, and reach nearly 19,000 smallholder farmers — 41 percent of whom are women. In order to reach farmers, WFP engages with Savings and Credit Cooperatives (SACCOs), which provide credit and savings accounts to registered smallholders. As of December 2013, WFP supported 28 SACCOs. In order to improve collective marketing and reduce post-harvest losses, WFP has engaged in capacity development, as well as investments to rehabilitate storage facilities, linking them to an emerging warehouse receipt system (WRS). An agreement between WFP and Tanzania's National Food Reserve Agency (NFRA) has now provided smallholder farmers from 17 P4P-supported farmers' organizations (FOs) with a potentially sustainable market for their crops.

Background

Agriculture represents 45 percent of the Tanzanian GDP. Almost 80 percent of Tanzania's population depends mainly on subsistence agriculture for their livelihood, producing most of the country's food and cash crops as well as rearing livestock.

Learning and sharing

P4P has emphasized an honest and transparent examination of what works and does not. After five years of testing various approaches on the ground, the pilot is currently being evaluated. Key lessons are being compiled and will be shared widely.

Achievements

- **Crop quality:** FOs have improved crop quality through capacity development training and the use of improved equipment and storage facilities.
- **Procurement:** WFP purchased around 15 percent of its food needs for its programmes in Tanzania from local smallholder farmers.
- **Sustainability:** Sales to markets beyond WFP by P4P-supported FOs totalled some 3,000 mt. In 2013, 17 P4P-supported FOs sold some 2,500 mt of maize directly to the NFRA.
- **Infrastructure:** Through WFP investments, an additional storage capacity of 8,250 mt has been created for both maize and bean production among FOs, allowing for value additions. P4P investments in warehouse upgrades have led to the certification of ten P4P vendor warehouses, which have met the Tanzanian Warehouse Licensing Board Criteria.
- **Capacity development:** More than 5,000 farmers have received capacity development training under P4P. Plus, farmers have been trained to use weight as a base for their sales, rather than volume, leading to increased transparency and more accurate selling prices.
- **Gender:** P4P made specific efforts to ensure that the labour-saving equipment which it provided reached women's farmer groups in two P4P-supported districts.



World Food Programme

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For more information
wfp.p4p@wfp.org

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Fatuma poses with neighborhood children on her farm, where she is now growing maize to contribute to sales through her FO.

“I now have access to the WFP market and for the first time I was able to sell to the National Food Reserve Agency. This has allowed me to increase my yields and diversify my crops sales to help increase income for me and my family.”

KEY PARTNERS

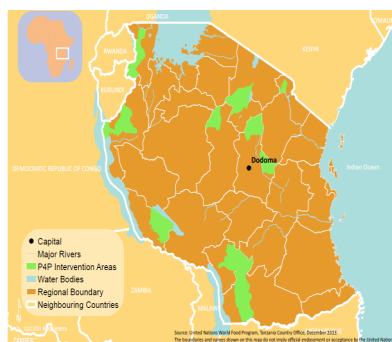
- African Economic Research Consortium (AERC)
- Alliance for a Green Revolution in Africa (AGRA)
- Faida Market Link (FAIDA MALI)
- Ministry of Agriculture Food Security and Cooperatives (MAFSC)
- National Micro-Finance Bank (NMB)
- Research for Rural Poverty (REPOA)
- Rural and Urban Development Initiative (RUDI)
- Stanbic Bank
- Tanzania Warehouse Licensing Board (TWLB)

Challenges

- **Targeting strategy:** When the pilot started, P4P made use of a unique targeting strategy to be close to beneficiaries and refugee camps assisted by on-going WFP programmes. Initially, P4P Tanzania worked in locations that were lower in production and more isolated than those chosen in many other pilot countries. The remote nature of these locations leads to prohibitive transportation costs, and reduces farmers’ opportunities to market their crops as a group, as many smallholders cannot afford transportation costs and so must sell at the farm gate. P4P has helped overcome some of these barriers. To further address this challenge, post-pilot activities will seek to expand into NFRA priority areas, located near NFRA warehouses in three fertile and well-connected regions in the southern highlands.
- **Markets beyond WFP:** Despite P4P’s efforts to provide farmers with the skills to negotiate and acquire higher prices for their crops, many large grain buyers in Tanzania still buy at the farm gate immediately after harvest when prices are low. In order to encourage buyers to purchase from FOs, the volumes and quality of outputs must be increased, with WFP or another external actor minimizing the risk of default.
- **Collective marketing:** P4P helped revive collective marketing and demonstrate its benefits. However, continued efforts are needed to strengthen cooperative groups.

Partnerships

P4P partners with Tanzania’s Warehouse Licensing Board (TWLB), which supports warehouse rehabilitation activities in order to make the warehouse receipt system more smallholder-friendly. Another vital P4P partner is the NFRA, who, through the Ministry of Agriculture Food Security and Cooperatives (MAFSC), is now purchasing food from P4P-supported farmers’ organizations and supplying WFP’s regional food needs. A wide variety of partners, including NGOs and research institutions, also assist with quality control, transport and infrastructure. The Government of Tanzania is contributing to an enabling environment through the provision of subsidised fertilizers.



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[New opportunities for female farmers](#)

[Challenges facing women farmers](#)

WFP ACTIVITIES IN TANZANIA

WFP collaborates with the Government of Tanzania through its national Poverty Reduction Strategy (PRS), as well as with the United Nations Development Assistance Plan (UNDAP). These programmes prioritize agriculture, food security and nutrition as key drivers for growth. During the formation of the next Country Programme, WFP will leverage results from the P4P initiative in order to incorporate smallholder-friendly procurement and market access activities. Plus, WFP’s current partnership with the NFRA helps make smallholder FOs part of the solution for improving Tanzania’s food security. WFP Tanzania is also included in a protracted relief and recovery operation targeting vulnerable, malnourished and at-risk refugees from the Democratic Republic of Congo (DRC). Food purchased from P4P-supported vendors also supports food distribution to refugees from DRC.