

JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)

Rural and Agricultural Development Advisory Group of JICA Tanzania Office
(RADAG)

**Cashew Nut Flow Study:
Mkuranga District in Coast Region,
the United Republic of Tanzania**

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Eiichiro Hayashi, Marketing

Contents

1. Introduction	1
1.1 Purpose	1
1.2 Method	1
1.3 Schedule	2
2. Background	3
2.1 Cashew Nuts in Mkuranga District	3
2.2 Cashew Nuts Shipped from Mkuranga District	5
3. Stakeholders in Cashew Nut Flow	5
3.1 Farmers	7
3.2 Cashew Nut Processing Cooperative Societies	7
3.3 Trading Company Agents	10
3.4 Trading Companies	10
3.5 Middlemen	11
3.6 Retailers	12
4. Buying and Selling Prices of Cashew Nuts	13
4.1 Raw Cashew Nuts	13
4.2 Processed Cashew Nuts	14
4.3 Roasted Cashew Nuts	16
5. Conclusion	17
5.1 Cashew Nut Marketing Stakeholders	17
5.2 Cashew Nut Buying and Selling Prices	18
6. Recommendations	19
6.1 Improving Productivity of Cashew Nuts	19
6.2 Improving Profitability of Cashew Nut Farmers	20
References	21
Persons Interviewed	22
Appendix A Cashew Nut Buying Posts in Mkuranga District	23
Appendix B Cashew Nut Processing Cooperative Societies in Mkuranga District	24
Appendix C List of Cashew Nut Buyers Certified by Mkuranga District Council	25

1. Introduction

1.1 Purpose

In Tanzania, the Ministry of Agriculture and Food Security (MAFS) serves as the nucleus among Agricultural Sector Lead Ministries with foreign donors and prepares the District Agricultural Development Plan (DADP). The DADP plays a substantial role in implementing the Agricultural Sector Development Plan (ASDP).

This study analyzes the present agricultural development at the District level since the situation analysis is regarded as essential for the District Council to plan the DADP by itself. The situation analysis of crop marketing at the District level provides the District Council useful information for planning the DADP.

The study is prepared in English to demonstrate to the officers of the District Council what situation analysis is to be done.

1.2 Method

The target district for the study is Mkuranga District in the Coast Region. The District is considered as a pilot DADP-implementing district. It is located approximately 50 km south from Dar es Salaam and it takes 40 minutes to 1 hour by vehicle from Dar es Salaam (see Map 1).

Map 1 General Location



Source: [HTTP://www.newafrica.com](http://www.newafrica.com)

The target crop for the study is the cashew nut because Mkuranga District has the largest planting area and number of cashew trees compared with the other five districts in the Coast Region.

Interviews with cashew nut marketing stakeholders were mainly conducted to collect primary data for the study. The cashew nut marketing stakeholders interviewed were the officers of Mkuranga District Council, farmers, middlemen, executives and staff of trading companies, retailers, etc.

1.3 Schedule

The study period was from October 6 to 30, 2002. Table 1 shows the study schedule.

Table 1 Schedule

Date	Day	Location	Activity
Oct.-5	Sat.	Dar es Salaam	Arrival in Tanzania
Oct.-6	Sun.	Dar es Salaam	Secondary data collection by internet and from reports
Oct.-7	Mon.	Dar es Salaam	(1) Interview with a candidate for the research assistant (2) Secondary data collection by internet and from reports
Oct.-8	Tue.	Dar es Salaam	Secondary data collection by internet and from reports
Oct.-9	Wed.	Dar es Salaam	Secondary data collection by internet and from reports
Oct.-10	Thu.	Dar es Salaam	(1) Interview with a candidate for the research assistant (2) Secondary data collection by internet and from reports
Oct.-11	Fri.	Dar es Salaam	(1) Interview with a candidate for the research assistant (2) Secondary data collection by internet and from reports
Oct.-12	Sat.	Dar es Salaam	
Oct.-13	Sun.	Dar es Salaam	
Oct.-13	Mon.	Dar es Salaam	Secondary data collection by internet and from reports
Oct.-15	Tue.	Dar es Salaam	Questionnaire preparation for interview with cashew nut marketing stakeholders
Oct.-16	Wed.	Mkuranga District	Interview with the officers of Mkuranga District Council and the Purchasing Manager of a cashew nut trading company
Oct.-17	Thu.	Mkuranga District	Interview with the officers of Mkuranga District Council
Oct.-18	Fri.	Mkuranga District	Interview with the District Subject Matter Specialist (DSMS) for crop production in Mkuranga District, a cashew nut farmer and a member of a Cashew Nut Processing Cooperative Society (CNPCS)
Oct.-19	Sat.	Dar es Salaam	
Oct.-20	Sun.	Dar es Salaam	
Oct.-21	Mon.	Dar es Salaam	Interview with the DSMS for crop production in Mkuranga District by telephone
Oct.-22	Tue.	Dar es Salaam	Interview with the Director of a cashew nut trading company and retailers at the Kariakoo Public Market and other places in Dar es Salaam
Oct.-23	Wed.	Mkuranga District	Interview with the DSMS for crop production in Mkuranga District, a cashew nut farmer and a member of a CNPCS
Oct.-24	Thu.	Dar es Salaam	Interview with middlemen at the Kariakoo Public Market and the Branch Manager of the Cashew Board of Tanzania (CBT)
Oct.-25	Fri.	Dar es Salaam	(1) Interview with the DSMS for crop production in Mkuranga District by telephone (2) Preparation of the tentative report
Oct.-26	Sat.	Dar es Salaam	
Oct.-27	Sun.	Dar es Salaam	
Oct.-28	Mon.	Dar es Salaam	(1) Interview with retailers at the Kariakoo Public Market and other places in Dar es Salaam (2) Preparation of the tentative report
Oct.-29	Tue.	Dar es Salaam	(1) Interview with the Branch Manager of the CBT (2) Preparation of the tentative report
Oct.-30	Wed.	Dar es Salaam	Presentation of the tentative report "Cashew Nut Flow Study: Mkuranga District in the Coast Region, the United Republic of Tanzania" at the JICA office
Oct.-31	Thu.		Departure from Tanzania

Saturdays, Sundays and Public Holidays

2. Background

2.1 Cashew Nuts in Mkuranga District



The cashew nut is regarded as one of the main cash crops produced in Mkuranga District. Table 2 presents the change of production of cashew nuts and planting area of cashew trees in the District from the 1996/1997 cashew nut marketing season (October to February) to the 2001/2002 marketing season.

Table 2 Cashew Nut Production and Cashew Tree Planting Area in Mkuranga District

Marketing Season	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002
Production (Metric Ton)	3,000	2,000	3,000	2,500	5,000	8,455
Planting Area (Hectare)	19,100	19,100	19,100	23,612	26,893	26,893

Source: Agricultural Department of Mkuranga District Council

Mkuranga District has the largest number of cashew trees (PCDS and RCOCR, 1997) as well as the largest cashew tree planting area (JICA, 2000) in the Coast Region. Mkuranga District produced more cashew nuts in the Coast Region than the other five districts (Table 3¹).

Table 3 Cashew Nut Production in Mkuranga District and in Coast Region

Marketing Season	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002
Mkuranga District (Metric Ton)	3,000	2,000	3,000	2,500	5,000	8,455
Coast Region (Metric Ton)	4,991	655	4,380	5,910	11,976	N/A
Share of Mkuranga District in the Coast Region	60%	N/A	68%	42%	42%	N/A

Note: N/A means Not Available.

Source: Agricultural Department of Mkuranga District Council and PCDS and RCOCR, 1997

¹ In Table 3, there is a data conflict for cashew nut production between Mkuranga District and Coast Province in the 1997/1998 marketing season.

Box 1 Cashew Nut Production in Tanzania

In Tanzania, the cashew nut harvest starts from the southern regions such as Mtwara, Lindi and Ruvuma earlier than in other regions. Hence, most cashew nut buyers start to purchase raw cashew nuts from those regions and try to fulfill their own requirements. In addition to the earlier harvest among regions, there is another incentive for cashew nut buyers to purchase the raw cashew nuts from the regions: quality of the raw cashew nuts. The regions have already achieved fame as producers of raw cashew nuts with good quality.

Therefore, if the buyers are able to purchase enough raw cashew nuts from the southern regions to fulfill their own requirements, they will not need to purchase more from other regions even during the cashew nut harvest in those regions.

Table 4 depicts the raw cashew nut production of major producers in Tanzania. Both Mtwara and Lindi Regions are predominant.

Table 4 Raw Cashew Nut Production in Tanzania

Region	1995/1996	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001
Mtwara	49,107	29,627	65,955	67,211	79,935	48,665
Lindi	11,585	9,160	16,480	14,737	17,652	18,411
Ruvuma	7,997	5,093	9,237	9,414	13,187	15,022
Coast	6,858	4,991	655	4,380	5,910	11,976
Dar es Salaam	1,590	7,133	7,341	9,026	3,952	2,289
Tanga	978	24	116	957	571	907
Mbeya						58
Iringa						100
Mingineyo	3,613	7,005	133	716		
Total	81,729	63,003	99,915	106,442	121,207	97,428

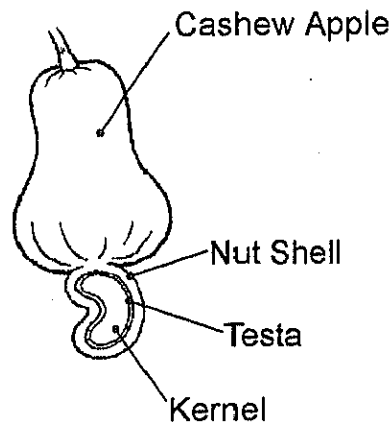
Source: MAFS, 2002

The Purchasing Manager of Fidahussein & Co. Ltd., stated that 5% of the total production of raw cashew nuts in Tanzania is consumed domestically, and the other 95% is mainly exported to India. In contrast, Tanzania exports fewer processed cashew nuts overseas than raw cashew nuts. The destinations of the processed cashew nuts are the United States, Canada, the United Kingdom, Germany, South Africa, Hong Kong and Japan.

2.2 Cashew Nuts Shipped from Mkuranga District

Two kinds of cashew nuts are shipped from Mkuranga District to Dar es Salaam, the Capital of Tanzania, raw cashew nuts that still have the kernel attached to the testa and nutshell and processed cashew nuts² for which the kernel is torn off the testa and nutshell through processing (see Figure 1).

Figure 1 Cashew Fruit



Source: [HTTP://www.itdg.org/](http://www.itdg.org/)

In Tanzania, there is only a market for cashew nut kernels. However, in India, there are markets for other cashew nut parts such as the cashew shell for fuel and cashew nut shell liquid (CNSL) for resin as an industrial raw material.

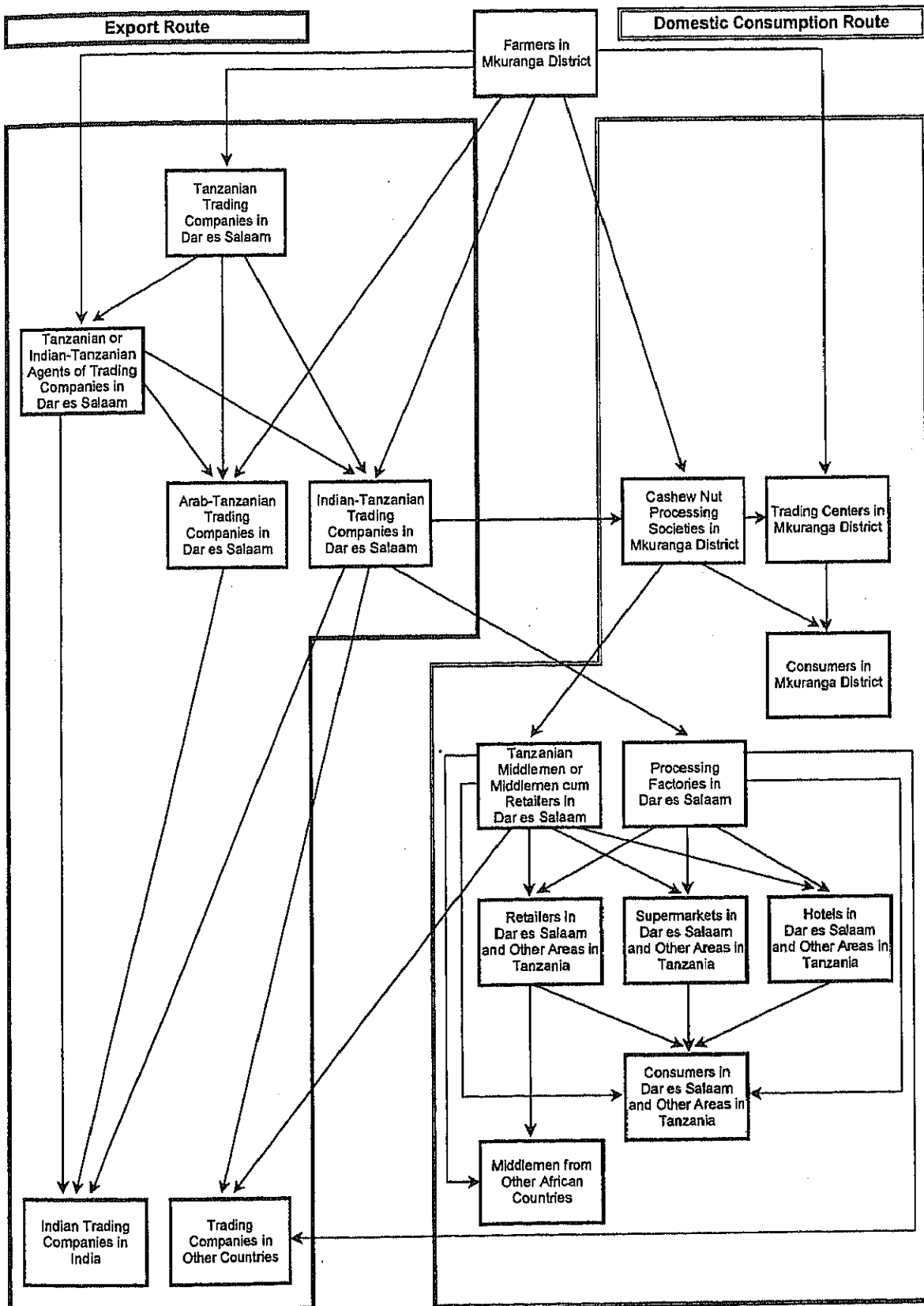
3. Stakeholders in Cashew Nut Flow

Diagram 1 illustrates the relationship between the cashew nut marketing stakeholders in Mkuranga District. Each cashew nut marketing stakeholder in Diagram 1 is explained in detail below.³

² Roasted cashew nuts are produced by roasting processed cashew nuts in oil. The roasted cashew nuts are commonly served as snack.

³ The data for the 2002/2003 cashew nut marketing season is as of October 23, 2002.

Diagram 1 Cashew Nut Flows from Mkuranga District



Source: Interviews with cashew nut marketing stakeholders

3.1 Farmers

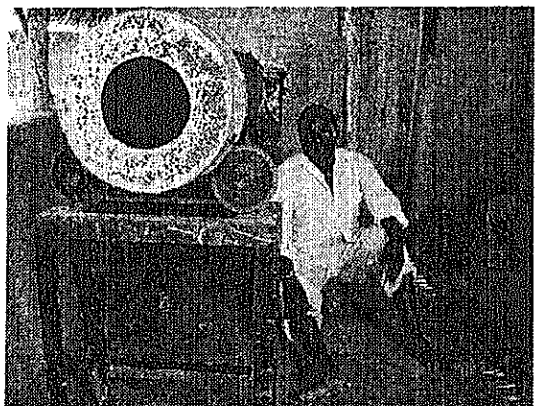


There are some 30,000 cashew nut farming households throughout Mkuranga District.⁴ Since the average household size of Kisarawe District in 1988⁵ was 4.7 persons (PCDS and RCOCR, 1997), the total number of cashew nut farmers can be extrapolated to at least 141,000 persons in Mkuranga District.

During the cashew nut marketing season (October to February), cashew nut farmers in the District sell harvested raw cashew nuts directly to buyers at buying posts that are legally approved as trading places in District villages. The buyers are the staff of domestic trading companies and the staff of agents for foreign trading companies who receive official licenses from the District to buy raw cashew nuts. In general, buying posts are located in each village but actually located in 95 out of the total 104 District villages because of the dispersion of raw cashew nut production among the villages (see Appendix A). Therefore, a cashew nut farmer who lives in a village without a buying post must transport harvested raw cashew nuts to another village where there is a buying post.

Cashew nut farmers in the District sometimes sell locally roasted cashew nuts produced using indigenous technology at informal trading centers in addition to selling at trading centers (public markets) in the District. The informal trading centers are located along roads and in front of houses. Village kiosks are also included in those informal trading centers. Each village has its own trading center so there are 104 trading centers in the District. However, there are only three main trading centers in the District, located in Kimanzichanana, Mkuranga and Kisiju.

3.2 Cashew Nut Processing Cooperative Societies



A primary village-level society in Mkuranga District is a cashew nut farmer group called the Cashew Nut Processing Cooperative Society (CNPCS). The CNPCS usually consists of five to twenty cashew nut farmers as members. The CNPCS produce processed cashew nuts using indigenous technology and sell the processed cashew nuts to middlemen in Dar es Salaam. In the District, only CNPCSs produce processed cashew nuts for selling outside the District.

The processed cashew nuts are produced from both raw cashew nuts brought from the CNPCS members and raw cashew nuts purchased from other cashew nut farmers

⁴ According to the District Subject Matter Specialist for crop production in Mkuranga District, the District has never counted the number of cashew nut farming households in these years. Therefore the District roughly estimates the number.

⁵ In 1988, Mkuranga District was still a part of Kisarawe District. In 1995, Mkuranga District was created out of the eastern and coastal parts of Kisarawe District.

during the cashew nut marketing season. Even in the off-marketing season, CNPCSs purchase raw cashew nuts from trading companies that can afford to store them, process the raw cashew nuts, and sell the processed cashew nuts to middlemen in Dar es Salaam simply because there is no market for processed cashew nuts in the District.

In fact, according to a member of a CNPCS, the CNPCS that started processing in 1998 and produces 2,700 kg of processed cashew nuts per marketing season, purchases raw cashew nuts from a few trading companies such as Fidahusseini & Co. Ltd., Olam (T) Ltd. and S. M. Holdings Ltd. during the off-marketing season. The CNPCS spends five weekdays for processing and brings the processed cashew nuts to Dar es Salaam on weekends. Because of the native technology of processing, the CNPCS is forced to sell the processed cashew nuts at the offered price of middlemen in Dar es Salaam.

There are 46 CNPCSs registered in the District (see Appendix B), but only a few of them are reported to be active. It is difficult for the District to understand the actual CNPCS activities because the CNPCSs are not required to report their activities to the District and freely sell the product, processed cashew nuts, to anybody.

Some CNPCS activities in Mkuranga District have been clarified (see Table 5) based on information obtained from middlemen at the Kariakoo Public Market in Dar es Salaam.

Table 5 Cashew Nut Farmer Groups Visiting Kariakoo Public Market

District	Number of Farmer Groups	Quantity (Kg) of Cashew Nuts Brought per Farmer	Visit Frequency per Week in the Marketing Season
Kibaha	15 to 20	30 to 50	7
Mkuranga	2	12 to 15	7
Kisarawe	1	8 to 10	1
Bagamoyo	1	8 to 10	1

Source: Interviews conducted with middlemen at the Kariakoo Public Market

According to the middlemen, farmer groups that come to sell locally processed cashew nuts at the Kariakoo Public Market consists of eight to twelve farmers, except the farmer group from Bagamoyo District, which consists of three farmers. Two farmer groups from Mkuranga District appear there daily during the cashew nut marketing season and each farmer in the two groups brings 12 kg to 15 kg of processed cashew nuts per day.

Table 5 shows that all the districts listed belong to the Coast Region and that more farmer groups come from Kibaha District than from other districts. Kibaha District has 15 to 20 farmer groups, and each farmer brings 30 to 50 kg of processed cashew nuts daily. The farmer groups in Kibaha District are more active than the ones in Mkuranga District, primarily because Kibaha District is located along the Morogoro

National Road. For the farmers groups in Kibaha District, the Morogoro National Road is the key for profitable marketing since it connects to more markets in Dar es Salaam to the east as well as to markets in Morogoro, Iringa and Mbeya. It also connects to neighboring countries such as Zambia and Malawi to the west.

Box 2 Processing Raw Cashew Nuts: The Case of Kididimo Cashew Nut Processing Cooperative Society

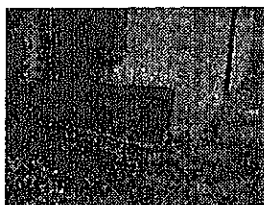
The Kididimo Cashew Nut Processing Cooperative Society (CNPCS) has been using a local drum-shaped cashew nut processing machine made of metal (see the picture in Section 3.2). However, the machine is out of order.

To process raw cashew nuts, machine filled with raw cashew the picture shown above in the with the handle for some time. cashew nuts from the machine testas and nutshells. The torn cashew nuts. If the kernels are not sufficiently processed, the Kididimo CNPCS puts the processed cashew nuts in an aluminum jar and processes them again by heating the jar in a fireplace. Locally roasted cashew nuts are produced without using oil by heating the jar on the fireplace longer than required for producing processed cashew nuts.



the Kididimo CNPCS puts the nuts into a brick fireplace (see center) and spins the machine. It then removes burned raw and tears the kernels off the off kernels are called processed

However, the local processing Kididimo CNPCS is forced to technology (a square pan) for (see the picture shown below in CNPCS simply puts raw shakes it for some time over the burned raw cashew nuts from the pan. The method of removing the testas and nutshells from the kernels, re-processing the processed cashew nuts, and producing locally roasted cashew nuts are exactly the same as in utilizing the local processing machine.



machine is out of order, so the fall back on indigenous processing raw cashew nuts the center). The Kididimo cashew nuts on the pan, fireplace, and then removes the

The Kididimo CNPCS keeps burned and torn off nutshells and utilizes them as fuel for another raw cashew nut processing cycle.

3.3 Trading Company Agents

From the 1999/2000 cashew nut marketing season to the 2002/2003 marketing season, the District certified and issued buying licenses to just one trading company agent in 1999/2000, two agents in 2001/2002, and one agent in 2002/2003 (see Table 6). From Table 6, a Tanzanian agent with no Arab or Indian ethnic background appeared in the 1999/2000 marketing season only; Indian-Tanzanian agents became predominant from the 2001/2002 marketing season. Those agents do not simply export raw cashew nuts to India, but also sometimes sell their purchased raw cashew nuts to trading companies in Dar es Salaam when they can afford to do so.

Table 6 Number of Cashew Buyers Certified by Mkuranga District

Marketing Season	Arab-Tanzanian		Indian-Tanzanian		Tanzanian		Not Available	Total
	Agent of Indian Trading Company	Trading Company	Agent of Indian Trading Company	Trading Company	Agent of Indian Trading Company	Trading Company		
1999/2000		1		6	1	1		9
2000/2001				10				10
2001/2002		2	2	8				12
2002/2003		2	1	6			1	10
Total		5	3	30	1	1	1	41

Source: Agricultural Department of Mkuranga District Council

3.4 Trading Companies

Trading companies that purchase raw cashew nuts from the District villages are largely divided into three groups: Tanzanians who have no Arab or Indian ethnic background, Indian-Tanzanians who have Indian ethnic background and Arab-Tanzanians who have Arab ethnic backgrounds such as Yemeni (see Appendix C). From the 1999/2000 marketing season to the 2002/2003 marketing season, the District certified and issued buying licenses to eight trading companies in 1999/2000, ten in 2000/2001, ten in 2001/2002, and eight in 2002/2003. Indian-Tanzanian trading companies are predominant (see Table 6).

Among the trading companies, only Fidahussein & Co. Ltd. and Mohamed Enterprises have their own processing factories in Dar es Salaam.⁶ Both are Indian-Tanzanian trading companies. After processing raw cashew nuts, they both export processed cashew nuts and sell them to domestic retailers, supermarkets, hotels, etc.

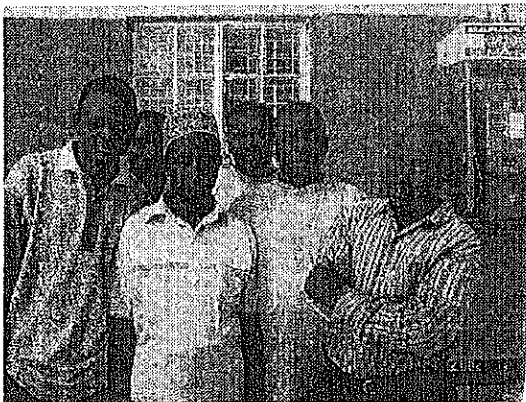
According to the Purchasing Manager of Fidahussein & Co. Ltd., the factory owned by

⁶ In Kibaha District, a former parastatal (state own enterprise) of cashew nut processing factory is said to start processing raw cashew nuts from this 2002/2003 cashew nut marketing season after being repaired and renovated by Haroum International Ltd., which is owned by a Tanzanian businessman.

Mohamed Enterprises can process five tons of raw cashew nuts per day, while the factory owned by Premier Cashew Industries Ltd., the subsidiary of Fidahussein & Co. Ltd., can process 22.5 tons per day. That factory was built in late 1999 and currently employs 1,500 workers.⁷ In addition to that factory, before this marketing season (2002/2003) started, Premier Cashew Industries Ltd. built one more cashew nut processing factory to increase its processed cashew nut production. Production is estimated to increase to 45 tons per day.

Aside from its own trading business, Fidahussein & Co. Ltd. has implemented unique programs for cashew nut farmers in the District such as contribution for building drainage in villages and donation of sulfur, a pesticide for cashew nut trees to control powdery mildew.

3.5 Middlemen



Middlemen play an important role in cashew nut marketing, especially in Dar es Salaam. They are Tanzanians who have no Arab or Indian ethnic background and are generally divided into two types of middlemen: those working as a group and those working as individuals. The middleman group is called "*Bega kwa Bega* (Shoulder by Shoulder)" and consists of 60 middlemen; 12 middlemen are recognized⁸ to act individually.

Middlemen and cashew nut farmers groups coming from outside Dar es Salaam to sell processed cashew nuts hold a cashew nut auction every morning at the Kariakoo Public Market. More specifically, the cashew nut auction is held from 5:00 a.m. for two hours just in front of a small local restaurant next to the post office at the Kariakoo Public Market. The farmer groups bring primarily processed cashew nuts. However, unpeeled cashew nuts with the nutshell removed but the testa still around the kernel are sometimes brought in as well.

According to middlemen at the Kariakoo Public Market, the farmers groups come from the Coast Region only (see Table 5). Of the six Coast Region Districts, Kibaha, Mkuranga, Kisarawe and Bagamoyo Districts are mentioned. Unpeeled cashew nuts are brought by the farmer group from Kisarawe District. The farmer groups from Kibaha District are outstanding in terms of the frequency of visiting the Kariakoo Public Market and the quantity of cashew nuts brought in. The farmer groups from Mkuranga District are next. The farmer groups from Kisarawe and Bagamoyo Districts visit the Kariakoo Public Market just once a week, remarkably low compared with the visitation frequency of farmer groups from Kibaha and Mkuranga Districts.

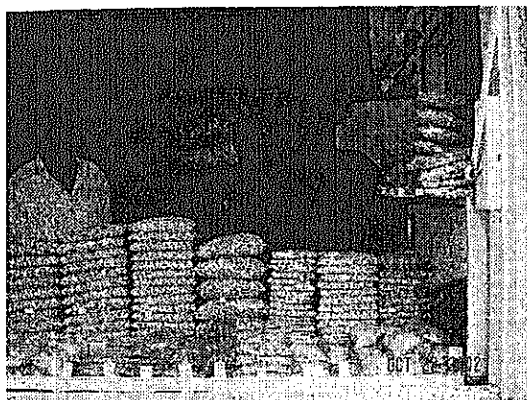
After purchasing processed cashew nuts from farmer groups, middlemen sell directly to retailers in Dar es Salaam, or roast them by themselves and pack them into transparent plastic bags of various sizes and sell these to retailers, supermarkets,

⁷ According to the Purchasing Manager of Fidahussein & Co. Ltd., some 1,450 of the total employees are women (97%).

⁸ The number varies depending on the condition of cashew nut market.

hotels, etc. There are also middlemen cum retailers. The middlemen cum retailers often have their own shops, especially along Zanaki Street and Libya Street in Dar es Salaam where there is a total of 60 shops. They normally participate in the cashew nut auction held at the Kariakoo Public Market, purchase processed cashew nuts from farmer groups, and sell these at their own shops after packing the cashew nuts into transparent plastic bags of various sizes. They may also roast the processed cashew nuts and sell these at their own shops after packing them in the same manner.

3.6 Retailers



Retailers in Dar es Salaam usually purchase processed cashew nuts from middlemen. They rarely receive direct visits from cashew nut farmers selling processed cashew nuts. After purchasing the processed cashew nuts, they do the same as the middlemen cum retailers do: they pack the processed cashew nuts into transparent plastic bags of various sizes and sell them at their own shops. Alternatively, they roast them and sell them at their own shops after packing them into

transparent plastic bags of various sizes. The retailers also act as wholesalers if they see that there is much demand to purchase processed cashew nuts.

A retailer in Dar es Salaam says that he roasts processed cashew nuts, which he purchases from specific middlemen at the Kariakoo Public Market, by putting them into oil. He rarely receives direct visits from cashew nut farmers from outside of Dar es Salaam, except in the beginning of the cashew nut marketing season. He says that 70% of the farmers come from Mtwara Region and 30% from Mkuranga District. In the backyard of his shop, processed cashew nuts and roasted cashew nuts are weighed and packed into various-sized transparent plastic bags. The bags are sealed by melting the plastic with the flame of a candle. He also sells packed processed cashew nuts. At his shop, he has five different package weights (50 g, 100 g, 200 g, 300 g and 500 g) for roasted cashew nuts and only one weight (250 g) for processed cashew nuts.

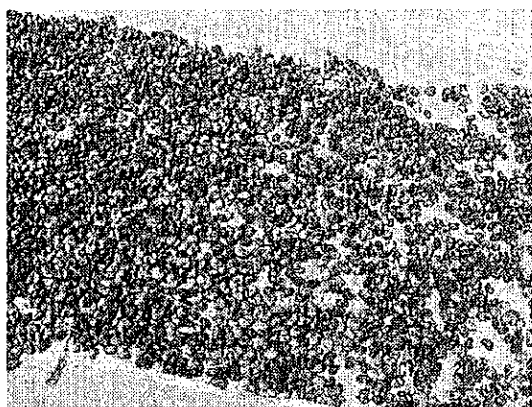
Retailers including middlemen cum retailers in Dar es Salaam ship processed and roasted cashew nuts to the northern part of Tanzania such as Arusha, and also export them to Kenya. Foreign tourists visiting Tanzania and middlemen⁹ from other African countries such as Botswana, Libya, Malawi, South Africa, Zambia and Zimbabwe come and purchase processed cashew nuts from the retailers.

⁹ Those from other African countries who purchase huge amounts of processed cashew nuts like Zambians who purchase more than 200 kg of processed cashew nuts at one time are assumed to be middlemen in those countries.

4. Buying and Selling Prices of Cashew Nuts

It is to be noted that buying and selling prices of cashew nuts in Tanzania vary based on domestic demand and supply. In addition, all cashew nuts tend to be bought and sold at lower prices in the beginning of the cashew nut marketing season because of oversupply of raw cashew nuts and at higher prices in the middle to end of the marketing season because of excess demand over the supply.

4.1 Raw Cashew Nuts



Currently, raw cashew nuts in Tanzania are generally sorted into only two grades: standard (grade 1) and under-grade (grade 2).

Every year before the start of the cashew nut marketing season, the Government of Tanzania publicly announces indicative prices (lowest buying prices advised to buyers) for the two grades through the Cashew Board of Tanzania (CBT). The information is spread widely through various media. Hence, even a

cashew nut farmer in a village has easy access to the information about the prices.

Although there are two grades of raw cashew nuts, in reality, the grades are integrated into one grade and their buying prices are added and averaged by the buyers when they purchase raw cashew nuts from cashew nut farmers at buying posts in District villages. The announced indicative prices are just ignored at that time. In other words, the announced indicative prices neither work in fact nor reflect the actual buying prices of raw cashew nuts in the District.

The buyers generally demand standard-grade raw cashew nuts throughout the cashew nut marketing season. However, the buyers need to fulfill their requirements in terms of quantity and therefore purchase under-grade raw cashew nuts as well, especially in the beginning of the marketing season. Because they lack a proper storage facility, the cashew nut farmers also like to sell the harvested raw cashew nuts as early as possible. In other words, the farmers are eager to sell the cashew nuts in the short term because they also know that delayed sales of raw cashew nuts lead to deterioration. In addition, cashew nut farmers cannot evaluate whether the offered buying price from the buyers is fair or not because there is little information about actual prices for raw cashew nuts in Tanzania. In the end, the farmers are obliged to sell raw cashew nuts to the buyers at the offered price, allowing the buyers to set the buying price of raw cashew nuts.

This raw cashew nut marketing system was reported to allow the buyers to concentrate in certain areas and possibly consort with other buyers to refrain from purchasing in certain areas (MAFS, 2002). However this was not indicated through interviews with cashew nut marketing stakeholders in Mkuranga District.

An external factor impacting buying and selling prices of raw cashew nuts in Mkuranga District is that the cashew nut harvest in Tanzania starts earlier in the

southern regions such as Mtwara, Lindi and Ruvuma than in other regions (see Box 1). Hence, the supply of raw cashew nuts exceeds the demand throughout the country, especially in October, the beginning of the cashew nut marketing season, which accelerates discounting of raw cashew nut prices in the District.

Table 7 presents the indicative prices of standard and under-grade raw cashew nuts with the highest and lowest selling prices per kg of raw cashew nuts in Mkuranga District from the 1999/2000 marketing season to the 2002/2003 marketing season. Those prices are recorded in terms of the Tanzanian Shilling (Tsh.).

Table 7 Indicative Prices and Selling Prices of Raw Cashew Nuts in Mkuranga District

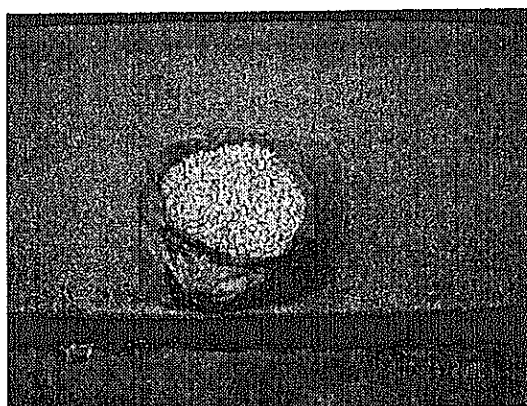
(Tsh. per kg)

Marketing Season	Indicative Price		Lowest Price			Highest Price		
	Standard	Under-Grade	All District	Farmer A	Farmer B	All District	Farmer A	Farmer B
1999/2000	540	435	250	310	400	670	620	600
2000/2001	450	400	100	180	150	280	300	350
2001/2002	360	290	150	200	150	320	310	350
2002/2003	360	290	N/A*	250	250	N/A	N/A	N/A

*Note: N/A means not available.

Source: Agricultural Department of Mkuranga District Council and Interviews conducted with a farmer in Kiparang'anda Village and a farmer in Kididimo Sub-Village, Mkwaliakitumbo Village. Both villages belong to Mkuranga Ward and Mkuranga Division.

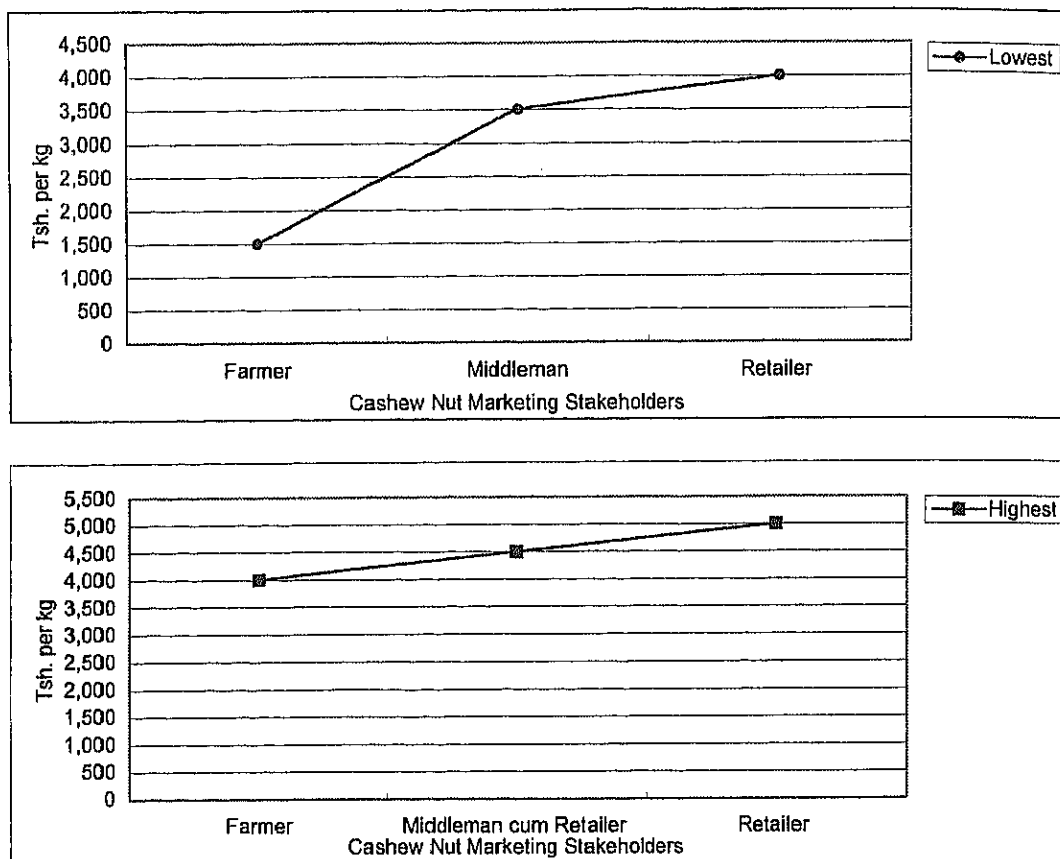
4.2 Processed Cashew Nuts



Processed cashew nuts that are shipped from Mkuranga District to Dar es Salaam are handled by District Cashew Nut Processing Cooperative Societies (CNPCSs) and sold to middlemen in Dar es Salaam through the auction.

Chart 1 has been prepared based on information collected about the lowest and highest selling prices of processed cashew nuts through interviews with cashew nut marketing stakeholders (a member of a CNPCS, middlemen, middlemen cum retailers, and retailers).

Chart 1 Lowest and Highest Selling Prices of Processed Cashew Nuts



Note: The highest price is an estimation based on the price in the last marketing season.

Source: Interviews conducted to a farmer in Kididimo Sub-Village, Mkwaliakitumbo Village, Mkuranga Ward, Mkuranga Division, Mkuranga District, middlemen at Kariakoo Public Market, a retailer on Jamuhuri Street near Kisutu Public Market and middlemen cum retailers at the junction of Zanki Street and Libya Street, Dar es Salaam

Chart 1 shows that cashew nut consumers purchase processed cashew nuts from retailers at the retailer's selling prices (lowest price 4,000 Tsh. per kg; highest, 5,000 Tsh.).¹⁰

At stores of retailers and supermarkets in Dar es Salaam, processed cashew nuts are packed by the gram, not kilogram, and sold in various-sized transparent plastic bags. Table 8 shows the selling weights and prices of processed cashew nuts at a retailer's store and supermarkets in Dar es Salaam.

¹⁰ The data collected from a middleman cum retailer as the lowest price (4,500 Tsh.) and from a middleman as the highest price (6,000 Tsh.) are omitted from Chart 1 because they are not consistent with other data collected from other cashew nut marketing stakeholders.

Table 8 Processed Cashew Nut Selling Weights and Prices at a Retailer's Store and Supermarkets in Dar es Salaam

(Tsh.)

Weight	Retailer	Supermarket		
		Brand A	Brand B	Brand C
100 g	1,000	600		
150 g		900		
250 g		1,500	1,250	1,250
500 g		2,900	2,500	2,500

Source: Interviews conducted with a retailer on Jamuhuri Street near the Kisutu Public Market, Imalaseko Supermarket, and Shoppers Supermarket in Dar es Salaam

4.3 Roasted Cashew Nuts



Roasted cashew nuts are made after middlemen cum retailers and retailers purchase processed cashew nuts and roast them by themselves. Table 9 presents the selling weights and prices of roasted cashew nuts at a retailer's store and supermarkets in Dar es Salaam. This table indicates that the selling weight of roasted cashew nuts varies widely and that the price is set equal to or slightly higher than prices of processed cashew nuts.

Table 9 Roasted Cashew Nut Selling Weights and Prices at a Retailer's Store and Supermarkets in Dar es Salaam

(Tsh.)

Weight	Retailer	Supermarket	
		Brand A	Brand D
50 g	250		
75 g			550
100 g	500	600	600
200 g	1,000		1,350
250 g		1,500	
300 g	1,500		
500 g	2,500	2,900	2,900

Note: Brand A is the same as listed in Table 8.

Source: Interviews conducted with a retailer on Jamuhuri Street near the Kisutu Public Market, Imalaseko Supermarket, and Shoppers Supermarket in Dar es Salaam

5. Conclusion

Cashew nuts generally marketed in Tanzania are sorted into three categories: raw, processed and roasted. Only 5% of the total production of cashew nuts is consumed in Tanzania; the other 95% is exported overseas through trading companies. Raw cashew nuts are mainly exported to India, and processed cashew nuts, to the United States, Canada, the United Kingdom, Germany, South Africa, Hong Kong and Japan. Processed cashew nuts are also shipped to other African countries through retailers including middlemen cum retailers in Dar es Salaam: Kenya and through the other African middlemen visiting retailers in Dar es Salaam: Botswana, Libya, Malawi, South Africa, Zambia and Zimbabwe in addition to domestic consumption. Roasted cashew nuts are mainly consumed in Tanzania.

5.1 Cashew Nut Marketing Stakeholders

There are some 30,000 cashew nut farming households in Mkuranga District, implying a minimum of 141,000 cashew nut farmers in the District. The farmers sell raw cashew nuts directly to buyers at buying posts in District villages during the cashew nut marketing season (October to February). There are 95 buying posts in the District. The farmers sometimes sell locally roasted cashew nuts at informal trading centers that are located along roads and in front of houses, including village kiosks, in addition to selling at trading centers (public markets) in the District.

Some farmers organize themselves as a group for processing raw cashew nuts, resulting in Cashew Nut Processing Cooperative Societies (CNPCSs). In addition to harvested raw cashew nuts, the CNPCSs purchase raw cashew nuts from other cashew nut farmers in the cashew nut marketing season and from trading companies in the off-marketing season and process them by native technology. There are 46 CNPCSs registered with the District Council, however they are reported to be inactive. According to middlemen at the Kariakoo Public Market, only farmer groups from the Coast Region come and sell processed cashew nuts in Dar es Salaam. Bagamoyo, Kibaha, Kisarawe and Mkuranga Districts are mentioned out of the total six districts of the Coast Region. Kibaha District is outstanding in terms of frequency of visits and quantity of cashew nuts brought to the Kariakoo Public Market, followed by Mkuranga District.

Agents of trading companies and trading companies are raw cashew nut buyers. Indian-Tanzanian agents and trading companies who have Indian ethnic background are predominant among the buyers. Several trading companies are owned by Arab-Tanzanians who have Arab (e.g., Yemeni) ethnic backgrounds. Two of the trading companies, Fidahussein & Co. Ltd. and Mohamed Enterprises, have their own processing factories in Dar es Salaam. The processed cashew nuts are sold to retailers, supermarkets, hotels, etc. In the Coast Region, a privatized parastatal (state own enterprise) of cashew nut processing factory in Kibaha District is said to start processing of raw cashew nuts from this cashew nut marketing season (2002/2003).

Middlemen play an important role in cashew nut marketing especially in Dar es Salaam. They are all Tanzanians who have neither Arab nor Indian ethnic backgrounds and are divided into two types: a middleman group with 60 members

and 12 individually acting middlemen. The middlemen and the farmers groups hold a cashew nut auction of processed cashew nuts at the Kariakoo Public Market. The middlemen sell the processed cashew nuts they purchase from the farmers directly to the retailers, or roast them, pack the roasted cashew nuts into various-sized plastic bags, and sell them to retailers, supermarkets, hotels, etc.

There are also middlemen cum retailers among the middlemen. They have their own shops (approximately 60) along the Streets of Zanaki and Libya in Dar es Salaam. They pack the processed cashew nuts they purchased from the farmers at the auction and sell them at their own shops. They also roast the processed cashew nuts, pack the roasted cashew nuts, and sell them at their own shops.

Retailers in Dar es Salaam usually purchase processed cashew nuts from middlemen. They rarely receive direct visits from cashew nut farmers from outside of Dar es Salaam, except in the beginning of the cashew nut marketing season. After purchasing the processed cashew nuts, these retailers pack them into transparent plastic bags of various sizes and sell them at their own shops. Alternatively, they may roast them and sell them at their own shops after packing these into various-sized transparent plastic bags. The retailers also function as wholesalers if they see that there is much demand to purchase processed cashew nuts. The retailers, including middlemen cum retailers, in Dar es Salaam also ship the processed and roasted cashew nuts to the northern part of Tanzania such as Arusha, and also export them to Kenya.

Both foreign tourists and middlemen from other African countries such as Botswana, Libya, Malawi, South Africa, Zambia and Zimbabwe come and purchase processed cashew nuts from retailers in Dar es Salaam.

5.2 Cashew Nut Buying and Selling Prices

Raw cashew nuts in Tanzania are generally sorted into only two grades: standard (grade 1) and under-grade (grade 2). Indicative prices of the grades are announced publicly through Cashew Board of Tanzania (CBT), however the indicative prices do not function in reality.

Lack of adequate storage for raw cashew nuts and little information about prices for raw cashew nuts force cashew nut farmers to sell the raw cashew nuts at the offered price from buyers, enabling the buyers to determine the price of raw cashew nuts.

It is to be noted that the cashew nut harvest in Tanzania acts as an external factor in setting buying and selling prices of raw cashew nuts in Mkuranga District. The harvest starts in October in the southern regions such as Mtwara, Lindi and Ruvuma earlier than in other regions. Hence, most cashew nut buyers start to purchase raw cashew nuts from those regions and try to fulfill their own requirements in terms of quantity. In addition to the earlier harvest among regions, the regions give another incentive to cashew nut buyers to purchase the raw cashew nuts: quality. If the buyers are able to purchase enough raw cashew nuts from the regions to fulfill their own requirements, they will not need to purchase more from other regions even during the cashew nut harvest in those other Regions. Therefore, the supply of raw cashew nuts exceeds the demand throughout the country in the beginning of the

cashew nut marketing season, which accelerates discounting of the raw cashew nut price in Mkuranga District.

Consumers who purchase processed cashew nuts in Dar es Salaam pay a minimum of 4,000 Tsh. per kg and a maximum of 5,000 Tsh. per kg. At stores of retailers and supermarkets in Dar es Salaam, processed cashew nuts are packed by the gram and sold in various-sized transparent plastic bags.

The selling weights and prices of roasted cashew nuts at retailers' stores and supermarkets in Dar es Salaam vary widely, and the prices are set equal to or slightly higher than ones of processed cashew nuts.

6. Recommendations

If the cashew nut is chosen as the strategic crop of the District Agricultural Development Plan (DADP) in Mkuranga District, the District must explore what is required to improve the productivity of cashew nuts and profitability of cashew nut farmers.

6.1 Improving Productivity of Cashew Nuts

First, information gathering and data collection about highly productive cashew varieties must be accorded top priority. For example, conducting interviews with cashew nut farmers who own several cashew varieties such as Tanzania original, Brazil and Ceylon, and gathering information and collecting data in the District are useful as a part of local primary data. Furthermore, it would also be valuable to exchange the information and data about cashew varieties with the southern regions (Mtwara, Lindi and Ruvuma) and collect them especially from the Naliendeke Cashew Research Project of the Agricultural Research Institute in Mtwara that disseminates clones of cashew varieties. The information and data are critical for the District to reach decisions concerning cashews, such as replanting improved cashew varieties rather than sustaining old cashew trees.¹¹

Without gathering information, collecting data, and performing the related analyses, implementing technical services for cashew nut farmers from the District, such as providing motorized sulfur dusting and fertilizer, will be functional in the short-run only. It is rather dangerous for the District to invest in such services without first analyzing the situation with regard to cashews. Newly planned programs for cashew nut farmers in DADP, such as implementing educational tours of the southern regions and conducting seminars and training about cashew nuts to improve their productivity, would be effective in motivating farmers to improve their productivity of cashew nuts only after the information and data are obtained and analyzed.

Lastly, it is important for the District to build up a cashew nut information and data flow system by coordinating with other cashew nut marketing stakeholders, to continuously renew the information and data, and to share such information and data with cashew nut farmers in the District.

¹¹ It is reported that most of the cashew trees in Tanzania are old and that, therefore, the yields are relatively low (MAFS, 2002).

6.2 Improving Profitability of Cashew Nut Farmers

As pointed out for improving productivity of cashews in the District, it is also necessary for the District to first gather information and collect data about marketable cashew varieties from the southern regions and the Naliendele Cashew Research Project of the Agricultural Research Institute and to analyze the information and data to improve the profitability of raw cashew nut farmers.

Second, the District must specifically review the cashew nut marketing system in its villages. At present, cashew nut farmers are unable to evaluate whether offered prices from buyers are appropriate or not and are therefore forced to sell the raw cashew nuts at the offered prices at buying posts in the District because of limited information about the cashew nut marketing prices. This hinders cashew nut farmers improving the profitability of their harvested raw cashew nuts. Hence, it is highly recommended abandoning direct marketing of raw cashew nuts between cashew nut farmers and buyers at buying posts, and holding cashew nut auctions there with buyers instead. As buyers compete for buying price at the auction, cashew nut farmers may be able to increase their profitability from the cashew nut sales. Naturally, the applicability of indicative prices for raw cashew nuts at the auction needs to be examined once again from the point of view that such prices really do not work. In holding the auction, it is also important that the officers of local government unit (village, ward, division and district) of the District are fully utilized as auditors, as this would lead the District to review human resources management.

Lastly, it is clear that poor post-harvest handling and lack of storage of raw cashew nuts are other factors that hinder cashew nut farmers from improving profitability of their raw cashew nuts. For sales, it is critical that raw cashew nuts be preserved in a dry and clean condition. Raw cashew nuts that are well-handled and preserved dry and clean in storage are still marketable in another cashew nut marketing season. Unfortunately, it is impossible to maintain the original weight even with proper storage, as the moisture in raw cashew nuts gradually evaporates and the content decreases with time. Nevertheless, quality raw cashew nuts could be sold to any buyer at anytime through the next marketing season. Proper post-harvest handling and storage thus widen the choice of sales timing for cashew nut farmers and create additional time for their other activities.

It is important for the District to implement these changes based on partnership between public-sector and private-sector stakeholders involved in cashew nut marketing. The District needs to learn and acquire knowledge about the cashew nut marketing by coordinating with the private sector and to create a strong institution of cashew nut marketing with the stakeholders.

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PCDS and RCOCR, 1997

Coast Region Socio-Economic Profile, Planning Commission Dar es Salaam and Regional Commissioner's Office Coast Region, Tanzania, 1997

Persons Interviewed

Mkuranga

Cashew Nut Farmer

Mr. Yahya Athumani Kipira, Kiparang'anda Village, Mkuranga Ward, Mkuranga Division

Cashew Nut Farmers of Cashew Nut Processing Cooperative Society

Mr. Mohamed Salum Mwera, Kididimo Sub-Village, Mkwalia-Kitumbo Village, Mkuranga Ward, Mkuranga Division

Mr. Mwalimu Abdalah Kiyumbo, Kididimo Sub-Village, Mkwalia-kitumbo Village, Mkuranga Ward, Mkuranga Division

Mkuranga District Council

Mr. David E. P. Kilonzo, Acting District Executive Director and District Planning Officer

Ms. Khanifa M. Karamagi, District Commissioner

Mr. Fidelis A. K. Kyoro, District Administrative Secretary

Mr. Daniel Moshy, District Agriculture and Livestock Development Officer

Mr. Costantine Paul Mboya, District Extension Officer

Mr. Cleophas Joe Mwaiseje, District Subject Matter Specialist for Crop Inspection

Mr. Donald Swai Ndesaiya, District Subject Matter Specialist for Crop Production

Ms. Rither Valentine Barbaydu, District Subject Matter Specialist for Horticulture

Mr. Jackson Alfred Sange, District Subject Matter Specialist for Food and Nutrition

Trading Companies

Mr. Jaffer H. J. Pardhan, Purchasing Manager, Fidahusseini & Co. Ltd.

Mr. Feisal Nahdi, Position Unknown, S. M. Holdings Ltd.

Dar es Salaam

Middlemen

Mr. Ally Tamim, Kariakoo Public Market

Mr. Naziru Hamis, Kariakoo Public Market

Regulatory Board

Mr. Hamis Rashid Mwangah, Branch Manager, Dar es Salaam Branch, Cashew Board of Tanzania

Retailers

Mr. Rashid Mbaraka, Kariakoo Public Market

Humoisa, Jamuhuri Street near Kisutu Public Market

Retailers, Zanaki Street and Libya Street

Trading Company

Mr. Mushtak Fazal, Director, Premier Cashew Industries Ltd.

Appendix A: Cashew Nut Buying Posts in Mkuranga District

No.	Division	Main Buying Post	Buying Post
1	Mkuranga	Vikindu	Vikindu
			Mwandege
			Mkokozi
			Marogoro
			Vianzi
		Mkuranga	Mfuru
			Mkuranga
			Mkwalia
			Koragawa
			Hoyoyo
		Kisemvule	Tengelea
			Dundani
			Mwasani
			Kisemvule
			Tambani
Kiparang'anda	Mlamleni		
	Mwanambaya		
	Vibura		
	Kibamba		
	Kiparang'anda		
2	Mkamba	Bigwa	Bigwa
			Mwalusembe
			Kitonga
			Kiziko
			Kimanzichana
		Kimanzichana	Kilimbwanindi
			Mkenge
			Kilimahewa
		Kilimahewa	Kilimahewa
			Nyanduturu
		Nyamato	Nyamato
		Mkiu	Mkiu
		Kizapala	Kizapala
			Mkerezange
			Rupondo
Vianzi			
Kisegese			
Mbulani	Mbezi		
	Chamgoi		
	Kibesa		
	Mbulani		
	Kizomla		
	Nyatanga		
	Kibuyuni		
	Kinzae		
	Kibudi		

No.	Division	Main Buying Post	Buying Post		
2	Mkamba (Cont'd)	Bupu	Bupu		
			Mwamndikongo		
			Mwamndimperera		
			Tundu		
			Kikong'o		
			3	Kisiju	Njopeka
Lukanga					
					Lukanga
					Nyaimba
					Misasa
					Sangalani
					Sangalani
					Nyamihimbo
					Nyamihimbo
					Mkukwi
					Sangasanga
					Sangasanga
					Mtongani
					Mtongani
					Nasibugani
			Nasibugani		
			Msonga		
			Msonga		
			Magawa		
			Magawa		
			Mdimni		
			Tunduni		
			Kifumangao		
			Kifumangao		
			Binga		
			Binga		
			Kitomondo		
			Sotele Kipera		
			Mitaranda		
			Dondo		
			Dondo		
			Mpafu		
			Mpafu		
			Kerekese		
			Kerekese		
			Kisiju		
			Kisiju Pwani		
			Kalole		
			Kiwambo		
			Kiwambo		
			Njianne		
			Njianne		
			Mikere		
			Miteza		
			Ming'ombe		
			Ming'ombe		
4	Shungubweni	Ngarambe	Ngarambe		
			Mihekela		
			Mponga		
			Mwanzega		
			Mwanzega		
					Mbezi
					Mbezi Msufini
					Msufini
					Shungubweni
					Shungubweni
Msorwa					
			Kisayani		

Source: Agricultural Department of Mkuranga District Council

Appendix B: Cashew Nut Processing Cooperative Societies in Mkuranga District

No.	Name	Location (Village)
1	Nguvukazi	Mkuranga
2	Nyamato CN	Nyamato
3	Umoja al Nguvu	Mkuranga
4	Mapinduzi CNPCS	Mkerezange
5	Mdimni CNPCS	Mdimni
6	Mwandege CN	Mwandege
7	Kipera CNPCS	Mitaranda
8	Kichanga Unchu CN	Kerekese
9	Magawa CNPCS	Magawa
10	Mbezi Gulion CN	Mbezi Msufini
11	Njopeka CN	Njopeka
12	Msolokelo CN	Mbezi Msufini
13	Mwarusembe CN	Mwarusembe
14	Chawote CNPCS	Mwarusembe
15	Chekeni Mbezi CN	Mbezi Msufini
16	Umaseki Industry	Mbezi Msufini
17	Chumbu Chumbu	Mbezi Msufini
18	Mkuranga CNPCS	Mkuranga
19	Kididimo CNPCS	Mkwalia Kitumbo
20	Soweto CN	Soweto
21	Wapendanao CN	Magawa
22	Amana Nasibugani	Nasibugani
23	Tengelea CNPCS	Mkuranga/Tengelea
24	Sangasanga	Sangasanga
25	Kise CNPCS	Kise

No.	Name	Location (Village)
26	Jipe Moyo CNPCS	Yavayava
27	Bong'ola Bigwa	Bigwa
28	Kerekese CNPCS	Kerekese
29	Kimanzichana CN	Kimanzichana
30	Mbezi Msufini CN	Mbezi Msufini
31	Vumilia Mlamleni	Mlamleni
32	Mwamko Kigoda CN	Mlamleni
33	Jitihada Yavayava	Yavayava
34	Juhudi/Miale CN	Mkuranga
35	Muongano Nganje CN	Mdimni
36	Kivimbo Mwanzega CN	Mwanzega
37	Kijiji Maji CN	Kerekese
38	Kizapara CN	Kizapara
39	Juhudi Mkwalia CN	Mkuranga
40	Tumaini CN	Mkuranga
41	Marogoro CN	Marogoro
42	Kizomla CN	Kizomla
43	Jitegemee Misasa	Misasa
44	Lukanga CN	Lukanga
45	Maendeleo Kisiju	Kisiju Pwani
46	Tunduni CNPCS	Kifumangao

Note: CN means Cashew Nut. CNPCS means Cashew Nut Processing Cooperative Society.

Source: Agricultural Department of Mkuranga District Council

Appendix C: List of Cashew Nut Buyers Certified by Mkuranga District Council

Year	No.	Name	Description
1999/2000	1	Al-Hijra	Arab-Tanzanian Trading Company
	2	Abbasi Exports	Indian-Tanzanian Trading Company
	3	Emke (T) Ltd.	Indian-Tanzanian Trading Company
	4	Fidahussein & Co. Ltd.	Indian-Tanzanian Trading Company
	5	Kanyakumari Trading	Indian-Tanzanian Trading Company
	6	Mohamed Enterprises	Indian-Tanzanian Trading Company
	7	Olam (T) Ltd.	Indian-Tanzanian Trading Company
	8	Banglos Enterprises	Tanzanian Agent of Indian Trading Company
	9	Acco Ltd.	Tanzanian Trading Company
2000/2001	1	Asia Commodities (T) Ltd.	Indian-Tanzanian Trading Company
	2	Dashwood Corporation Ltd.	Indian-Tanzanian Trading Company
	3	Export Trading Co. Ltd.	Indian-Tanzanian Trading Company
	4	Fidahussein & Co. Ltd.	Indian-Tanzanian Trading Company
	5	H. S. Impex Ltd.	Indian-Tanzanian Trading Company
	6	Kanyakumari Trading Ltd.	Indian-Tanzanian Trading Company
	7	Mohamed Enterprises Ltd.	Indian-Tanzanian Trading Company
	8	Olam (T) Ltd.	Indian-Tanzanian Trading Company
	9	Premier Impex (T) Ltd.	Indian-Tanzanian Trading Company
	10	Uniafrico Ltd.	Indian-Tanzanian Trading Company
2001/2002	1	Agroimpex Ltd.	Arab-Tanzanian Trading Company
	2	S. M. Holdings	Arab-Tanzanian Trading Company
	3	Aizel Corporation Ltd.	Indian-Tanzanian Agent of Indian Trading Company
	4	Euro-Impex Ltd.	Indian-Tanzanian Agent of Indian Trading Company
	5	Asia Commodities (T) Ltd.	Indian-Tanzanian Trading Company
	6	Dashwood Corporation Ltd.	Indian-Tanzanian Trading Company
	7	Export Trading Co. Ltd.	Indian-Tanzanian Trading Company
	8	Fidahussein & Co. Ltd.	Indian-Tanzanian Trading Company
	9	H. S. Impex Ltd.	Indian-Tanzanian Trading Company
	10	Kanyakumari Trading Co. Ltd	Indian-Tanzanian Trading Company
	11	Olam (T) Ltd.	Indian-Tanzanian Trading Company
	12	Uniafrico Ltd.	Indian-Tanzanian Trading Company
2002/2003 (As of October 23, 2002)	1	Agroimpex (T) Ltd.	Arab-Tanzanian Trading Company
	2	S. M. Holdings Ltd.	Arab-Tanzanian Trading Company
	3	Euroimpex (T) Ltd.	Indian-Tanzanian Agent of Indian Trading Company
	4	Dashwood Corporation Ltd.	Indian-Tanzanian Trading Company
	5	Export Trading Co. Ltd.	Indian-Tanzanian Trading Company
	6	Fidahussein & Co. Ltd.	Indian-Tanzanian Trading Company
	7	H. S. Impex Ltd.	Indian-Tanzanian Trading Company
	8	Kanyakumari Trading Co. Ltd	Indian-Tanzanian Trading Company
	9	Olam (T) Ltd.	Indian-Tanzanian Trading Company
	10	Prabhaco Ltd.	(Not Available)

Note: The cashew nut buyers' names in the list are as stated on the official documents of the Agricultural Department of Mkuranga District Council.

Source: Agricultural Department of Mkuranga District Council

Note on the Agriculture Marketing Systems Development Programme (AMSDP) startup workshop – Arusha 21st and 22nd October

Attendees PS, PMO

PS, MCM
Rep PO-PPP
Rep AG
Rep, MAFS
Rep MoF (IFAD desk)
RAS (Mbeya, Rukwa, Iringa, Kilimanjaro)
National Environment Management Council
Ireland Aid (Ronan Corvin, Pronch Murray, Sizya Lugeye)
Farmers groups (Mviwata, TCCIA/L, Tanzania Cooperation Federation)
NGOs (TANGO, SNV)
Academic institutions (SUA, UDSM)
Private sector institutions (Technoserve, PASS, Community Bank)

Objective of meeting: to endorse and initiate the AMSDP

At the outset of the meeting Ireland Aid outlined some general concerns about the programme. These concerns included:

1. **The institutional setting for the programme** – The ASDP is the framework for all agricultural interventions in Tanzania. Agreement between stakeholder ministries was reached recently that the ASDP coordination function would reside with MAFS. However, the Prime Minister's Office will co-ordinate the AMSDP.
2. **Programme coordination** - The day-to-day coordination and monitoring of the AMSDP will be conducted through a parallel structure composing of a programme coordination unit, which will be staffed by market-recruited people and will be located in offices in Arusha. The same function in the ASDP will be administered by a small secretariat, drawn from the public service, supported by technical working groups and located in MAFS.
3. **The lack of any linkage between the ASDS/ASDP and the AMSDP** - The ASDS/ASDP is the outcome of a two-year participatory process that consolidates all agricultural interventions within one framework. The AMSDP makes no reference to the ASDP and operates in parallel with it.
4. **District level agricultural planning** - In line with the ongoing local government reforms, the ASDP envisages that 75% of the ASDP finances will be channelled through districts. The mechanism for distributing and targeting funds to beneficiaries will be the District Agricultural Development Plans (DADPs). Each district will compile a plan which will include all interventions to take place in the district. The AMSDP will use a parallel planning process at district level.
5. **Adequacy in addressing cross cutting issues** – There was an apparent lack of focus and weak coverage of cross cutting issues in the documents.
6. **Approvals process** - The Food and Agriculture Sector Working Group (FASWOG) has the mandate to vet and approve all proposed agricultural interventions. The AMSDP was never discussed at FASWOG.

Members of the group raised other concerns throughout the two days of the meeting. Particular concern was expressed as to the nature of the funding from IFAD and ADB in that all finance from the two institutions was to come in the form of loans.

Outcome

A steering committee meeting was held after the workshop closed. It was agreed by all members that the programme needed to receive endorsement from the FASWOG. A presentation will be made by the consultants (Economic Research Bureau) to the FASWOG on the 4th of November.

Comments on the Guidelines for the DADPs

The DADP guidelines should be a guide for the districts and other levels to prepare agriculture development plans. The guidelines should be user friendly and simple and outline step-by-step methodology and approaches for the districts to follow to prepare a plan consistent with the overall development plan for the district.

The current document contains a lot of information but is inadequate in the focusing on the participatory planning for agricultural development. Hence it is very difficult to visualize how they will be applied at district level.

In order to improve on the document the following is proposed:

1. Consult with Presidents Office Regional Administration and Local Government (PO-RALG) on consistent with other guidelines for LGAs
2. Identify a different consult for testing the guidelines at selected districts
3. Select 4 district and through a planning workshop (simulation) test the guidelines for adequacy and easy of being understood and application by the districts.
4. Finalise the guidelines according to experience on the workshop

Funding

If this procedure is accepted Ireland Aid is willing to provide funding for the finalisation of the DADP guidelines.

From: "Rosenlund, Anne Marie" <aneros@um.dk>
Date: Wed, 20 Nov 2002 11:10:26 +0300
To: <hanatani.atsushi@jica.go.jp>
Subject: FW: Comments on the revised DADP Guideline

Dear Hanatani,

I hereby forward the comments of the 3. draft DADP Guidelines from our district staff. I hope it is not too late.

Best regards

Anne marie

-----Original Message-----

From: SA ASPS HIMA [<mailto:himacta@cats-net.com>]
Sent: 20 November 2002 08:33
To: Rosenlund, Anne Marie
Cc: Henning V Pedersen; Per Clausen
Subject: Fw: Comments on the revised DADP Guideline

Dear Anne Marie

Ups, I forgot that there is also some inconsistency between the guideline and the ASDP framework and process document with regard to the duration of DADP. In the guideline it is described as a 3 year rolling plan whereas in the ASDP it is a 5 year plan.

Bjarne

----- Original Message -----

From: SA ASPS HIMA <<mailto:himacta@cats-net.com>>
To: Anne Marie Rosenlund <<mailto:aneros@um.dk>>
Cc: Henning V Pedersen <<mailto:cta.asps@cats-net.com>> ; Per Clausen <<mailto:fma.asps@cats-net.com>>
Sent: 20 November 2002 08:14
Subject: Comments on the revised DADP Guideline

Dear Anne Marie

Please find below a few comments/observations with regard to the revised draft DADP guidelines.

General, the guideline present itself better in the way that it has been structured now compared with the previous. Though we are in agreement with the need to enhance assessment of proposals at all levels inwards, we do not believe that the capacity is there and it will possibly take a number of years before both the actual technical capacity and more important the concept are understood. Developing templates and short training courses as suggested on page 17 does not change this over night. In addition, there are other important issues which should be brought into the assessment i.e. gender, HIV/AIDS, environment etc. Some thought should possibly be given to what can we actually expect in terms of assessment at the various levels given the actual capacity. The danger is that we will be building castles without any foundations.

In volume II substantial space is given to describe Instructions and Information to be provided to the

various levels. Something in the wording of "instructions" conflicts with our understanding of role and authority of various levels of government. It would appear to be more appropriate to talk about guidance or simply information. Instructions should only be issued where there is an actual legal basis for it otherwise one would question the very autonomy of district and villages.

Some talk is on visioning agriculture at village level whereas this has been left out at district level except in the proposed district planning sheets. How and in which fora is that supposed to be developed? The SWOT workshops proposed at district level deals only with the issue of participatory planning and not with agriculture.

The district planning sheets in general seems to vary from those proposed in the ASDP draft framework and process document of 22nd September. Needless to say they should be identical.

Best regards

Bjarne Thomsen
Acting Senior Adviser

Hifadhi ya Mazingira - Mkoa wa Iringa
DANIDA ASPS HIMA Programme
Regional Programme Management Unit
Regional Block, Pawaga Street
P.O.Box 1559, Iringa, Tanzania
Tel. No.: +255-(0)26-2702404
Fax No.: +255-(0)26-2702571

DANIDA J.No.: 104.TANZ.203/5

Joint Comments on 3rd Draft of DADP Guidelines

General

- First of all, it is important for the consultant to conceptually distinguish between “guidelines” (a document showing instructions for public officials) and “review reports” (a document of analysis and observations of the current situations) in finalizing this document. There are remarks here and there that can be read as views of the consultants (eg. page 12, 4.0). Secondly, sentences contained in the guidelines need to be re-written and paragraphs re-structured to make them appear as “instructions” from the central government to agricultural officers at LGA level, making it clear who are supposed to do what, how, where and at what timing.

Volume I

- The section “3.0 Instructions and Information” of Volume I should be part of the section “2.0 The Planning Methodology” and both of these two parts would sit more comfortably in the section “1.0 The Planning Methodology at District Level” of Volume II, as these are the basic concepts guiding the whole process of proposed planning methodology.
- The section “4.0 Process of Implementation” appears to be more like observations, reservations and recommendations of the consultant addressed to ASDP Secretariat at national level. The information contained here can be presented as recommendations for implementation, and if possible separated from the main “guideline”.
- These comments, if accepted, would lead to the situation where Volume I will only be left with “1.0 Introduction and Background” which, in turn, makes one ponder whether this can be incorporated in the “Guidelines” part again. All in all, these changes suggest that the product from the consultant may well be composed of:

“Volume 1: Guidelines” (Policy Background – Planning Methodology & Timeframe – Principles (i.e. change of mindset, creation of champions, avoidance of parallel structures, capacity building etc.) – Step wise explanations)

and

“Volume 2: Findings and Recommendations” (Process of Work Undertaken (to be prepared basing on progress reports and workshop reports) – Findings and Recommendations),

instead of the current structure of “Volume 1: Background” and “Volume 2: Guidelines”.

Volume 2

- Items of activities presented in Figure 1 do not match fully with those explained in the rest of the sections. There should be 100% correspondence here.
- Reference to “change of mindset” and “avoidance of parallel structures” may be construed as basic principles that district team needs to pay attention in applying the guidelines on the ground, and some of them may take long time to take effect in the real

settings. The same applies to "learning from others" and "capacity building" included in Step 3. The suggestion is that these "sine qua non" be separated from the step-wise activities and presented altogether as "Principles (in Volume 1)" as suggested above.

- It is important to show clearly who is responsible for each step/activity (e.g. DALDO, District Core Team) presented in the guidelines and the style of sentences should be more like what those in manuals are supposed to be.
- Actions related to the preparation of "Instructions and Information" needs to be streamlined in the overall flow of steps and activities. Currently the information contained here is not anchored to the main planning process, as can be confirmed by the fact that there is no reference to I&I in Figure 1 of Volume 1.

Additions to be made: Please add a few pages as an appendix basing on the followings as annex

- There is need to show how the village level (agricultural) planning will be conducted within the overall process of DDP planning workshop leading to the production of Village Plans (Step 5). One persistent worry here has been how agriculture related discussions can effectively take place (or can it happen at all?) in the course of DDP workshop which deals with overall village development issues under guidance and facilitation of district team.

It may be suggested that a separate small group dedicated to agriculture issues may be induced within the overall DDP workshop when the latter breaks up into group discussions. In this connection, a simple manual for facilitator or district technical team is to be developed, building on the consultant's experience in trial training sessions in Morogoro, and attached to the guidelines as annex.

- A similar simple manual is also necessary for "stakeholder workshop" for situational analysis and vision setting at the district level (step 3 of Volume II).

UNITED REPUBLIC OF TANZANIA
IFAD Reconnaissance Mission 6-26 November, 2002

Notes for Debriefing Meeting in MAFS, 25 November, 2002

Introduction

The Terms of Reference for this Reconnaissance Mission focus on sub-sectoral issues around and influencing aspects of Research, Advisory and Technical Services, and Training in support of agriculture – clearly reflecting an identified component under ASDP and potentially encompassing areas of investment in all three of its Sub-Programmes.

We should emphasise from the outset that the mission does not expect future design work for the sub-sector to lead to a typical project investment that attempts to anticipate and define a comprehensive set of actions to be achieved within a fixed period of time. Perhaps more appropriately, we can envisage a programmatic approach to future sector development with milestones along the way – a programme for the agricultural sector and not a programme specifically for IFAD support – within which the Government and other stakeholders (including IFAD and other donors, hopefully together with private sector investors in selected aspects) would commit their support.

Our discussions with stakeholders and review of recent and ongoing activities within the sector suggest that, provided a Task Force for the sub-sector can be mobilised, more detailed design work can now be initiated geared to developing a sub-sector investment programme, consistent with the desire to move forward as expressed by the Hon. Minister of Agriculture & Food Security in the recent Round Table Meeting. Design work would be based on the principles established in the PRSP and ASDS, the ASDP Framework and Process Document, the Medium Term Plan for the NARS; the Agricultural Extension Reform – Vision and Strategy to 2010 (an early task could usefully be to update this document with respect to ASDS/ASDP); and other relevant programming documents tabled through the Task Force.

The outcome of the design process would be a series of action programmes that together would constitute the sub-sector investment proposal for submission to Government, embodying the commitment of interested financing partners.

In designing such a proposal, preparation of the different elements might progress at differing paces, conceivably require engagement with differing sub-sets of stakeholders and require interaction with other Task Forces operating within the ASDP framework.

The investment proposal to Government conceivably would include activities designed to generate rapid influence upon the client population as well as activities of a review nature or with a longer time-horizon (e.g. activities related to the preparation of further policy or legislative change which in turn would create further investment opportunity). Action on the ground in some areas of investment need not be contingent upon the finalisation of design for all the constituent elements within the financing envelope. In other words, we do not view a future investment programme as a static, closely defined entity, but as an ongoing, rolling process of review and co-ordination of investment, with milestones to be achieved and adjustments made as required over the medium- to long-term, by the national stakeholders. Adjustments would reflect both the achievement of the pre-determined milestones and evolutionary changes and developments taking place in the agricultural sector as a whole.

In terms of the principles within which the Task Force would operate, we can anticipate that the Task Force Co-ordinator will ensure that investment proposals are designed to:

- (i) build on existing strengths in the sector and take in to account the (positive and negative) experiences to date of the multiplicity of stakeholders involved;

- (ii) over time, contribute to the filling of identifiable investment gaps affecting sector performance; and
- (iii) generate further short-, medium- and long-term gains in rural development and the agriculture sector, consistent with the principles of economic development that have already been established in the PRSP and the ASDS.

With a programming perspective that provides for a more evolutionary approach to design and investment, stakeholders would themselves define the principal concerns of the sub-sector, devise the means to review strengths and identify opportunities, establish criteria for the phased introduction of investments that cannot realistically be initiated simultaneously on a nationwide basis, and develop investment programmes within an overall plan of concrete actions. With such an approach, we will be proposing to IFAD that the Government and interested stakeholders begin their work within the framework of the sub-sector Task Force immediately upon the appointment of the Task Force Co-ordinator.

To operationalise the Task Force we anticipate there will be need to:

- (a) confirm with Government the financing arrangements for the Task Force (including necessary contributions to the process from lead donor partners), based on estimated costs for a national core team of experts to work under the Task Force Co-ordinator – continuity of involvement and a capacity for the Co-ordinator and her/his core team to give full-time attention to the process would be essential and would need to be reflected in the cost estimates;
- (b) confirm Terms of Reference for the Task Force, which would include its mode of operation, the nature, extent and timing of inputs from a support team constituted by financing partners (a similar concept to that of FAO Backstopping Missions to the ASDP design process, but involving representation from the identified financing partners);
- (c) confirm commitments from the involved stakeholders to finance the costs of their inputs via the support team; and
- (d) agree upon the steps involved and a schedule for the preparation of an investment package for the sub-sector.

These are aspects that we will be considering further in preparing our report to IFAD.

In our report, we shall present the mission's views on sectoral issues, technical areas of focus and future actions that we feel are of key importance in designing future investments in the sub-sector. We will also submit preliminary ideas concerning possible approaches to 'packaging' investment, with reference to the sector-related policies now in place and the ASDP framework.

We anticipate that our report will be reviewed by IFAD and thereafter submitted as a Draft Position/Concept Paper to Government. We assume that Government would in turn solicit comments from potentially interested parties (notably including members of the FASWOG consultative body) before its submission to Government in final form. In its final form, the document could then be taken as one of the working documents tabled by the Task Force to help 'kick-start' its work.

With respect to timing, our own report will be presented as a Draft document to IFAD in mid-December, suggesting that comments could be solicited in Tanzania in late December with responses received in IFAD in early January. In the interim, preparatory work will undoubtedly be continuing here on the Medium Term Plan for Research and efforts could be made to revise the Extension Vision 2010 document, suggesting that these documents, IFAD's Position Paper and relevant documents already developed by other stakeholders could be available for Task Force consideration in February. In the period to February it should be feasible for Government to identify a Co-ordinator and core experts for the sub-sector Task

Force and for interested donors to agree with Government on the Terms of Reference for the Task Force and the means of financing and supporting its operations. Detailed design work could then commence (February/March 2003) with appropriately timed inputs from the Design Support Team/other specialists as required, such that an investment proposal can be available for approval by Government and its collaborating partners by the end of the calendar year 2003. Maintenance of a schedule along these lines would permit mobilisation activities to begin towards the end of FY 2003/04 and initial activities under the programme proper to commence from FY 2004/05.

Preliminary Views on Investment Programme Content

At this juncture we would like to outline to the meeting a number of points that will be influencing our preparation of the Reconnaissance Mission Report and which hopefully will prove useful to the Task Force during its detailed elaboration of action programmes.

Firstly, our main concern, and one which we are confident is shared by others, is that the sub-sector programme maintains a clear perspective on and concern for the changing and evolving circumstances of producers – often referred to as the ‘farmers’ problematic’.

With this focus, investment requirements under the programme can be built up on the basis of:

- improving producers’ awareness and understanding of the production and development opportunities that may be available to them;
- generating efficiencies in producers’ (sustainable) use of resources within their management control;
- enhancing producers’ awareness of and access to relevant technology; and
- establishing the means through which producers can apply relevant technology to improve profitability and mitigate risk in their productive enterprises.

From IFAD’s perspective, with its very specific mandate in poverty reduction, maintaining the centrality of generating positive influence on the farmers’ problematic will be critical. Such a focus implies the need for (and should drive the definition of) successive layers and forms of investment. Areas of interest could relate to:

- producers’ interface with collaborators and service providers;
- the scope and quality of service provision;
- the capacity of service providers to respond to increased effective demand from producers’;
- producers’ and service providers’ responsiveness to market requirements, and by association the agricultural sector as a whole.

Again, deliberations within each of these areas clearly must reflect national expectations for stimulating economic growth through agriculture-related investments and the provisions of the PRSP and ASDS/ASDP.

To illustrate the nature of outputs we would wish to see generated by a sub-sector programme and the types of activities that may need to be considered to achieve them, we have prepared a preliminary draft of elements for a summary logframe. A refined version will be attached to our report.

B. Deren (Economist)
I. Walton (Agriculturist)

Dar es Salaam
25 November, 2002

Tanzania
IFAD Reconnaissance Mission 6-26 November 2002
Summary Investment Programme Log-Frame
Preliminary Draft

Goal: improved public and private services in support of agricultural growth and increased agricultural investment

Programme Purpose: to assemble a flexible institutional framework organised around and responsive to the analysis of widely varying rural resources, resource uses, local constraints and livelihood possibilities in flux.

Programme Outputs:

1. the differentiated development of public and private facilities in the areas of research, advisory and technical services that would dynamically help farmers, farmer groups, networks of farmers to:
 - a. identify commodity marketing opportunities, especially those of particular utility to women
 - b. identify a comprehensive range of technical options for responding to commodity marketing opportunities of interest, given presently available and feasibly obtainable rural resources
 - c. decide on best actions with respect to identified technical options
 - d. identify appropriate external means and support required to implement chosen farm and enterprise actions
 - e. access the means and support identified to implement chosen actions.
2. the expansion of research towards market and product-chain systems, particularly those involving women.
3. the adaptive development of widely accessible ITC resources needed to gird the capacity of these public and private facilities.
4. the gradual development of the skill and sophistication with which farmers, farmer groups, networks of farmers can utilise these public and private facilities.

Activities:

1. develop public and private advisory services at the district/ward for assessing local resource and production development possibilities
2. develop through public and private partnerships district/ward access to up-to-date comprehensive commodity marketing and production information
3. facilitate development of farmers groups/networks for accessing resources to act upon new commodity and production information
4. facilitate farmer assessment of new commodity marketing and production information
5. develop through public and private partnership a web-accessible knowledge base for use by technical staff, NGOs, CBOs, trade associations, advisory service providers, commodity processors, marketers, farmers networks and other stakeholders
6. introduce use and facilitate development of business advisory services in support of agriculturally related SMEs
7. establish zonal/district fora for stakeholder interaction with National Agricultural Research System
8. establish cost sharing arrangements/contracting of research within NARS
9. enhance skills among researchers in participatory research methodologies
10. conduct participatory research into farm and natural resource management
11. adjust orientation/attitudes of researchers toward client-oriented research (clients being producers and product users/consumers)
12. improve NARS linkages with information networks, especially via ITC systems
13. right-size the network of agriculture-related training facilities, refine financing/cost sharing systems and further adjust operations to reflect evolving needs of the agriculture sector
14. develop curricula and implementation plans for introducing subjects of farming in primary schools and farming, agronomy, natural resource use/management and agri-business in secondary schools.