Productivity and Growth in Organic Value Chains (ProGrOV)

ORGANIC VEGETABLES VALUE CHAIN GOVERNANCE IN TANZANIA

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Introduction

In the global market even when smallholder producers are allowed to participate in a particular market, their participation in that market must ensure contact to the lead firms. These lead firms usually take control of that particular market and may decide which firm will participate in the market and exit the market. They usually set parameters in the form of what to produce (product specification), how to produce that includes: production processes, technology to be used (e.g., organic production of vegetables), quality systems, fair production systems, labour and environmental standards, when to produce and how much to produce which smallholder producers have to adopt to access the market.

Lead firms also control production and marketing of organic vegetables to the tourist hoteliers in Tanzania.

These lead firms in value chains can be of more than one form; producer driven, supplier driven, buyer driven and external agents like government or institutions in the value chain. However, lead firms have been more powerful in deciding who participate in the market than external agents.

Approach

The presentation in this leaflet is based on an evaluation of the organic vegetables value chain and governance that was done in Tanzania. The institutional roles of different organizations in the organic vegetables value chain in Tanzania are also presented. Initially, key informants interviews were used to identify different actors and institution that were involved in the organic vegetable value chain. Then, snowballing sampling procedure followed in a structured questionnaire interviews.

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Results

Input sources

The production of organic vegetables relied on:

- Local available inputs like green manure, compost manure and animal manure.
- Strong relationship with producer's organization such as Meru Sustainable Land (MESULA) and UWAMWEMA.
- Seeds were either supplied by producer's organization, bought from local stores in the nearby town or own prepared.

Production

The production was carried out by small organic producers with on average 0.5 acres for tomatoes and 0.48 acres for sweet pepper (Table 1)

Table 1. Area under organic production for tomatoes and sweet pepper (acres)

Variable	Obs	Mean	Std. Dev	Min	Max
Tomatoes	40	0.51	0.37	0.125	2
Pepper	41	0.48	0.27	0.125	1

Table.1: Area under organic production for tomatoes and sweet peppers (acres)

Market outlet (Chain)

Organic vegetables were sold through three outlets (channels) (fig 1): producers selling products:

- Direct to the markets (like tourist hoteliers, farmers market, expatriates, supermarket and local market)
- Through suppliers of organic products, or
- Through organic farmer's organizations. Suppliers facilitated marketing functions including transportation and storage for organic products(Fig 2)

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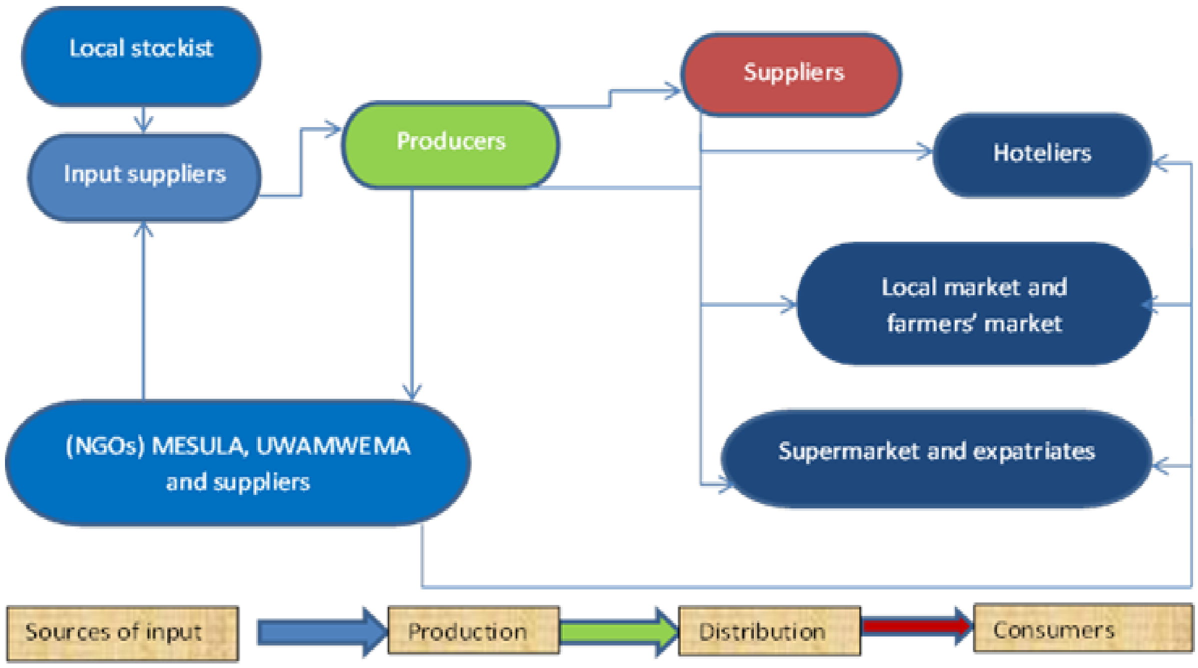

Fig 1: Tomatoes and sweet peppers value chain into the tourist industry

Processing

- To a large extent products from producers were sold unprocessed (Table 2).

About 1% of producers and their producer's organization sold processed tomatoes

Processing and ownership of processing facilities for tomatoes

Processed tomatoes	Freq.	Percent
No	73	98.65
Yes	1	1.35

Table2: Processing and ownership pf processing facilities for tomatoes

Institutions and their roles:

Tanzania Organic Agriculture Movement (TOAM), Meru Sustainable Land (MESULA) in Arusha and UWAMWEMA in Zanzibar. TOAM was responsible for inspecting and issuing of organic certificates while MESULA and UWAMWEMA organized organic producers and through Participatory Guarantee System (PGS) the organizations enabled organic producers to be issued organic certificates for organic production

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Governance structures

There are about four governance forms:
(i) A market form which producers required little or no formal cooperation.
(ii) Modular where, buyers or hotels made specification that producers and suppliers were to meet.
(iii) Relational where producers and suppliers relied on set of information from buyers
(iv) Captive where, organic producers relied on inputs and market from producer's organization (e.g.,MESULA).

Conclusion

- The Organic vegetable value chain in the study area is at the initial stages of development; characterized by few actors in organic inputs supply. Producers rely on locally available inputs, local stockists and close relationships of producers with buyers which has limited the organic production of tomatoes and pepper in the study area.
- The governance structure in the organic products value chain has enabled smallholder producers to access organic markets. Through the governance structures producers have been able to produce organically and supply the products to the tourist market.

Recommendation

- The NGOs supporting organic agricultural productions currently (MESULA and UWAMWEMA) should focus on sustainability of production once they exit their support to these smallholder farmers and create institutional environment that will ensure organic input are in the market in adequate quantities.
- The governance structures should focus on building more capacity for producers to meet standards set by lead firms. This will increase access to both domestic and international organic produce market (for example, tourist market and export market).

Partners
Makerere University, Uganda
University of Nairobi, Kenya
Sokoine University of Agriculture, Tanzania
Aarhus University, Denmark
University of Copenhagen, Denmark
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Associated partners
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Further reading:
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For more information visit:
http://icrofs.dk/en/research/international-research/progrov/

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