

Project Title: Sustainable Arabica Production and Processing coupled with Income Diversification in Mbeya Rural and Mbozi District, Tanzania

Location: Mbeya Rural and Mbozi District
Production of about 420 MT
green Arabica coffee
Production System: African Garden
Altitude around 1,500 m

Project Partners: International Coffee Partners GmbH (ICP)
Austrian Development Agency (ADA)
MS Tanzania/ Danish Association for Int. Cooperation
Mwiwata – Tanzanian Farmer Network
City Coffee Ltd./NKG Estate Marketing
UNDP/GSB

Project Duration: 3 Years, from 05/2006 to 04/2009



Project Value: EURO 600.000 - of which ICP contributes 37%, ADA 33%, MS Tanzania through Mwiwata 15%, City Coffee Ltd, NKG Estate Marketing and farmers 15%

Problem

Description: Coffee is Tanzania's largest export crop. It contributes approximately \$115 Mill to export earnings, and provides employment to some 400,000 families. It is often intercropped with food crops such as bananas and maize. About 95 percent of coffee is grown by smallholders on average holdings of 3 ac. The coffee sector in Tanzania today is characterized by extremely low yields (with only ¼ kg per tree of green coffee the yields are among the lowest in the world), lack of maintenance of coffee fields and poor quality. In order to improve their difficult economic situation the Tanzanian coffee farmers need to increase productivity and improve crop quality. Moreover, the crop quality needs to be maintained throughout the entire processing stage. Tanzanian smallholders suffer from extreme cash flow problems since independent farmer groups cannot afford to effectuate advance payments and do not have access to micro-financing options. From the time of picking the coffee until when it is sold at the auction in Moshi it can take up to eight or ten weeks for the farmers to finally receive their payment. Due to this cash flow problem many farmers sell their cherries straight off the tree to brokers or middlemen who do not care about the product quality and pay extremely low prices. Poor farming practices, driven by a lack of know-how and income, only serve to lock coffee growers into a declining spiral: as they earn less and less, growers are increasingly unable to make the necessary on-farm investments, and coffee quality and volumes suffer.

Project

Approach:

The objective of the project is to increase net farm income through sustainable coffee farming and promotion of other promising crops. This, in turn, will improve the living conditions of organised small-scale coffee farmers and their families.

To this end, one key element of the project is economic viability - the ability of coffee producers to conduct a profitable business in the long term. In addition, elements such as a positive political environment, access to know-how and availability of finance at competitive terms is addressed as well as the need for making available inputs at affordable costs, enabling smallholder farmers to increase their yields. Therefore, the project establishes and strengthens business driven, democratic and member driven organizational structures and improves marketing options for farmers. Through training on sustainable agricultural and post-harvest practices farmers are enabled to improve their crop quality and increase productivity. Furthermore, through an Internal Control System and the provision of an extension system, training is provided to farmer groups and continuous learning established.

Beneficiaries:

Direct beneficiaries are 1000 coffee farmers and their families forming the project's core target group. An additional 700 smallholder farmers are benefitting from the project without direct financial assistance. Furthermore inhabitants of the community of Mbeya Rural and Mbozi benefit indirectly from project work.

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