



EXPERIENCE FROM THE GROUND

BY:

1: RENATUS MBAMILO

POLICY ANALYST – ACT

2: GASPAR MASHINGIA

BUDGET & POLICY ANALYST - ANSAF

BACKGROUND OF THE VISIT

LINDI REGION

- Liwale Station including Liwale, Ruangwa and Nachingwea

MTWARA REGION

- Masasi Station including Masasi, Nanyumbu, Tunduru and Namtumbo
- Tandahimba Station including Tandahimba, Mtwara Rural & Urban and Newala.
- Participants included: District commissioners, DED, DALDO, DAS, Concillors, Cashew board officer, cooperative institutions, farmers groups and local organizations and private companies on cashew production.

FOCUS OF ISSUES

- Levy
- Cooperatives
- Warehouse Receipt System & Auction
- Grading
- Role of Cashew Board of Tanzania
- Role of Local Government
- Farmers Concerns

ISSUES

LEVY

Understanding that, levy for cashew nut kernels was far over burdening the farmers and goes to unknown . Levy being inconsiderate – in years where market prices are low, there has been a constant collection regardless of the situation

- 65TSH for every kg levy from Warehouse Receipt System to a market
- There was no measure of distance to determine such levy being expensed to the farmers
- The same not for helping the locality rather collection controlled by Central Govt.
- 20% levy should be returned to the farmers as it is too high. Thus, at least 50% of this should be reduced in most areas.
- Fund obtained from levy collection should be allocated to research institutions like Naliendele as well as facilitate extension services, infrastructure etc
- In some cases – 15% export levy should be reduced to 10% and 5% (remain) at district

COOPERATIVES

The cooperative unions and the primary cooperatives – there is a tendency whereby cooperative leaders see themselves as non members and not representatives of the farmers

ISSUES

- Some of them limit new entrants - which is Contrary to ICA standards
- Unions for few – majority of the cashew nut farmers are not part of the cooperatives registered
- Adversely affects non members – can not operate directly when it comes to selling their products at the WRS
- Lack of knowledge on cooperative act – there should be an effort to train farmers
- Most cooperatives lack transparency
- Leaders of most cooperatives are not famers and have inadequate education
- Lack of cooperative knowledge to farmers, members and leaders at large
- Non-participatory and involvement of members on the business
- Strict rules in joining the cooperatives
- Political interference

ISSUES

WAREHOUSE RECEIPT SYSTEM AND AUCTION

Another nightmare? Could there be an alternative?

The WRS is like a bank – enables farmers to hunt for crop prices – the benefit is that it gives farmers advance payment foreseeing the upcoming prices, but the experience shows that, the system has been not in favour of farmers in terms of progress

- Non compliance of regulations for WRS
- The forceful acts of WRS – farmers are forced to sale their cashews to primary cooperatives –but only 13% are members.
- The system sometimes rejects farmers who are not party of the cooperatives and even of the registered ones are also rejected - not given permits to sale their crops at the warehouse

ISSUES

GRADING

What could be the reason for grading?
Where Is the tricky?

- Availability of two grades in Tanzania while when it is outside Tanzania, it is taken as One grade.
- 100 kgs = 1st grade when it is more = 2nd grade
- The volume of the sacks? Who controls to know if they are only or less kgs handling capacity as required?
- Some cashews are sent to mortuary – The problem noticed in the WRS as some cashews from some of cooperatives are deliberately rejected and downgraded.

ROLE OF LOCAL GOVERNMENT

Has it been of
help to
farmers?

ISSUES

- inputs, Levy, shrinkling 3%?, distribution of revenue collections
- Despite of many challenges – LGA seem to close the windows
- Challenges on cashew nut inputs – e.g. availability on time and sufficiently – NO
- Single supplier of the cashew nut inputs – Saudi Arabia
- Inability of a local supplier to attain a supplying tender due to strict conditions by CBT
- Failure of the government – control of traders prices that has no benefit to the farmer
- Lack of coordination between extension officers and researchers – government to foresee the need for coordination

ISSUES

ROLE OF CASHEW BOARD OF TANZANIA

- responsible with information dissemination
 - Members of the CB should comprise: representatives from large scale cashewnut processors, cashewnuts farmers, small scale cashewnut processors, Ministry, cashewnut researchers, possess experience and knowledge in the cashew industry.
- Farmers are not aware of market trends/ lack of information.
 - CBT controls supplier of cashew nut inputs – bureaucracy affecting price – very expensive (sulphur) – more supplies needed to contain situation
 - No research information materials/research innovation technologies given to/shared with SHF
 - CBT does not assist farmers to link well with financial institutions – hard as bank disbursement of loans to the farmers do not correspond with the vending season to enable farmers pay back the loans
 - No small holder farmers representation at CBT
 - Farmers products being mixed with variety of materials other than cashew nuts
 - Price rise of agricultural inputs and in some instances farmers get unrequired inputs. Sometimes they are available but in the wrong time.

FARMERS CONCERNS

Understanding that Small holder famers play a crucial role in the enhancement of their own welfare. What are the major factors affecting them?

ISSUES

- Insufficient capital
- Insufficient markets
- Internal conflicts
- Insufficient and sometimes untimely delivery of agricultural inputs
- Mostly do not make use of extension officers as they seem expensive.

RECOMMENDATIONS

- ✓ The Warehouse Receipt System should be removed completely and to bring back the free market system
- ✓ The existence and domination of the core cooperative society known as ILULU to be demolished and each districts should rely on their own cooperative unions.
- ✓ The Cooperatives should adhere to international cooperative standards.
- ✓ **Levy collection:** that the cashew nuts should never be transported out of the district before the payment of tax/levy.
- ✓ **Market information:** CBT should share the market information with stakeholder on regular basis and in various platforms eg. Websites, District Council, local radios and mobile system approach
- ✓ **The cooperative CEO:** should come from the farmers themselves and at the same time, the board should be comprised with a large number of small holder farmers
- ✓ **The grading system:** There should be no more grading system.
- ✓ There should a larger number of suppliers of agricultural inputs to avoid bureaucracy.

Cont...

- ✓ There should be a strong linkage between extension officers, researchers and farmers.
- ✓ There should be a specific day “Korosho (Cashew) Day” which will be celebrated in a week exhibition to remark Cashew as an important symbol of Tanzania.
- ✓ Political figures should be removed from the cashewnut selling system.
- ✓ There should be no market monopolization in buying cashew as the prevailing situation does not favour farmers.

Policies and Acts reference...

ICA principles

- ❖ Voluntary and open membership
- ❖ Democratic member control
- ❖ Member economic participation
- ❖ Autonomy and Independence
- ❖ Concern for community
- ❖ Cooperation among cooperatives
- ❖ Education, Training and Information
- ❖ Agricultural Policy 1997.
- ❖ CBT act N0. 18 of 2009



THANK YOU...

