



Local Economic
Development:
Unpacking potentials for accelerated
transformation of Tanzania

THE PINEAPPLES BREAK

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INTRODUCTION

Background and Context

This study assessed the impact of SACCOS' services on pineapple growers' income in Morogoro District where Kinole SACCOS was chosen as the case study.



FINANCIAL AND NON-FINANCIAL SERVICES PROVIDED TO PINEAPPLE GROWERS

This study involved 70 pineapple growers with SACCOS membership.



The services provided to members include;



Savings



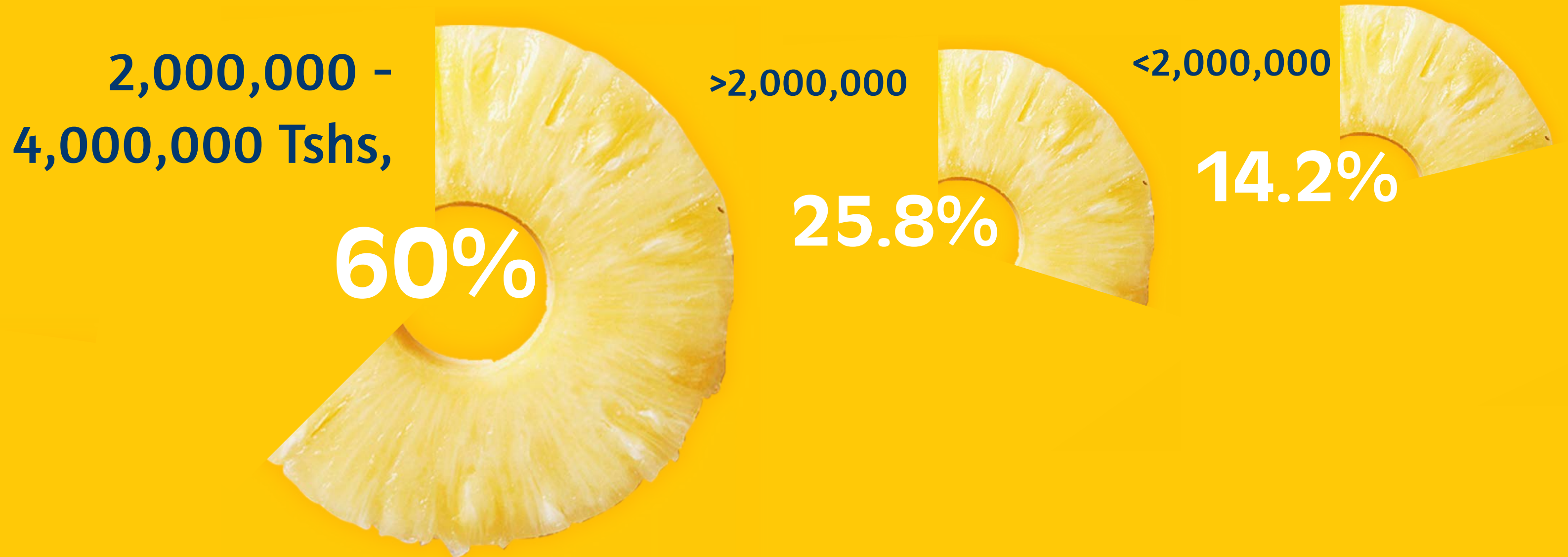
Training on
entrepreneurship



Agricultural
loan



The results portrayed on savings included:



On agricultural loans,

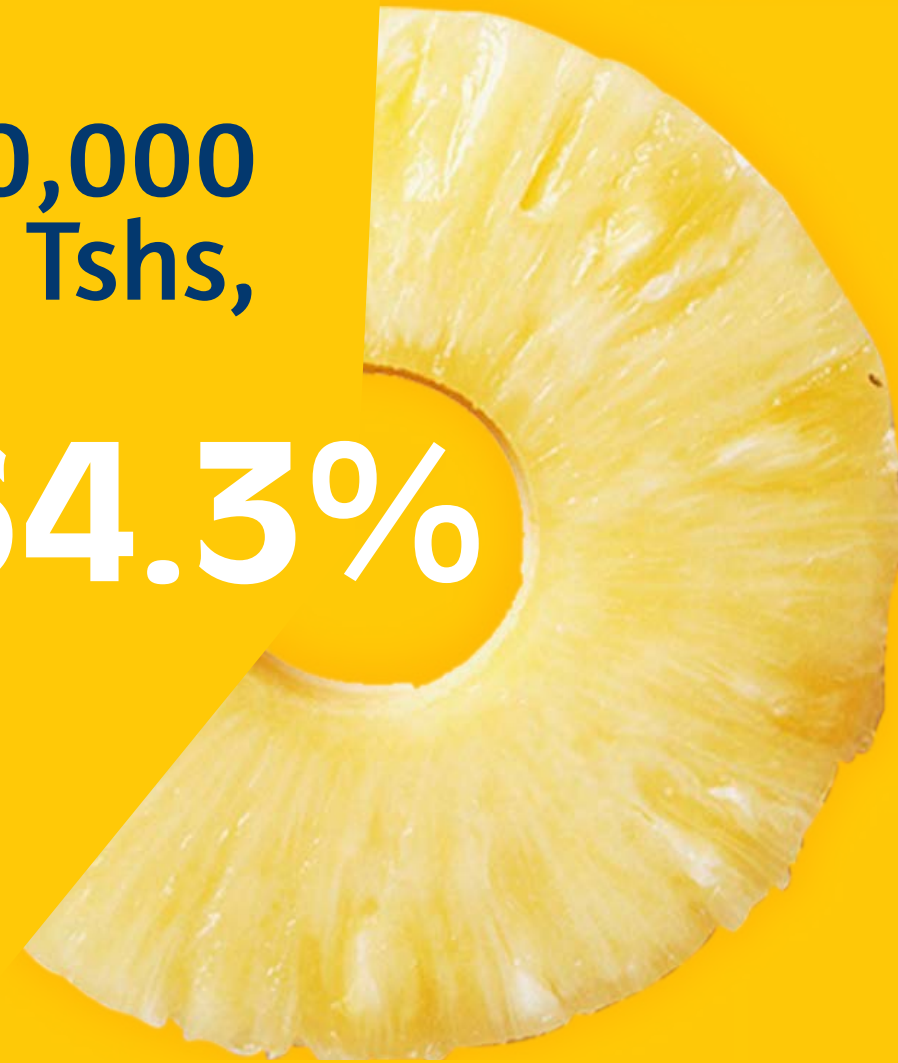
<4,000,000
Tshs,

35.7%



>4,000,000
Tshs,

64.3%



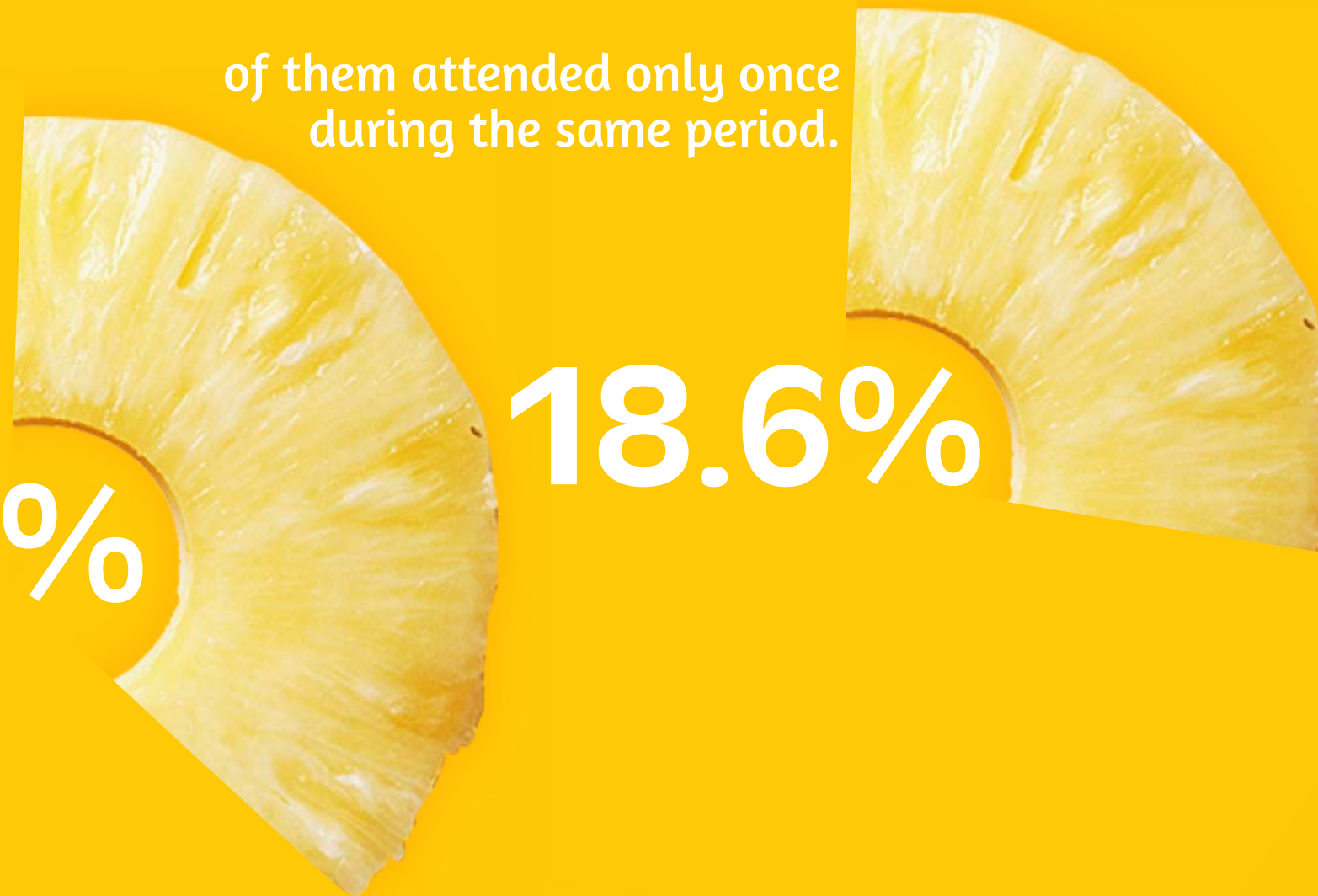
With respect to trainings, the study indicated that

members attended trainings on
good agricultural practices and
entrepreneurship twice per year

48.6%

of them attended only once
during the same period.

18.6%



FINDINGS

The findings imply that financial and non-financial services accessed from SACCOS play a greater role on boosting horticultural activities among small scale farmers.



SACCOS INTERVENTION AND PINEAPPLE PRODUCTION



1: SACCOS' services provided to pineapple growers (n=70)

SACCOS' Services		Frequency	Percentage
Sales per year (TAS)	<2,000,000	10	14.2
	2,000,000 – 4,000,000	42	60.0
	>4,000,000	18	25.8
Agricultural Loans per (TAS)	<4,000,000	25	35.7
	>4,000,000	45	64.3
Savings on Entrepreneurship	Once	13	18.6
	Twice	34	48.6
	>Twice	23	32.8

FINDINGS

Both SACCOS members (70) and non-members (70) were accommodated in this context. The results revealed that the average productivity of pineapple growers with membership was 4.4 metric tons per acre compared to their counterparts who produced 2.2 metric tons per acre. This implies that credit facilities enable pineapple growers to mobilize productive resources, improve agricultural practices and ultimately increase the level of productivity.



ANALYSIS ON INCOME STATUS BETWEEN SACCOS' MEMBERS AND NON-MEMBERS

Table 2: Income status between SACCOS' members and non-members

Income status for the Respondents	Mean in TAS (‘000)	F- value	P-value
Annual income from pineapple production (members)	3520	16.76 5	0.001 ^{***}
Annual income from pineapple production (non-members)	1870		
Annual income from non-farm activities (members)	2500	14.34 5	0.001 ^{***}
Annual income from non-farm activities (non-members)	1250		

NB: Where, *, ** and *** represent level of significance at <10, < 5 and < 1 percent, respectively. NS indicates non-significant parameters. TAS-Tanzania shillings



The study employed T-test analysis to compare income levels between SACCOS' members and non-members. The results from Table 2 highlights that the average income earned by SACCOS' members from pineapple production and other non-agricultural tasks was higher than their counterparts without membership. The variation between the two groups was highly statistically significant implying positive contribution of SACCOS' services to pineapple productivity and income.



CONCLUSION

The study identified that SACCOS' services played an imperative role in boosting pineapple production and increasing household incomes among the pineapple producers. This implies that lack of financial and institutional supports affect the capacity of non-SACCOS' members to increase productivity and earn sufficient income. Therefore, to be a well off pineapple grower, one needs to engage at least in local microfinance institutions.

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