



Supporting Tanzania's Cocoa Farmers

By Z. Kanyeka, A. Nyomora and A. Ndunguru

Key messages

- The cocoa industry currently supports around 100,000 people in Tanzania.
- Much of the country's crop does not yet reach its full potential because of poor planting, cultivating and processing techniques.
- Currently, farmers receive only a very small share of the potential returns from cocoa sales.
- Cooperatives or growers' groups could empower farmers, help protect their interests, and lobby for fairer trade prices and initiatives.
- Acute land shortages in Kyela indicate that the future of cocoa lies in increasing yields and bean quality on existing smallholdings rather than expanding cocoa cultivation areas.
- More research is needed into cocoa in Tanzania. At present, little is known about the best varieties, husbandry methods etc.

Background

The distinctive flavour of Tanzanian cocoa has recently been attracting the attention of the international cocoa world. Like coffee, the quality of the cocoa bean can be greatly enhanced by how it is tended, yet much of the country's crop does not yet reach its full potential because of poor planting, cultivating and processing

techniques. (Yields are currently less than half those being produced in West African cocoa-growing countries, such as Ghana.) Since an exceptional harvest can command up to eight times the price of an average one, the advantages of improving yields and quality are clear.

At the moment, around 80% of the country's crop comes from a single district - Kyela in Mbeya region - where conditions for cocoa cultivation are near perfect. The majority of plants are grown there in organic conditions, by smallholders on plots well below a hectare, and sold directly from farms for export.

Research Objectives and Methodology

The purpose of this study was to learn more about Tanzania's largest cocoa-producing district - Kyela. Specifically the study team sought to assess the impact of the crop on livelihoods and poverty reduction in the district, to identify constraints to cultivation, and to make recommendations for improving yields, quality, and revenues.

The study was conducted in two divisions of Kyela: Ntebela (to the east of the district) and Unyakyusa (to the west). The primary data for the survey came from a structured questionnaire that was filled out by 478 cocoa farmers living in 12 villages within these two divisions. This data was supplemented by observations, interviews and group discussions with other key stakeholders, including district officials and major cocoa buyers.

Findings

The study team found that cocoa was playing a major role in improving livelihoods and reducing poverty in the district, and was contributing more to household income than any other crop. Households in higher producing cocoa areas were demonstrably better off in comparison to households in lower producing areas as evidenced by better quality homes, increased food security, and greater numbers of children in school. Cocoa was seen to have relieved farmers from dependency on rice, with the money from cocoa trickling in more regularly throughout the year. Cocoa was also having an effect on district income, and generated more than 2.1 billion Tanzanian shillings for the Kyela District Council between 2001 and 2010.

Summary of Survey Findings

The study team found that in 2007/8 in Kyela:

- > 5,000 tonnes of cocoa were produced in the district (80% of the national total).
- The amount of cocoa produced increased by 36% between 2000/1 and 2007/8, though the land given over to its cultivation did not increase. Better yields are most likely the result of improved agricultural practises.
- Cocoa was the third largest crop in terms of volume, but the highest in terms of value.
- The 'average' cocoa farmer in Kyela was a married man, aged over 55, and educated to a primary school level but not beyond.
- The 'average' farmer assigned a third of his total available land (0.6 of 1.8 hectares) to cocoa, and intercropped his plants, mostly with bananas.
- The district has both high and low producing areas, with the former marked by annual flooding/heavy rains and the latter by highly weathered soils.
- Farmers in Ntebela produced significantly higher yields than those in Unyakyusa (250kg/ha and 158 kg/ha respectively). The latter are explained by differences in rain and soil quality.
- The average gross annual income of a Kyela farmer from a high producing cocoa area was over one million shillings.
- Almost half of the cocoa produced was sold to five major cocoa-buying companies. Middlemen took just over a quarter of the crop; and the rest was sold to individual traders and agents. Only 1% was sold through cooperatives.
- Farmers were not generally organised into cooperatives and therefore had little bargaining power. Prices were set by buyers, rather than growers.

- The majority of buyers (80%) visited the growers' orchards and bought directly from them. Although convenient, this deprived farmers of the advantages of more centralised and systematised market places.

Policy Recommendations

Cocoa has become a substantial cash crop in Kyela district, but has not yet reached its full potential. In order to capitalise on emerging market opportunities, farmers need to improve productivity, quality, market visibility, and develop their reputation as reliable suppliers of distinctively flavoured top-quality cocoa.

A national cocoa policy could help support farmers in these goals, and are needed to direct future efforts and improve the quantity and quality of the country's yields. Tanzania could also benefit from a marketing board to promote it overseas and increase its global visibility. At a district level, the formation of cooperatives or growers' groups could empower farmers, help protect their interests, and lobby for fairer trade prices and initiatives. Cooperatives could also be the channels through which farmers are reached with education, improved varieties, technological innovations, and other methods to increase their yields and revenues.

In addition, the study team made the following specific recommendations:

- **Intensify production and improve quality**
Acute land shortages in Kyela indicate that the future of cocoa lies in increasing yields and bean quality on existing smallholdings rather than expanding cocoa cultivation areas. It is suggested that production can be intensified through modernised crop management technologies, and that bean quality can be improved by enhanced post-harvest processing.
- **Overcome exiting constraints**
Pests, inadequate extension services, poor husbandry, and old-fashioned technologies and cultivars were identified as key agricultural constraints. Mitigation measure would include improving agricultural practices, strengthening extension services, and feeding new research into farming practises.
- **Add value**
All growers should be encouraged to ferment and dry their beans in order to add value to their produce (currently, a minority do not). Other post-harvest processing techniques could help farmers add further value to their crop.
- **Undertake further research**
To date, there has been little research into cocoa. The study team identified a number of areas that require further research if cocoa is to reach its full potential in Tanzania (e.g. biotic and abiotic stresses; soil fertility; intercropping; pests and diseases etc.). They recommend that the Kyela District Council Authority - together with the Uyole Zonal Agricultural Research Institute in Mbeya - should facilitate a participatory cocoa research program to address some of the technical issues and constraints currently facing the cocoa industry.
- **Informed action by extension staff**
Research is the first step towards taking informed action. Lessons learnt from the above research should be formulated into practical strategies to improve husbandry and yields.
- **Promoting organic**
The majority of Tanzanian cocoa is already grown in a traditional manner (largely without pesticides). The basics of organic production are thus already in place. Small changes in farming practise could help farmers achieve organic certification and so add value to their crop. The Tanzania Organic Agriculture Movement (TOAM) can help support farmers to institute organic protocols and obtain certification.

Way Forward and Update since 2008

In mid 2009, the Q1 2009 programme, run by the NGO TechnoServe began to address some of the issues raised in this report, to teach improved farming practices, organise growers into business groups, and strengthen direct contact between growers and buyers so as to ensure a fairer trade. The two-year project has been a great success, surpassing many of its original objectives. Over 70 farmers' business groups have been formed in Mbeya (in the focus districts of Kyela and Rungwe), and over 5,000 farmers are now producing more and better quality cocoa and selling it for 19% more per kilo. In addition, the project has helped support two historic firsts: with a gourmet chocolate company now producing a single-origin bar from Tanzania, and another buying directly from growers. The programme envisages raising incomes by 60% and generating \$2.2 million in revenue. The Q1 2009 project - funded by multiple donors - is fulfilling its objectives of raising the profile of Tanzanian cocoa, and can be an important channel to support the reform of the cocoa sector.



REPOA

157 Mgombani Street, Regent Estate
P. O. Box 33223 | Dar es Salaam | Tanzania
Tel: + 255 22 2700083 | Cell: +255 75 409 1677 | Fax: + 255 22 2705738
Website: www.repoa.or.tz | Email: repoa@repoa.or.tz