

Crop Diversification
An Emerging Opportunity Among Rural Producer Organisations in Tanzania
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Abstract

Traditional and other rural producer organizations (RPO) in Tanzania have tended to concentrate in the production and marketing of raw export-oriented agricultural crops (traditionally referred to as cash crops). Despite the perceived benefits of business diversification for RPOs today, they have remained single product, single activity and single function organisations. This situation has denied the members a wide range of products and services necessary to attain a higher living.

Opportunities for diversification abound among RPOs, Agro-processing of the abundant agricultural crops is one of the opportunities. Non-traditional agricultural crops such as vanilla paprika, chilies, flowers etc. are being introduced. Yet very few RPOs are taking up these opportunities.

This study had four major objectives:

- to analyse the existing and potential business 'hat could be exploited by RPOs
- to analyze extent to Which have diversified their businesses and the resulting benefits to the members .
- to analyze factors 'hat are encouraging diversification of businesses among RPOs
- to identify constraints to increased business diversifictin and suggest future actions to further business diversification and expansion

Study areas were RPOs in Tanga, Iringa, Kilimanjaro and Bukoba. Crops covered are vanilla cardamon, paprika, grapes and mushrooms including honey. The methodology utilized included; literature review focusing on the emerging rural business opportunities, field visits were face to face interviews and discussions and providing feedback to the respective RPOs and thereafter come up with favourable recommendations.

The findings revealed that emerging business opportunities abound both in the domestic and export markets but farmers are not aware of them. Apart from production of raw, high

value agricultural products, a greater potential for increasing producers' incomes lies with processing of these raw products.

Farmers have decided to diversify due to the following reasons; first falling world market prices of major traditional cash and export crops; secondly land shortage for expanded production of their traditional crops; thirdly to smoothen out income flows throughout the year; fourthly to better manage risks associated with monoculture; fifthly due to high transaction costs in marketing and input supply is another factor that has influenced farmers to diversify and lastly due to expectations for higher incomes, improving their living conditions and exploiting niche /specialty markets within and outside the country.

The findings further revealed that the Agricultural Marketing Cooperatives Societies (AMCOS) are dealing with traditional crops like coffee without any diversification. Though, diversification of crops has led to increased production due to the high yields and relatively low production costs per harvest. It was also observed that services are minimally provided except where there is donor support and farmers and farmers receive relatively low prices due to lack of processing facilities.

It was further revealed that farmers lack organized marketing associations. And thus, farmers are incurring high transaction costs in marketing which include searching for market information, transport and processing

Gender wig-concentration on high value crops has been one of the opportunities whereby women have participated in rural

The impact of crop diversification includes; increased income, gender empowerment, improved nutritional status, mitigating environmental degradation and growth of Savings and Credit Cooperative Societies.

From the findings the following was recommended: first is that traditional AMCOS should accept crop diversification; secondly, organizational change to be undertaken in traditional AMCOS, thirdly RPOs should facilitate marketing of members produce; fourthly RPOs to facilitate and promote processing of agricultural products so as add value; fifthly Government in collaboration with RPOs to assist in extension services and lastly, they should be a link between crop diversifying RPOs and SACCOS.