

# Competitive African Rice Initiative (CARI) Tanzania

## Empowering small-scale rice farmers in Tanzania

### Context

Rice is the fastest growing food source in Africa. **Demand for rice** has been growing at a rate of about 4.6% per annum between 2000 and 2010 – faster than anywhere else in the World and far outstripping the sub-region's population growth of 2.6%. This trend is predicted to continue for the next 8-10 years mainly due to population increase, urbanization and changes in consumption patterns.

Tanzania is the main rice producer in the East African Community (EAC), producing over  $\frac{3}{4}$  of all rice produced in the EAC. Rice also is the second most important food crop in Tanzania after maize. As in other African countries, rice consumption is rising rapidly, in excess of 25 kg/person/year. The figure is even higher in urban areas. In 2011, consumption of milled rice in Tanzania was 1.3 million MT, based on FAO data, part of which was imported, while small volumes (about 36,000MT) were exported to neighboring EAC countries. The leading regions in rice production are Shinyanga, Tabora, Mwanza, Mbeya, Rukwa, Arusha and Morogoro.



Challenges that have been identified as limiting to the rice sector development in Tanzania include: i) Inadequate development and availability of improved seeds resistant or tolerant to major biotic and abiotic stresses; ii) deterioration of irrigation and drainage infrastructure iii) inadequate development and availability of improved post-harvest processing technologies and value addition (grading and packaging) processes; iv) low use of labour saving technologies and inadequate technology uptake; v) inadequate access to credit by farmers, traders and processors; vi) poor communication, transportation and

marketing infrastructure; and vii) limited participation of private sector in rice value chain due to inadequate financial capabilities and inadequate availability of information on markets.



Rice production and productivity will need significant boost to at least maintain consumption trends. The government has realized the importance of the rice subsector to ensure food security, to save on foreign currency and to foster rural economic growth. Government is promoting import substitution policies for rice and has earmarked rice for rapid expansion and modernization in its **Agricultural Sector Development Strategy (ASDP)** and the **National Rice Development Strategy (NRDS)**.

### Project Goal

The goal of the Competitive African Rice Initiative (CARI) is to significantly improve the livelihoods of 120,000 small scale rice farmers in Tanzania, Nigeria Ghana and Burkina Faso with the aim of reaching at least 30,000 male and female (at least 30%) smallholder farmers in Tanzania with a daily income below 2USD.

The project aims to work with rice processors and traders as value chain anchors who provide the much needed "pull" to stimulate higher production of rice by smallholder farmers. Secondary beneficiaries are rural service providers, e.g. agro-dealers, suppliers and operators of agricultural machinery. CARI is implemented in Tanzania by Kilimo Trust supporting the actors of the rice value chain, using the millers as anchors to link consumers and service providers in the rice value chain where rice farmer and rice miller meet for mutual benefit as equal agribusiness partners.

## Objectives

CARI's strategy will focus on intervention areas that will result in the following objectives:

- a) Increase the **productivity and quality** of paddy rice based on the development of sustainable and competitive rice production systems,
- b) Improve sourcing **capacity** through structured producer-off-taker-linkages as well as improved storage technologies and processing efficiency,
- c) Increase **access to innovative finance** products and services for all value chain actors, and
- d) Shape and strengthen **the enabling environment** at national and regional level including policy framework and market linkages between producers, processors and traders.
- e) Mainstream the role of women and youth in the rice VC.

## Approach

The financing model will seek to leverage and share risks between CARI and its partners, to ensure high ownership and commitment. A **matching grant fund** (MGF) will serve as the main incentivizing tool. The MGF provides the opportunity to mobilize and jointly allocate resources, provide technical assistance, create alliances for the implementation of the projects and setting up mechanisms for monitoring and evaluation. CARI-TZ will encourage the formation of consortia where different partners are committed to implementing a business model that achieves increased profitability for all actors involved.

## Partners

CARI is a **partnership based** development program. Cooperation with public and private sector partners and the formation of effective and innovative Public Private Partnerships (PPP) will play a pivotal role to achieve this objective.

To capitalize on the ever growing opportunities including substituting imports, existing sector alliances will be strengthened and new alliances at national and regional level will be developed. The initiative comprises:

- a) Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
- b) Kilimo Trust
- c) Technoserve
- d) John A. Kufuor Foundation

## Funding

The **Bill and Melinda Gates Foundation (BMGF)** will provide seed funding that will enable CARI Tanzania to establish the matching grant fund scheme in order to trigger private investments for up-grading of less competitive and up-scaling of already existing successful business models. The Foundation funding will allow building the capacities of local organizations to effectively engage in advocacy for an enabling environment for the development of the local rice sector.

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