



SAGCOT Strategic Partnership: Tomato Value Chain Partnership

Overview

Tomatoes are the largest vegetable crop in Tanzania, grown across much of the country with significant production from smallholder farmers. However, varieties grown in Tanzania often offer poor resistance to pests and diseases and produce low yields. Moreover, tomatoes can be fragile and thus easily damaged in the transportation process. For this reason, they also have a relatively short shelf life.

To support the growth of a tomato value chain which will overcome these obstacles to tomato production and benefit smallholder farmers, SAGCOT initiated a new strategic partnership in May 2015: the Tomato Partnership, which will run in the Ihemi Cluster (Iringa and Njombe regions). Darsh Industries, a tomato processor based in Ihemi, will work with a coalition of SAGCOT partners to mobilise more than 10,000 smallholder farmers.

The Partnership will operate across the value chain: tomatoes will be processed into finished and semi-finished goods including tomato paste in cans and aseptic bags, tomato sauce and ketchup. A new tomato-processing centre in Iringa will begin production in Q4 2015 onward. The factory has the capacity to process 200 tons of tomatoes per day into tomato paste.

Darsh Industries is already working with smallholders and village leaders in the surrounding area to identify tomato suppliers and build tomato collection centres. Collection centres are an important element of the partnership, helping to increase smallholder farmers' bargaining power, as they are no longer obliged to accept low prices offered by middlemen.

The Southern Agricultural Growth Corridor of Tanzania (SAGCOT) is a public-private partnership that seeks to catalyse responsible agribusiness investments in the country's southern corridor. The SAGCOT Centre Ltd serves as a partnership broker and information hub among SAGCOT partners to facilitate socially inclusive and environmentally sustainable value chain investments. Each year, several strategic partnerships emerge that SAGCOT actively promotes and facilitates due to their high impact and potential for expansion.

What makes the Tomato Partnership a Strategic Partnership?

- Transforms farmers' food security and improves livelihoods.** The Tomato Partnership seeks to increase the productivity and hence profitability of tomato farmers in Iringa.
- Seeks end-to-end value chain solutions.** The Tomato Partnership was strategically built to include stakeholders from each link in the value chain.
- Convenes partners.** 14 stakeholders have been engaged in establishing the partnership, and more are encouraged to join, specifically medium-scale producers, processors, retailers, specialised technology providers and those able to provide support for farmer organisations.
- Broad impact.** The project is expected to reach 10,000 smallholders.
- Demonstrates positive environmental impact.** Partners will work with farmers to raise their productivity in a way that ensures the responsible management of natural resources, including recycling up to 90% of the water used.



As tomatoes are primarily produced near wetlands and riverbanks, the partnership is also prioritising sustainable production technologies to ensure that the expected increased tomato production has a positive environmental impact. A number of conservation organisations have shown interest in cooperating with SAGCOT partners to support environmentally friendly tomato farming. Through SAGCOT Green Reference Group member organisations, the environmental and social champion organisation will provide professional guidance to ensure sustainable tomato farming.

In September 2015, the SAGCOT Centre convened stakeholders in Iringa to develop the work-plan for the roll-out of the new partnership. This meeting was well attended by key audiences, with participants including local and regional officials, NGOs, private-sector representatives and tomato smallholder farmers. Following this meeting, a 2016 road map has been prepared to support the growth and development of the Partnership across the following areas: support services, fertiliser, seeds, pesticides, farm inputs (irrigation and mechanisation) and land.

Inclusive and Sustainable Impact

The Tomato Partnership will help to reduce dependence on imported tomato pulp: Darsh Industries currently imports up to 70% of its pulp from China due to a lack of local sourcing options. This Partnership will

Key Stakeholders in the Tomato Partnership

- Darsh Industries
- TAHA
- LGAs in Iringa and Njombe regions
- RAS – Iringa and Njombe regions
- WWF
- BRITEN
- INCOMET
- MUVI
- Yara
- Syngenta
- Balton
- Kisolanza
- PAWAGA Farmers Association

bring local farmers into the tomato value chain, providing them with a reliable purchaser for their produce while helping them to increase productivity through a range of support services.

In order to address challenges to the development of the tomato industry, the Partnership will include a number of interventions to ensure best practice. These include: linking farmers with financial institutions to ensure access to irrigation equipment; education on the negative impact of improper agro-chemical application; capacity building of farmers to improve financial literacy; and developing linkages to address the current lack of coordination between tomato value-chain actors.

Challenges and Next Steps

Productivity is currently low in the region relative to the level of demand for tomatoes. Moreover, infrastructure gaps such as access to energy and road networks mean that efficiency is not always as high as required, with post-harvest wastage adding to the cost of production. In addition, some smallholders require further support to ensure that their products meet international quality standards.

To overcome these challenges, the Tomato Partnership will work closely with all project stakeholders to build the capacity of smallholder farmers to produce tomatoes to the standard required. Darsh Industries and the Partnership will provide additional support to smallholders by purchasing all tomatoes, including those rejected by other traders, in order to reduce farmers' losses.

Darsh Industries is prioritising the sourcing of the 'Tanya' tomato variety; this variety has a long shelf life, which means that it can be transported further while maintaining its condition. This will help to mitigate the impact of infrastructure gaps in the area. The Partnership will also coordinate with the Government and other partners to support infrastructure development in the region. Finally, the Partnership will also ensure that farmers have access to sufficient quality seeds to continue planting and harvesting the processors' preferred variety. To provide a comprehensive value chain approach, the partnership is seeking additional members to become involved.

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