 

**Farmer to Farmer East Africa**

**Volunteer Assignment Scope of Work**

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| **Assignment Summary** | |
| Assignment Code | **TZ113 SOW** |
| Country | Tanzania |
| Country Project | Horticulture country project |
| Host Organization | NOGRA Enterprises Ltd |
| Assignment Title | Feasibility Assessment of NOGRA Strategic Investment Plan and Exploration of Potential Funding Opportunities |
| Assignment dates | From April 2017, onwards |
| Assignment Objective (s) | To facilitate NOGRA refine its proposed Investment Plan by:   * Finalizing the draft strategic plan as shared by NOGRA * Advise on a feasible phased approach to implementation * Develop site plan for the Investment Plan * Develop detailed budget and implementation roadmap for the first phase implementation * Help NOGRA think through funding options for the investment plan concentrating on the agreed upon first phase * If possible, develop loaning and or granting proposals |
| Desired volunteer skill/expertise | * Agribusiness development expert with experience on business plan development and or fundraising |

1. **Background**

The Farmer-to-Farmer (F2F) East Africa program is a program that uses short-term US volunteer expertise to assist small holder farmers and small scale processors in East Africa to improve their business practices through volunteer assignments conducted with host organizations. The goal of the (F2F) horticulture project is to increase incomes and improve nutritional status of Tanzanian smallholder farmers through; smallholder farmers increased productivity of horticultural crops, improved access to and utilization of markets and credit and preservation and enhanced natural resources upon which target communities depend.

In Tanzania, horticulture makes a significant contribution to food security, nutrition improvements and economic growth. Horticulture is mainly practiced by smallholder farmers as well as a limited number of large scale operators. Commercial horticulture is endowed with local and foreign investors, particularly in floriculture and export vegetables, and has production and market growth potential. Tanzania’s favorable socio-political environment provides an opportunity for horticulture sector to thrive. Since the horticulture sector makes a significant contribution to food security, nutrition and economic growth, development of the sector offers the opportunity to increase incomes through meeting demand in domestic, regional and international markets, while simultaneously improving household nutrition through dietary diversity.

NOGRA Enterprises Company Limited; the host for this scope of work is a legal profit making entity established under the Tanzania Companies Act. The company was founded in 2012 and is in Moshi Tanzania, 80 kilometers east of Arusha. The main enterprises comprising NOGRA include 2 retail stores, and the supplying of agricultural inputs mainly fertilizer as a contractor to the government providing agricultural input on subsidy programs. Agro-input sales comprise approximately 94 percent of NOGRA’s business while other small businesses account for 6 percent.

NOGRA’s long-term business strategy is to be selling quality agricultural inputs (seeds, fertilizer, herbicides, and pesticides) from 3 retail stores in 2 regions of Tanzania. In addition, NOGRA would like to be selling agro-inputs at a wholesale level in bulk from 1 warehouse locations strategically located to best serve its customer base

Another long-term plan is to establish itself as a wholesale buyer to farmers produce (cereals crops only) during harvest and depending on the market situation sell as processed final products or re-sell the same at a higher profit to Local or Regional markets purposely to promote agricultural value chain

Competitive Edge: NOGRA’s feels that it has a competitive edge in that it sells quality seed, fertilizers, pesticides, herbicides and agricultural implements and other input products at an affordable price compared to its competitors. Also, NOGRA has a good reputation in the northern zone of Tanzania for its understanding of farmer needs and the training (Extension services) it offers to farmers on production, use of fertilizers and agricultural chemicals.

NOGRA would also like to establish itself as an agricultural extension facility for its customers so that they are fully aware of why it is beneficial to properly use agro-inputs and related topics to realize the benefits of proper use to increase productivity and household incomes. This is another competitive edge that its’ competitors do not enjoy.

**B: ISSUE DESCRIPTION**

NOGRA has been in the business of selling quality agro-inputs for several years and has had mixed experience. The most recent and not the best experience is of non-payment or long delays in payment for services already rendered through the government fertilizer subsidy program. NOGRA had to negotiate a bank loan using the government contract as guarantee but has almost two-year delay in payment that has meant loan default by NOGRA to its banks therefore tarnishing its name as a reliable business partner.

Some very good experiences include a 2014-2019 strategic business plan developed with assistance from Scott Stovall; email; stovall.scott@gmail.com; a F2F volunteer that helped with business management training that resulted in 87% increase in sales. NOGRA is continuing to implement the business plan. It is also through the implementation of this plan that NOGRA won a government tender to supply subsidized fertilizer. Another volunteer; Beemer, LaRon ([LDBeemer@dow.com](mailto:LDBeemer@dow.com) also worked with NOGRA to support with cash flow statement building to identify actual cash needs and advance ideas on fund raising. Through his support NOGRA has established strategic business links with YARA; Tanzania Limited, Export Trading Group, AFAP, AECF and Match Marker Fund and is also continuing strategic discussions with African Enterprise Root Capital Fund (AERCF). It is through AERCF that NOGRA has proposed a strategic investment plan to promote the grains value chain in Manyara region; because there is potential opportunity of AERCF supporting part of the warehouse infrastructure as a grant or soft loan. This expansion is in line with its’ strategic plan of establishing zonal centers where it envisages to establish agricultural inputs warehouse; a grain storage warehouse; grain processing facility where it will sell final processed products to consumers as bulk sale. Establishment of the facility will also enable NOGRA engage with local and regional markets both as a supplier of final products as well as un-processed grains depending on the market forces.

**Why NOGRA believes the strategic investment to be a financially sound strategy:**

* NOGRA believes that the demand for the services envisaged are high – asserting that many agricultural inputs agents in the Manyara region have approached it for the services it plans to provide. Also, farmers experience challenges with crop marketing often getting very low prices at harvest and so NOGRA could be the solution suppose it established warehouses to keep in store farmers produce
* In Manyara and the nearby regions of Singida and Dodoma; the variety of grains grown is big to include; rice, barley, beans, maize, wheat, pigeon peas, sunflower and these are marketed at different times of the year; giving NOGRA opportunity for business throughout the year unlike now when it only deals with the seasonal supply of agricultural inputs
* Grain processing is a new business idea for NOGRA perceived as profitable and new strategic plan for value creation and opening doors for local and regional business

**Rationale for volunteer expert advice:**

* Currently NOGRA assumes that it has a strategic advantage in establishing the various lines of business and expects little competition from similar companies. However, no exhaustive research or feasibility assessment has been conducted to establish this level of confidence
* There is need to align the proposed strategic investment plan to the 2014-2019 strategic business plan that did not include grain storage /warehouse and processing as part of the strategy so that the strategy is revised to reflect the changes
* There is need to study the proposed strategic investment plan and advise on the most feasible phases to actualize the plan and time schedule to reach the final objectives
* Conduct a feasibility assessment of the proposed strategic investment plan that will also focus on fund raising for the part of the plan proposed for immediate implementation
* Despite past F2F volunteer support; NOGRA still requires support to acquire proper information and skills on the range of donors and/ or financial institutions that advance different type of financial support from which NOGRA might find a fit and proceed to do the necessary to acquire support for its planned investment
* High confidence that NOGRA has on the F2F volunteer technical support has once again reached out to the program to help address the above among other challenges using the F2F volunteer experts

**C: OBJECTIVE OF THE ASSIGNMENT**

The rationale of the assignment above very clearly speaks of the immediate assignment objectives as follows:

* Facilitate a research on the strategic advantages NOGRA has in establishing the various lines of business in relation to its competitors.
* Conduct a feasibility assessment of the proposed strategic investment plan that will also focus on fund raising for the part of the plan proposed for immediate implementation
* Study the proposed strategic investment plan and advise on the most feasible phases to actualize the plan and time schedule to reach the final objectives
* Advice NOGRA on a road map to reach its strategic investment plan

**Host contribution**–

NOGRA will ensure availability of all required staff for the various activities leading to the research in Babati, Manyara region and provide a detailed itinerary for the work. The host will also provide a translator (where necessary) so that the volunteer fully understands the situation.

**D: ANTICIPATED RESULTS FROM THE ASSIGNMENT**

The key anticipated result from this assignment is a well-articulated feasibility assessment of the business and a phased-out plan for implementation including the initial budget. The feasibility /business plan will also indicate potential financial institutions that can provide funding to accomplish. Other deliverables will include:

* Volunteer feed-back and action plan by host following assignment completion
* Debriefing with CRS and volunteer report
* Outreach activity, a press release or a media event back in US

**E: SCHEDULE OF VOLUNTEER ACTIVITY IN TANZANIA**

The schedule for this assignment will be worked out once the activities are clarified and the expert identified

**F. DESIRABLE VOLUNTEER SKILLS**

* Agribusiness development expert with experience on business plan /feasibility study expertise and fundraising
* Formal qualifications in business development /Strategic Investment Plan and management an advantage
* Excellent- hands-on training skills to an adult audience not fully conversant in English is necessary

**G: ACCOMODATION AND OTHER IN-COUNTRY LOGISTICS**

In Moshi, the volunteer will stay at the Uhuru Hotel and for Babati where the proposed project is located the volunteer will be accommodated at Winners Hotel.

CRS will pay for hotel accommodation, and provide volunteer with per diems to cater for meals, local transport and other incidentals. For more information, please refer to country information that will be provided.

**H: RECOMMENDED ASSIGNEMENT PREPARATION**

As part of preparation for the work ahead the volunteer should familiarize with USAID Feed the Future program, the EARO and Tanzania F2F program proposals and scope of work for this assignment. It is also advisable that the volunteer read and familiarize with Tanzania, its development challenges and opportunities. For any printed material, these will be printed at CRS office before commencement of the assignment.

**I: KEY CONTACTS**

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| **CRS Baltimore** | **CRS EA Regional Office** |
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