

Volunteer Report

Assignment Information:

Volunteer Name:	Robert Weinberg
Host Organization:	AKIRIGO
Assignment:	Marketing, Finance and Leadership Training.
Dates of Assignment:	13-28 July 2014 (14 days worked)

Overall background for this assignment: *Due to difficulties with host, training was attended primarily by members of Ifakara area farmer associations, principally Vijama Mbasa. Several of their board members attended regularly and participated actively. Due to these issues, training in several areas focused on how farmers individually and as a group in their association can improve outcomes.*

1.2.1 Objective 1: Governance and management best practices. *Four AKIRIGO board members appeared for governance training on Wednesday and insisted it needed to be limited to one hour.*

- a) **Progress:** Even with the limited time constraint, I presented most of the planned material and was able to engage in some meaningful dialogue with board members. Some planned material was irrelevant due to the way the board is constituted and elected so there was no loss skipping over these elements.
- b) **Expected Impact:** Given the attitude of attendees who comprise half the AKIRIGO board, I doubt presented material will cause them to change how they operate. It is harder to gauge whether the five farmer members of the local Vijama Mbasa coop who also attended, will benefit though there is more reason to hope they might.
- c) **Recommendations:** There was little opportunity or interest in making specific recommendations in this area.

1.2.2 Objective 2: Finance and Record keeping for AKIRIGO *[Since I never had access to AKIRIGO financials or records, this objective necessarily focused on how farmers could improve their financial record keeping. I suspect this was a more valuable objective.]*

a) Progress

1. After gaining substantial understanding of farmers' costs and revenues, we:
 - Developed a worksheet that allows them to calculate for themselves the i) profitability of each mpunga harvest; and ii) the benefits (if any) of milling mpunga into mchele. This worksheet, though in Excel, is intended to let farmers calculate their own results using nothing more than +, -, * and /. A farmer need only keep a written record of each expense he/she incurs each growing season and write these numbers in the relevant space on the page.

- If farmers will ask the price for mchele after a harvest, a second form will let them enter prices and added costs to let them find out whether or not it is profitable\to mill mpunga. If it is profitable, they will see how much more they can earn by milling.
2. Spent a little time showing how small changes in price or yield can have a big impact on profits.
 3. Tried to show the potential extra profit they can earn selling rice sorted into the 4 standard grades. This objective was thwarted because farmers attending had an imperfect, counterintuitive sense of prices for sorted rice. Meeting with the association's knowledgeable rice miller [Shabani] suggested that prices for each grade are more like those one would expect. If accurate, they will typically make sorting profitable. This idea was communicated in later training as part of the marketing objective.

b) Expected Impact: This training can a) make farmers more conscious of their costs, their crop's profit and how decisions they make about cost inputs impact profits; and b) can lead farmers to make more informed decisions about whether or not to mill their mpunga.

c) Recommendations:

1. AKIRIGO or the Ifakara farmer association should copy and distribute the worksheet we left behind for farmers to use.
2. While the sheets are self-explanatory, it would help if farmers who received the training would review and explain how they work to other association members. This is something the manager of AKIRIGO should also be encouraged to do.
3. Continue to look at and gain a better understanding of how profitable sorting rice and selling it to one or more different buyers can be.

1.2.3 Objective 3: Rice/paddy profitable marketing for AKIRIGO members

a) Progress: Over two days of training we covered all planned training areas. We had ongoing lively discussions with farmers about these topics. While few were totally new concepts, training introduced ways in which these concepts might be put into action with sufficient organization.

b) Expected impacts: The potential impact of following through with even some concepts in terms of added income for farmers is very substantial. Depending on prices and yields at harvest, income could easily grow 15%, 25% or more. My concern is whether the leaders of Vijama Mbasa who attended will actually lead the association to change by organizing and uniting members. Farmers presented many reasons why changes will not work (past theft and mismanagement, untrustworthy members/leaders, etc.). This bodes poorly. There is little evidence AKIRIGO itself will lead any change.

c) Recommendations

1. Ask more questions and gather more information from potential buyers and others including government agriculture offices, brokers, NGOs and other paddy growing associations in Tanzania who may know local, regional and national prices for mpunga and mchele.
 - a. Use members' personal contacts and mobile phones to gather input.
 - b. Do NOT accept the first price offered by local middlemen.
 - c. DO post and discuss pricing information at association offices and at association meetings.
2. To earn higher prices, organize the **bulk** (i.e. large volume) sale of many members' mpunga or mchele harvests to a single buyer.
3. Calculate whether and how much added profit is made each season by milling and selling mchele rather than mpunga. Members should share their findings.
4. Get and share information on current prices for the 4 grades of rice to determine whether and how much profit is gained by sorting mchele.
 - a. This is likely to be most effective if done with the harvest of many farmers, not individual ones.
 - b. Seek out the buyer offering the best price for **each** grade. This may involve selling to multiple individuals or firms.
 - c. Use millers' knowledge of current prices.
 - d. Seek bulk buyers for graded rice outside of Kilombero where interest in graded mchele may be higher.
5. Sell at least some of each harvest **outside** the main harvest month of July. To do this:
 - a. Have farmers sell only some of their harvest, storing the rest for later sale. This will require associations to obtain storage facilities.
 - b. Pursue short term loans for farmers to meet immediate needs. Warehouse receipts backed by stored crop should be more readily available and at much lower interest rates than loans for pre-season inputs like seed, fertilizer, etc.
 - c. Compare the interest cost of loans to the added profit selling mpunga or mchele around the new year when prices typically peak.
 - d. Consider planting, where soil conditions allow, the few types of rice that mature early or late each season from two sets of shoots. These ripen slightly outside the main harvest month of July and should result in their earning slightly higher prices even without storage.

6. Identify and explore sales to local/regional institutions like schools and hospitals which purchase food for students, patients, etc. To sell to these entities, associations must identify and get purchase specifications from tenderers who supply them. Determine whether an association can meet all the quantity, quality, delivery, etc. needs in a tender. If so, submit bids. When successful, negotiate price.
7. Develop a simple “brand” for Kilombero rice. For example, imprint a logo on bags of mchele. Logos and advertising “slogans” should emphasize consumers’ perceptions that Kilombero grown rice has superior aroma and flavor. Slogans can be as basic as “This mchele grown by Kilomero rice growers; savor its superior aroma and flavor”. Building brand can eventually lead to rice being sold at a premium in markets in Dar and other big cities or even in neighboring countries.

To effect these changes farmer associations **must change**. Steps to take are:

1. Be sure to collect all dues owed so associations can function properly.
2. Create a dedicated marketing team of members charged to:
 - a. Gather local, regional and even national prices for mpunga and mchele from such sources as middlemen, brokers, NGOs, agricultural agents and from other rice growing coops like Mahende in Mto wa Mbu (contact information was left with association treasurer). To benefit all members, post price information at association offices, at meetings, etc.
 - b. Obtain and post prices for all four grades of rice. Millers are a good source of this information.
 - c. Determine minimum volumes (tonnes) needed to get a higher price/KG from buyers willing and able to buy large quantities.
 - d. Track price changes by month to establish when prices peak. All know prices are at their lowest in July. What is needed is a better handle on when exactly prices rise. Annual price fluctuations should not affect this knowledge. It is the **pattern** of prices, not their exact amounts which associations need.
 - e. Identify rice mills that charge less especially for larger volumes. Consider charging Vijana Mbasia members a few TSh less than non-members for milling at its own mill. This might incent more farmers to join.
 - f. Identify potential institutional buyers and their tenderers.
 - g. Organize cost effective transport from Kilombero once large volumes are sold.

The list above is long and ambitious. It will take time and should be tackled one or two items at a time, not all at once. However, as the Chinese proverb says: “Every safari must start with a first step”.

3. Expand storage ability to house mpunga and mchele to gain from out of harvest season prices. Vijana Mbassa is actively doing this by resurrecting a rundown store house this year.
4. Continuously search for lower cost lenders, especially banks. This is more easily accomplished for post season loans based on warehouse receipts than for pre-planting loans for such inputs as seed. Nevertheless, it is critical that this be attempted as it can greatly improve farmer incomes.

1.3. Number trained:

1.3a Everyone trained was trained formally. There was no informal training.

1.3c No host staff was trained. Host has only one paid staff and he never attended training.

3-5 Vijana Mbasa board members attended at various times. Four AKIRIGO board members attended one session (on leadership).

1.3d Precisely stating the number of women trained is difficult as the number varied from day to day. More than 50% attending at least once were women.

1.3e Everyone trained was a member/farmer. Of the total unique number attending, 20 were women and 14 were men.

Category	Total	Males	Females
Members/ owners	34	14	20
Employees			
Clients/ Suppliers			
Family Members			
Total	34	14	20

1.4 Gender roles

- a) Though one or two women, in particular the AKIRIGO Treasurer and one or two Vijana Mbasa members were outspoken and participated actively, as a rule, the minority of males attending tended to dominate conversations to a greater extent than I've seen in some other farmer groups I have trained.
- b) Nothing I saw would give me an ability to suggest ways in which CRS or the host could boost opportunities for women. Assuming the presence of women in training is representative, it is fair to say they play a large, significant role in their associations.
- c) Were farmers to adapt many of the suggestions made, their potential to realize double digit increases or more in net profit, is great.

1.5 Value of volunteer contribution

- a) Hours spent: in excess of 30
- b) Materials contributed; about \$50

1.6 Value of host contribution: \$0

1.7 Host Profile Data

I did not receive any information that substantially changed any background information I received. However, I did get additional context which sheds some light on AKIRIGO. It seems to exist entirely from donor contributions, initially from RUDI, but more recently supposedly from other donors as well. The 44 member associations are supposed to pay them TSh50,000/year in dues but not all do and there seems to be no sanction for failure to pay. Everyone willing to comment including its own manager spoke repeatedly of the failure of AKIRIGO to deliver on its promises. It lost its rice storage to someone willing to outbid them, lost money by bad bets on prices of milled rice, does not actually pay for any training – just “coordinates it”, and can loan almost no money because it has virtually no inventory available for warehouse receipts. When pressed as to how it spends the money it receives, the manager claimed it goes for office rent, electricity, supplies and “allowances” to him and board members. He would not characterize this as a salary which he said he does not receive. Dues for members of each farmer association supported by AKIRIGO range from as little as TSh 5000/year to as much as around TSh 40,000/year paid in mpunga, not cash. Association membership ranges from as little as the 12 in Ifakara to some with 500+ members.

1.8 Recommendations to CRS

Unless and until AKIRIGO can demonstrate that it can manage its affairs much better than it has to date, they should not receive additional CRS support. It is conceivable that individual large member farmer associations might deserve assistance if they can demonstrate the leadership and capabilities so lacking with AKIRIGO.