

Tanzania

Smallholder Horticulture Outgrower Promotion (SHOP)



ACDI/VOCA's 2-year, \$1.3 million, USAID-funded Smallholder Horticulture Outgrower Promotion (SHOP) project fosters economic growth by strengthening horticulture export market linkages and domestic farm-to-market channels for high-value vegetables through increased productivity and improved management of natural resources. Using a value chain approach, ACDI/VOCA promotes market-oriented growth of high-value horticultural and import-substituting commodities in the northern highlands of Tanzania to enhance industry competitiveness and optimize participation of smallholder farmers. SHOP does this by establishing strong, mutually beneficial commercial relationships among smallholder farmers, associations and buyers. By the end of the project, over 500 small farmers will be linked into profitable horticultural value chains, generating employment and increasing rural incomes. In addition, the project will achieve underlying gains in gender equity and HIV/AIDS mitigation.

SHOP concentrates its activities in the northern highlands of Arusha, Kilimanjaro and Tanga (Lushoto). SHOP activities build the capacity of smallholder farmers in these areas to integrate into profitable domestic and exports markets

for high-value vegetable products through three project components:

Productivity Enhancement

ACDI/VOCA provides technical assistance, training and commodity support grants to increase on-farm per unit productivity, reduce production costs, improve product quality and select a profitable range of high-value vegetable products. This component focuses on two activities:

- » Strengthening farmer organization capacity—SHOP organizes farmers into viable associations to be used as platforms to provide extension services, technology and market linkages to smallholder members.
- » Improving extension services—SHOP enhances the supply of extension services by working closely with both public and private sector extension agents to identify the needs of farmers and facilitate efficient delivery of advisory services.

Strengthening Market Linkages

The project's advisory services will link smallholder farmers into profitable market chains by



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helping them to identify and successfully pursue group market opportunities. This component has three activities:

- » Expanding export market outgrower schemes—SHOP builds on the capacity of farmer associations to deliver high-quality products reliably and commercially to exporter partners by facilitating communication and technical transfer between farmer groups and exporters to engender mutually beneficial business relationships.
- » Expanding domestic market outgrower schemes—This activity will help farmer associations increase sales of high-value vegetables to supermarkets, such as Shoprite, and to the hospitality industry and to catering companies.
- » ACDI/VOCA administers a grant fund to materially support smallholder farmer groups with seed investment for equipment or services to upgrade productivity and marketing.

Partners

To achieve these goals, ACDI/VOCA has assembled a strong team of local implementing partners and collaborators from within the fruits and vegetable value chain. The Rural Urban Development Initiative, a nonprofit organization that provides business services and training to small businesses and associations, will take the lead in building farmer association capacity in business practices, leadership and accountability. ACDI/VOCA has also partnered with private sector collaborators from all levels of the value chain, including export partners, wholesaler Shoprite/Freshmark, commercial farmer Kilimo Impact Tanzania, the Usambara Lishe Trust Foundation, and the Tanzania Horticulture Association. These private sector collaborators, together with other development partners, play key roles in linking small farmers to high-value horticulture markets and providing training, inputs and improved access to support infrastructure. Importantly, they provide farmers with exposure to international standards, increasing their commercial awareness and, by providing benefits, improving farmers'—and the sector's—ability to be competitive in the long term.

SHOP builds on the successes of ACDI/VOCA's Sustainable Environmental Management through Mariculture Activities (SEMMA) project. SEMMA helped smallholders—80 percent of whom were women—along the Tanzanian coast develop diverse, economically viable and environmentally sustainable income-generating activities. SEMMA has resulted in a substantial increase in income in these poor communities and is reducing poverty and increasing food security for 10,000 people.

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