ICT for improved crop marketing in rural Tanzania

By Aloyce Menda

In 2001 the CROMABU project (www.cromabul.com) was designed to gather and disseminate relevant information regarding crop prices in local and international markets. Based in the Magu area of Mwanza, near the southern shores of Lake Victoria, CROMABU is supported by the Dutch International Institute for Communication Development (IICD).

Agriculture in crisis

Covering 937,062 square kilometers, Tanzania has a huge potential for agriculture with an estimated 43 million hectares suitable for farming. However, only an average of 6.3 million hectares are cultivated annually, mostly by small-scale farmers. Large-scale commercial farms account for less than four per cent of all farms in Tanzania.

Tanzania resembles many countries in sub-Saharan Africa in that it suffers from economic problems due to rampant rural poverty and poor performance of the agricultural sector. Proper application of modern technologies such as ICT can rapidly reduce these problems, says the United Nations Development Programme (UNDP) in its 2001 Human Development Report (HDR).

Deemed the backbone of the Tanzanian economy since independence from Britain in 1961, the agricultural sector is poorly performing and its current contribution to GDP is only 50 per cent, though it employs over 70 per cent of national labour force. According to government statistics, an overall real agricultural GDP has been growing at an average rate of only about 3.5 per cent per annum since 1981. The current national crop marketing system does not guarantee enough returns to offset production costs and hence discourages...
small-scale farmers who constitute the bulk of producers in this sector. Even the few large commercial farmers in the country are discouraged by the government policies on agriculture.

The Ministry of Agriculture said in March 2001 during a national agricultural conference that the sector faces a multitude of problems which hamper its growth. According to the Ministry, the problems include low priority accorded to agriculture in public resources allocation and disbursement; poor rural infrastructure; farmers’ limited capital and access to credit; inadequate support services; weak and inappropriate legal framework; and land tenure and tax policy.

**Cromabu’s response**

The CROMABU project is aimed at empowering small-scale farmers economically by enhancing their access to price information and insights in trade flows. While stakeholders in the agricultural sector are demanding the government ensure a fair-competition policy for agricultural marketing and distribution, CROMABU is levelling the ground by use of modern ICT to empower farmers.

According to CROMABU manager Mrs. Naomi Massele, a professional agriculturist with experience in management of rural agricultural and industrial projects, CROMABU consists of three components. These are the Internet Café that serves the targeted community; price information services; and community development through information and training. CROMABU's development phase will end in September 2006 and the project is is regarded by IICD as a pilot to be replicated in other rural areas with crop marketing problems.

Mrs. Massele explains that the project targets 16 villages directly, but the information from it circulates more widely. Information on crop prices gathered from local markets and prices of foreign markets downloaded from the Internet sources are compiled by CROMABU and stored in a database. From this, a simple price index is prepared in the Ki-Swahili language and disseminated to farming villages. Youth, particularly ex-students from primary and secondary schools, are the key channel of communication between the CROMABU and the targeted small-scale farmers in Magu; they are employed as agents and use bicycles to collect and distribute all relevant documents to the villages.

**Using ICT effectively**

According to experts, four characteristics describe the powers of modern ICT in poverty reduction:

- Interactivity: For the first time ICTs are effective two-way communication technologies.
- Permanent Availability: The new ICTs are available 24 hours a day.
- Global reach: Geographic distances hardly matter any more.
- Cost-effective: For most areas the relative cost of communication has been shrunk to a fraction of previous values.

The CROMABU project is aimed at doing exactly that. Within an NGO set-up, the project generates income from its community-training centre for peasant farmers and youth groups. It also charges fees from institutional clients in Magu such as NGOs for training and the Internet Café.

**Benefits for small farmers**

Small-scale farmers have benefited greatly from the project. The Internet services have helped them get the best market prices for their produce, namely cotton, groundnuts, maize, beans, finger-millet and sunflower. When prices are low in Tanzania, the Internet enables them to secure direct buyers from abroad - some of whom are sometimes ready to pay above the world market price.

Before 2002, middlemen (madalali) in Magu, were conspiring to lower crop prices in order to reap unfair profits. The price of good cotton, for instance, currently ranges from Tanzanian shillings 200 (US$ 0.2) to shillings 250 (US$ 0.25) per kilo, while before the project it could be as low as shillings 150 (US$ 0.12) to shillings 180 (US$ 0.18) per kilo. Recent press reports said that small cotton farmers in the neighbouring Bunda district situated about 450 kilometres from Magu refused to sell their product for shillings 180 (US$ 0.18) per kilo to any buyer. They heard that prices are much better in Magu and hence would rather retain their cotton, which after all is a nonperishable product. They anticipate that buyers offering good prices will eventually come!

Since modern ICT facilitates efficient creation, storage, management and dissemination of information by electronic means, they are powerful tools for fighting some of these impoverishing forces. If a poor African
can send a 40-page trade document from Tanzania to Cuba for just 40 US cents (Tsh 400) instead of US$ 50 (Tsh 50,000) for courier, then there is no doubt that modern ICT are cost effective and hence efficient in poverty reduction.

**Lessons Learned**

Despite the remarkable success of CROMABU, content issues remain a challenge. Most web contents are in English, which is a language of the elite in Tanzania. Ki-Swahili is the official national language of 34.6 million people of Tanzania, and over 95 percent of the population can only speak, read and write in either Ki-Swahili or tribal languages, and hence cannot comprehend most of the Internet's contents, even if they get access to it.

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