

Newsletter June 2024

Strengthening the Rural-Urban Network

Point-of-Sale Launches «I could sell anything from my homeland, the southern highlands, at the Darajani market in Dar,» says Queen Bahati, a young, enterprising woman. «People here demand good staple foods produced by small farmers in the villages.» However, deliveries from the rural areas are currently delayed. Heavy rains have made the dirt roads impassable. For instance, the massive bean harvest stuck in Idete could only be picked up by small trucks, and later than expected. Even worse, one transport vehicle slid into a ditch, resulting in injuries and beans lost in the mud! Queen Bahati has taken over Fatuma Sadiki's food stall in Dar es Salaam on her own account, and she is setting up the nearby point-of-sale on behalf of the trading company TBM. This sales point is a key element in the fair-trade concept and has started with two food stalls as its initial customers - a growth in very small steps.



Fatuma, meanwhile, has relocated to a different site. This new location, right next to the headquarters of the Bajaj Cooperative for three-wheeled taxis, has great potential for attracting new regular customers and spreading word-of-mouth about the sales point's product offerings. However, supplying the sales point remains critical: repairs reduce truck trips, and collecting goods from the farmers suffers due to the poor condition of the dirt roads. Finding solutions is challenging and causes headaches, as many options get stuck in the complex web of dependencies and unpredictability. The earnings from the first two months of the sales point's operation indicate that the initial purpose was well-conceived: achieving fair prices for farming families and affordable prices for food stalls through direct sales of potatoes, corn, and beans. Nevertheless, a lot of experimentation is needed to economically stabilize and further develop the initiatives around the point-of-sale.

farip promotes innovative business ideas: Among them are women who want to run a business on their own, like Fatuma with her [cookshop](#), or Lucy who turns 50kg bags of [beans](#) into small packages for family consumption. «[MTM](#)» uses waste biomass from harvested fields to produce charcoal dust. This is processed into briquettes as a charcoal substitute, reducing the consumption of solid wood. [GRACOMA](#) is an experiment to test how private forest ownership can be used as collateral for bank loans. This complex project encompasses a wide range of areas such as fire protection, forest maintenance, tree nursery and monitoring and evaluation of the growing trees. '[Scheduled Cargo Service](#)' SCS wants to provide agricultural producers with reliable transport to markets. [TSS](#): A fair trading model, distributing surplus to producers. **farip** aims to sustainably strengthen the agricultural production chain in the countryside and to stabilise and improve farmers' income situation.

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Current News from Tanzania

Continuous rain has left devastating conditions: roads are washed out; crops are swept away.

The transport of harvests from growing areas to the cities is significantly hindered. This immediately impacts the supply to the point-of-sale in Dar es Salaam, as every single element in the economic network is inextricably linked.

An accident with a transporter resulted in injuries, and the victims can barely afford hospital care. Could an



“accident insurance” secured by growing trees be possible?

This could lead to a turnaround in rural areas where illnesses and accidents with extraordinary costs repeatedly strain family solidarity to the breaking point.

There is now widespread discussion in Msowero about initial experiments with such an insurance.

This indicates that tree-secured loans could be used far beyond agricultural production.



University in the Field Laboratory: The University of Dar es Salaam UDSM is now also interested in the tree-secured credit mechanism. Dr. Colman Msoka, the head of the Institute for Development Studies IDS at the university, and his assistant Dr. Patrick Mlinga traveled to Msowero, to prepare their on-site research cycle on biodiversity and smallholder loans. Dr. Colman Msoka commented, *«Tree-secured loans have great potential to promote rural development.»*



GRACOMA: Ragpa Tweve serves as «Mtunza Misituu», Forest Steward in the GRACOMA Credit Project. Interestingly, the ten farmers who have taken tree-secured loans want to compensate Ragpa with 1% of the loan amount for registering forest plots and monitoring them. This marks a breakthrough in operating loans entrepreneurially. Reliable monitoring is crucial for commercial banks to develop an interest in loan security provided by trees.



Magnificent Cows: With a loan from *farip*, five farming families bought young cows for fattening. After six months, they look splendid, thanks to the abundant fodder provided by the intense rain. Bahat Tweve commented, *«We extended the loan period by one month so that the butchering coincides with harvest time, allowing people to have cash from their yields.»* The fattening was an experiment aimed at finding a way out of last year's meager maize harvest.

«Scouting» How does an interesting idea in rural Africa become a small business? It requires scouting! *farip* specializes in this “first mile”: *farip* is approached by initiators in Tanzania to accompany their innovation processes: Who takes on the idea, how does the ownership organize itself? What practical experiments can demonstrate feasibility? And where is the market for the products? Many ideas are discarded, only the best ones with development potential make it to be accompanied by *farip* as a venture. *farip* supports the ventures with loans and exchange of experiences, connects them with other innovative projects, and coaches them in the ongoing learning process of developing new ideas from failures.