

Improving smallholder farmers participation in the pyrethrum industry in Tanzania: lessons from Ludewa district

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Acta Horticulturae 1006: 261-267. 2013.

Abstract

Pyrethrum is one of Tanzania's traditional export crops earning the country significant revenue through the sale of crude extract. Although the world market for pyrethrum plummeted between 2000/2001 and 2003/2004, it is still a potentially valuable crop for improving smallholder farmer livelihoods. Over the last five years, the Pyrethrum Company of Tanzania has been providing a range of incentives and support to pyrethrum growers including prompt payment for produce delivered by farmers, the provision of extension support services, transport for produce to the processing plant in Mafinga, and the provision of planting materials to smallholder farmers at no cost. Even so, smallholder growers continue to face multiple challenges that limit their effective participation in the pyrethrum supply chain. Providing a consistent, high volume supply of homogeneous raw material, the delivery of which is synchronized with distribution and processing operations is a major challenge. This emphasises the need for collective action and cooperation to aggregate produce on a scale required by the market when the processor wants it. We conclude that unless group bulking arrangements are enhanced to meet market requirements, while also rewarding individual farmers' efforts to achieve the required product quality, smallholder farmers will have little incentive to comply with best practice standards. By facilitating group supply strategies and by having transparent pricing structures, there will be greater trust and commitment by smallholder growers participating in the pyrethrum supply chain.