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TANZANIA

NOTE FROM THE FIELD

A Sea of Entrepreneurial Opportunity

A USAID project promotes economic growth and environmental sustainability in Tanzania's coastal villages



Photo courtesy of ACDI/VOCA

Mwanaisha Mgaza Khalifa, center, is a beneficiary of USAID's Smallholder Empowerment and Economic Growth through Agribusiness and Association Development project.

While husbands and wives in the area do not traditionally work together in marine activities, Mwanaisha's husband joined her when he saw how profitable seaweed farming could be. They have nearly tripled the size of their farm, which, with only part-time work, nets an additional \$80 per month—more than three times Tanzania's per capita average income of \$25 per month.

Mwanaisha Mgaza Khalifa is a mother of four living in Mkwaja, a coastal village in Tanzania's northern Tanga region. Mkwaja's residents are among the roughly 9 million who live in Tanzania's five coastal regions and rely on fishing, coastal aquaculture, salt making and harvesting coastal forests and mangroves as potential sources of income. Unsustainable practices and a growing population, however, have led to depleted resources, destruction of coastal habitats, and deepening poverty for these communities. Like many women in Mkwaja and surrounding villages, Mwanaisha has been farming seaweed, an environmentally benign economic activity, for years to generate additional income for her family; but without business skills, market information, and support to expand, her activity was limited.

From 2003 through 2005, USAID supported the Smallholder Empowerment and Economic Growth through Agribusiness and Association Development project (SEEGAAD) to counter environmentally unsustainable practices and alleviate poverty within rural coastal communities in Tanzania. The goal was to promote activities that drive sustainable economic growth, increase cash incomes and stimulate asset accumulation among households. SEEGAAD activities were carried out in four focus areas: extension support for select products, improving the enabling environment, business skills training, and association building. Project interventions were centered in three coastal districts: Muheza, Pangani and Tanga.

Because it holds enormous potential to greatly increase incomes for the most smallholders, SEEGAAD focused on promoting seaweed farming. The project determined that of the two types of seaweed commercially grown in Tanzania, *Kappaphycus alvarezii*, commonly called "cottonii," and *Eucheuma denticulatum*, commonly known as "spinosum." Although cottonii has a higher selling price, it is also

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More difficult to grow in the shallow intertidal zones using traditional methods because of the high fluctuations in temperature and salinity. To address production problems, SEEGAAD, in partnership with the seaweed exporters, collaborated with consultant volunteers from the Philippines and Solomon Islands, the University of Dar es Salaam's Institute of Marine Science and the University of Rhode Island. As a result, the SEEGAAD project began trials for the Indonesian deepwater seaweed farming system, and other improved farming techniques, such as careful spacing of lines and better staking techniques to reduce losses.

To help bolster the enabling environment, SEEGAD and its partners developed the Seaweed Development Strategic Plan (SDSP). Signed by the Ministry of Natural Resources and Tourism in 2005, the SDSP provides clear guidelines regarding contracts between buyer and seller. Among those participating in the SDSP were private sector players, who have driven seaweed development in Tanzania. They provide extension services to producers on farm management and post-harvest handling. There are four major exporters in Tanzania, all based in Zanzibar. During the SDSP development phase, stakeholders, producers, buyers, government and NGOs discussed an upgrading strategy for the industry. All parties agreed that in-country value-added processing is financially viable only when production can be sustained at 5,000 metric tons per year.

Although production has peaked at 7,000 metric tons in recent years, annual production has been consistently around 3,000 metric tons.

In the early days of the project, it became apparent that most smallholders, having been brought up in the socialist era, had become accustomed to selling their labor and hence had little business knowledge or experience. SEEGAAD promoted a business skills training module that addressed topics ranging from cost-benefit analysis to product marketing. In addition, SEEGAAD assisted smallholders in establishing business-oriented associations that could serve as effective vehicles for driving rural agribusiness growth. Producers were also advised on how to increase productivity through better farm management and adoption of simple efficiency measures, such as use of association-owned canoes to transport seaweed to shore.

In 2002, Mwanaisha began to improve her seaweed business after attending management courses sponsored by SEEGAAD. As a result, she has expanded her business and hired people to help with the more labor-intensive activities, knowing that her revenues would increase by a greater magnitude than her operating expenses, creating larger profits for her family. In addition to expanding her business, Mwanaisha now has money to send her four children to school, buy new items for her home, contribute to

community causes such as funerals, weddings and holiday events, and even join a savings club.

More than 80 percent of SEEGAAD beneficiaries were women. In a population where over 75 percent of the unemployed are women, SEEGAAD played a key role in empowering women and enabling them to have a say in their communities, especially by encouraging the inclusion of women leaders within producer associations.

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Mwanaisha's farm also elevated her economic power in the household, and she now co-manages family finances with her husband. The two are also looking for additional ways to multiply their income. They have opened a small retail store and are now considering crab fattening as a new income source—another activity supported through the SEEGAAD project. As Mwanaisha says, "Seaweed farming has opened my eyes to trying new income-generating activities in the village."

SEEGAAD made important inroads in allowing smallholders to become stewards of their environment by

helping them increase their incomes and protect the resource base that supports their investments. It helped project beneficiaries establish a strong entrepreneurial orientation through extensive training that enabled participants to gain essential business analysis and management skills that were otherwise rare among smallholders. By the end of the project, producers in five villages had come together in informal groups and received training on association building, leadership, and group marketing. SEEGAAD also initiated the registration process for the informal groups, which have since been registered and are now operating as successful business associations.

USAID will continue to provide assistance to Mwanaiha and other farmers through a five-year program called Sustainable Environmental Management through Mariculture Activities project (SEMMA). The goal of SEMMA is to conserve biodiversity along the Tanzanian coastline through sustainable development of profitable mariculture enterprises.

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