



Stakeholders Involvement in Food Value chains

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Summary

For Tanzanian agriculture to be modern, commercial, highly productive and utilize the natural resource in a sustainable manner as per Tanzania Development Vision (TDV) 2025, National Development Plans and the Millennium Development Goals (MDGs), employing pro-poor strategies as well as stakeholders involvement in developing value chains are inevitably required.

These will ultimately translate to increased productivity levels, improved farmers' incomes, food security and nutrition levels as well as proper utilization of natural resources in rural farming communities as it creates sense of ownerships and fastens technology adoption.

The lack of direct involvement of farmers right from the grassroot levels, inadequate knowledge and extension services, inefficient techniques of technology transfer, and poor linkages to community based organizations has been among the major reasons for various agricultural development initiatives not achieving the expected outputs.

Trans-SEC (trans-sec.org) uses as strong stakeholder involvement to foster local ownership

Introduction

Food value chain development is a complex issue and therefore it calls for a multi-stakeholder participation and cooperation. Collaboration among the various stakeholders along the food value chain is more important than ever. The interdependencies between stakeholders are no longer mainly between the functions most closely linked along the chain but should comprise of stakeholders anywhere in the network (Deloitte, 2013). The involvement of multiple stakeholders in research based technology development and transfer is a necessary condition for effective adoption and diffusion in order to promote sustainability and economic independency of small-scale farmers and farming households.

Such collaborative arrangements between various value chain actors facilitate for increased efficiency in the value chain, because partners can pool their resources, knowledge and capabilities (Kolk et al., 2008), and can offer advantages in terms of increased flexibility, productivity, cost reduction and innovations (Jenkins, 2007). The underlying assumption is that by pooling these resources, value chain partnerships can

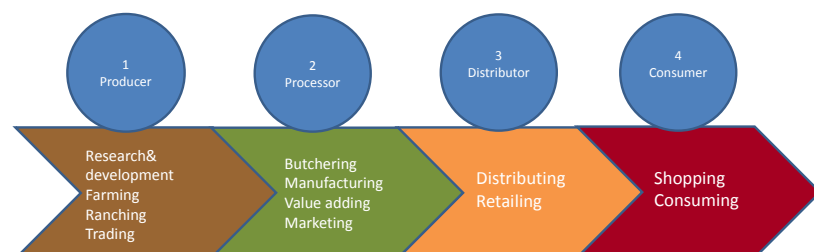


generate results which they could not have achieved on an individual basis, a so called 'collaborative advantage' (Huxham and Vangen, 2000c; Kolk et al., 2008).

Significance of stakeholder participation in the food value chains

Stakeholders should be involved at all stages of food value chain. This is to ensure resources are optimized and outputs are produced efficiently. This also needs more of research on stakeholder mobilization, sensitization and participation, training and education and advocacy at the policy levels. This helps to facilitate collaboration among food value chain stakeholders so that they can jointly explore and exploit emerging market opportunities.

Fig.1. Key stakeholders and their roles in the food value chain.



In a smallholder farmers' context which in most cases are regarded as among the poverty vulnerable group, the approach should go even further into looking on the best alternatives or options under which the developed strategies or technologies can enhance their environment on a sustainable basis. Small-scale farmers face major disadvantages such as low productivity, low volumes of products to sell, variable quality, high transaction costs and poor access to inputs and markets (Frank et al., 2013) ultimately leading to food insecurity.

Stakeholder Participation in the Tanzanian Food Value Chain

In the Tanzanian context, multiple stakeholder involvement in the food value chains still face a challenge of smallholder farmer inclusion due to their rooted history of exploitation and distorted social relations, the absence of organizing principles like transparent laws and regulations under which entrepreneurs can start and grow their business. This situation/tradition, cultivates their dependency to donors who do not unleash their entrepreneurial potentials.

A particular emphasis has been on the promotion of exports, often of organic and fair trade products, with support from either the private sector or public sector, and facilitated through NGO's and other international development agencies. However, in such high-value food value chains, smallholder farmers

have limited control. Power is often concentrated among one or a few chain participants that coordinate market activity. As the modern food sector is based on

consumer assurance, high standards for food quality and safety, low prices, and reliability of supply, lead actors in retail or export often coordinate the value chain. The ability of smallholder farmers to take the lead is limited, as is their ability to maximize economies of scale (Lie et al., (2012). The market is also constantly changing, requiring rural farms and firms to respond and innovate by, for example, switching market channels, change how they are organized, or invest in equipment. Such value chains may thus be less appropriate for many smallholder actors, who may lack the ability to handle dynamic markets and comply with the increasing amount of regulations and standards.



Trans-Sec objectives

The Trans-Sec project seeks to develop local food value chains that meet growing local demand and which might be more within the reach of smallholder farmers and households. Basically this will be accomplished through identifying relevant stakeholders in the food value chain and developing upgrading strategies which suite the real needs of the rural farming households.

The project is designed to address some of the above-mentioned implementation bottlenecks through integrating all stakeholders. It involves complex technical issues but which are practical in the pro-poor farmer environment.

Significance of the project to the rural poor households

Trans-Sec will contribute to improved food situation for the most-vulnerable rural poor households in Tanzania focusing on contributing the national efforts towards the achievement of Millennium Development Goals (MDGs). The project activities will build on other projects implemented on the local levels such as District Agricultural Development Plans (DADP), District Agricultural Sector Investment Projects (DASIP) but integrating research and knowledge transfer along the food value chains with participative field testing and conducting analysis of selected, most promising technologies for all food value chain components.

Literature

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