

CASSAVA PROCESSING IN KIBONDO DISTRICT

Local Investment Climate (LIC) is a private sector development Programme supported by Danida. LIC addresses critical constraints to business development and economic growth at district level in the two regions of Dodoma and Kigoma in Tanzania. The Programme invests in Public-Private Dialogue (PPD), business service facilities such as One-Stop-Business Centres and Public-Private-Partnership infrastructure in support of business development. The implementing partner agencies of LIC are; the President’s Office – Regional Administration and Local Government (PO-RALG), the Regional Secretariats in Kigoma and Dodoma, Tanzania National Business Council (TNBC), Association of Local Authorities in Tanzania (ALAT), Tanzania Private Sector Foundation (TPSF) and Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA).

In April 2018, LIC signed a contract with Kibondo Big Power Group (KBPG) to support the completion of a cassava processing facility including the construction of a building and installation of machinery.

Kibondo Big Power Group (KBPG)

KBPG was established in July 2005 as an agricultural producer group in Kibondo District , Kigoma Region. The group was given 450 acres of land by the Kibondo District Council. KBPG`s main focus is on cassava production and processing. The group had 33 members out of which 20 were male and 13 were female. Due to management challenges within the group, the group was restructured and one of the members became the *de facto* manager while the rest of the group became associate with employee status.



Cassava field at the KBPG Farm, Kibondo



Unprocessed cassava stored at the KBPG, Kibondo

Potential end markets identified for the distribution of KBPGs cassava flour are local and regional markets as well as markets in neighboring countries, incl. Burundi, Rwanda, DRC, Uganda and South Sudan.

LIC in Support of the KBPG

In support of kick-starting KBPGs cassava flour business LIC invests in

- Construction of processing facilities
- Purchase and installment of cassava processing equipment, incl. cassava mill and packaging machinery
- Purchase of water supply equipment
- Start-up fund to cover initial investments in processing and marketing of cassava flour



Cassava processing equipment at KBPG, funded by LIC

Upgrade of the Cassava Value Chain

The support provided by LIC will improve the marketability of cassava, in the form of cassava flour, with a subsequent expected positive impact on employment in the cassava value chain. The LIC investment is thought to directly create 20 permanent jobs in the processing plant and around 90 jobs informally employed during the harvest season at the KBPG alone. Depending on the future market situation for processed cassava, the plant may be able to expand its production and process additional volumes of cassava from small scale producers in the area.

Value added to cassava, in the form of cassava flour, will open new opportunities to local cassava producers and will potentially stimulate the interest of other investors to join the value chain. Currently the export of cassava from Kigoma region is predominantly in the form of low priced, dried, raw cassava (see picture on the right). The cassava farmers in the region have not yet tapped into higher value markets for quality products. Linkages towards that objective have been established with a Chinese company and other avenues for meeting the demand for processed quality cassava products are being explored by KBPG.

KBPG Innovation and Learning Center

KBPG offers training in cultivation and processing of cassava to farmers from the local community and even to farmers from neighboring districts. KBPG is furthermore in the process of supporting a youth training program with focus on not only cassava but also on other crops such as bananas and fruit trees. KBPG has furthermore taken up bee keeping and will eventually also include this in the training program. The planned youth program, likely to be supported by LIC, will be developed and executed together with Kibondo District Council and Kibondo Folk Development Centre (FDC). It is foreseen that some basic dormitories, training facilities and demonstration plots will be established at KBPG while District Council and the FDC will chip in with technical support to curriculum development and teaching.

Lessons Learnt

A valuable lesson learnt from this project relates to the importance of good management practice. Before the organizational restructuring of KBPG, huge challenges in managing production and processing by the group committee was evident. As a result, production efficiency was severely negatively affected. The restructuring of the group, with a central manager overseeing processes has proven key to success. Because different contexts require different management styles, LIC is continuously exploring with its partners various models for effective management of both Public-Private-Partnership investments and Farmer/Producer organization investments.

LIC has supported Kibondo Big Power Group with some TZS 26 million for the cassava processing unit. The Programme will continue to support private sector development projects in the regions of Kigoma and Dodoma until February 2020.

For further information please visit www.lic.or.tz