

Improving the distribution of animal traction implements in Mbeya Region, Tanzania

by

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Abstract

Mbeya Region is a maize-producing area in the southern highlands of Tanzania. Many farmers in the region use hand hoes. A few use animal-drawn implements, but the supply of these implements in villages is a problem: they accumulate in towns where nobody buys them. The distribution problem is caused by the main manufacturer, importer and supplier, the parastatal Ubungo Farm Implements (UFI), based in Dar es Salaam, 800 km from Mbeya. UFI supplies implements to parastatal intermediaries in urban centres, but these intermediaries do not have outlets in the villages.

Mbeya Oxenization Project (MOP) was established in 1987 to develop animal traction in the region. MOP is trying to improve the distribution of implements through a network of village-based agents. The agents obtain implements on credit and receive a commission on sales. There are positive signs but the exercise will be fruitless unless the existing marketing channels and village-based agents adopt the distribution system themselves and become independent of MOP. The cooperative movement in Mbeya Region also has potential to improve the distribution of animal-drawn implements because it already has village depots.

Introduction

Mbeya Region is situated in the southern highlands of Tanzania, adjacent to Malawi and Zambia. The main crops in the region are maize, rice, coffee and cotton. Farming is mainly at the subsistence level. The main farming tool is the hand hoe, although a few farmers, especially in Mbozi District, use animal-drawn implements. In Tanzania 10–15% of tillage is carried out using draft animals: a similar figure applies in Mbeya Region. The number of farmers using animals for agricultural production has been increasing in Mbeya Region, especially since the commencement of the Mbeya Oxenization Project (MOP) in 1987. Farmers in the region use animal-drawn implements mainly for plowing and, to a lesser degree, for transport. MOP wants farmers in the region to use animals for weeding and transport as well as plowing, and some farmers have started adopting these technologies.

MOP is now planning phase two of its programme, which will run from January 1993 to December 1996. During the first five years of the project it

became apparent that poor distribution of animal traction implements to farmers in Mbeya Region was one of the critical problems constraining the increased adoption of animal power technology.

Distribution problem defined

In marketing terms, distribution can be defined as planning, implementing and controlling the physical flow of goods and materials from points of origin to points of use, to meet customer needs at a profit. The main objective of distribution should be getting the right goods to the right places at the right time for the least cost. Uncoordinated distribution results in high costs while improved distribution can stimulate demand and attract additional customers by offering better services or lower prices.

It is unfortunate that, in Tanzania, distribution in general, and distribution of animal-drawn implements in particular, seldom involves such a marketing approach. Vander Ende (1991) writes that, within the Tanzanian context, the principle of marketing is almost exclusively associated only with the selling of goods. Okoso-Amaa (1989) states that poor infrastructure, inadequate marketing channels and the poor financial position of some of the channel members results in ineffective outlets. In the Tanzanian experience, centralised marketing infrastructure has tended to place the distribution and equipment services too far away from the farmer. Poor transport systems make it difficult for some farmers to reach distribution points when the need arises.

Implement supply in Tanzania

The main source of animal-drawn implements in Tanzania is Ubungo Farm Implements (UFI), located in Dar es Salaam, some 800 km from Mbeya. UFI, a public parastatal organisation, manufactures and imports animal-drawn implements for the whole of the country: it is the starting point of the distribution network and also the main distributor of animal traction implements in Tanzania. Distribution should involve marketing channels that ensure a flow of goods from the source point to consumers.

Unfortunately, the distribution and marketing system for animal-drawn implements does not reach the end-user farmers in the villages in Mbeya Region. It starts at UFI in Dar es Salaam and often ends in the regional capitals, occasionally reaching district centres. In the case of Mbeya Region, the marketing channel ends at the towns of Mbeya, Kyela and Mbozi. This still leaves the implement market a considerable distance from the farmers, who may have to travel for two days by bus to purchase an implement or spare.

The marketing channel system for animal-drawn equipments consists of UFI as the producer/supplier, the wholesalers (agriculture-related public institutions) and retailers (a few interested private businessmen). Wholesalers in Mbeya Region include Mbeya Regional Trading Company (RTC), Agricultural and Industrial Supplies Company (AISCO) and Tanganyika Farmers' Association (TFA). These wholesalers, which sometimes also act as retailers, are not really interested in selling animal-drawn implements: they see sales of these implements as seasonal, consequently tying up their capital. As these institutions are under the control of government, which is interested in serving its farmers, they are instructed to sell animal-drawn implements. Such pressure from the government implicitly results in partial distribution, subsidised prices and distribution points ending in larger urban areas. Animal-drawn implements accumulate in towns where nobody buys them, while farmers are looking for them in the villages.

The government apparently realised this serious distribution weakness in a major maize-producing region of the country. It therefore established a second agricultural implement factory in Mbeya town. This "Zana Za Kilimo" factory is not actually very interested in making animal-drawn implements. Its own distribution system for farm implements (mainly hand hoes) also ends in towns, despite the fact that it regularly advertises on the national radio that it offers "door to door" sales services.

The main cause of these inefficient and ineffective distribution systems for animal-drawn implements in Mbeya Region is lack of proper planning, implementation and control of the physical flow of implements by UFI and its intermediaries (RTC, AISCO, TFA, the cooperatives, etc). None of these marketing institutions appears to practise marketing management. They do not seem to know their market segments and niches, or the demand for animal-drawn implements in Mbeya Region. This failure leads to an inefficient, money-losing

distribution system for animal-drawn implements in Mbeya Region.

Vander Ende (1991) reported that, in recent years, the Government of Tanzania, donors and other local organisations have carried out five independent studies on the demand for animal-drawn implements for Tanzania. All the studies came up with different figures. This resulted in the government ordering 100 000 plows, many of which stayed for years in warehouses in Dar es Salaam. It is government policy to develop animal traction technology and make implements available to farmers in villages. Unfortunately nobody seems to have made a serious attempt to implement this policy.

Mbeya Oxenization Project

The purpose of MOP is to promote smallholder agricultural development in Mbeya Region of Tanzania, through the development, production, marketing and extension of animal traction technologies appropriate to smallholder farming systems. The marketing objectives of MOP are to:

- distribute relevant and appropriate animal-drawn implements to farmers in Mbeya Region
- in cooperation with MOP Engineering, promote the use of village workshops where farmers can obtain spare parts, have repairs done, or even purchase complete animal draft implements
- establish a reliable and permanent distribution system for animal-drawn implements.

These three objectives all relate to ensuring the availability of animal-drawn implements in the villages of Mbeya Region. The problem was how to achieve this in view of resource constraints and the lack of interest of existing marketing institutions in the distribution of animal-drawn implements.

The main distribution task for MOP was to extend the marketing network for animal-drawn implements from towns to villages. This involved using two approaches:

- direct selling of implements to farmers in the villages by MOP itself
- selling to farmers in the villages through village-based sales agents.

The direct selling approach was started as a short-term strategy, aimed at making the farmers aware of the project. The second approach of using village-based sales agents is the long-term strategy. MOP currently has 16 sales agents in different villages of Mbeya Region and plans to have a total of 45 village-based agents by phase two of the project. Most agents are employees of cooperative

societies, trading companies, agricultural extension officers or private businessmen.

Implements sent by MOP to the agents are charged to the agents' credit accounts which have a ceiling. Agents receive a commission of 10% of their cash sales in each quarter. MOP visits the agents regularly to take orders and collect cash from sales. MOP also arranges seminars for the agents and teaches them elements of marketing and book-keeping. The MOP Extension and Marketing sections are training farmers in the use of other types of implement to help stimulate additional demand.

The aim of the MOP approach is to convince the village-based agents that the business of animal-drawn implements is profitable and that there is demand for implements in the villages. It is hoped that some agents will continue the business on their own after MOP has completed its term. It is encouraging to report that some agents have shown much interest in the scheme and plan to open their own outlets for selling animal-drawn implements.

MOP hopes that its approach can be a "model" that can be copied by the current official marketing institutions. This may occur in different ways. One way is through pressure by employees (who are MOP agents) on their organisations. Another is through pressure by farmers (who have enjoyed the MOP distribution service) on their local village cooperative societies or private shops. The cooperative movements have village depots which sell some agricultural inputs such as fertilisers, seeds and insecticides, but not animal-drawn implements.

The MOP marketing approach is not ideal. One weakness is that it is expensive on transport. In

future, distributors will be encouraged to sell implements at higher prices to recover transport costs. However, this is not seen as a serious limitation as farmers in the villages are paying higher prices for animal-drawn implements sold by petty traders in village auctions. MOP strongly supports farmers buying implements at realistic market prices.

Conclusion

Distribution of animal-drawn implements in Mbeya Region has been very inefficient, as the marketing network initiated by UFI has not reached the villages. The implements are simply not in the right place and the right time. With highly seasonal sales and low profits, intermediaries in the distribution network have not had incentives to sell animal-drawn implements. The attempt of MOP to extend marketing channels into the villages has been effective in the short term. It will only work in the long term if the government and parastatal organisations adopt the system. The cooperative movement in Mbeya Region could help by supplying animal-drawn implements through its village depots which already sell other farm inputs.

References

- Vander Ende S, 1991. *Bridging a paradigm shift. Marketing at the grassroots in Mbeya Tanzania: MEDA's experience.* Mennonite Economic Development Associates (MEDA), Mbeya, Tanzania. 5p.
- Okoso-Amaa K, 1989. *Creating farmer awareness and preferences for new products (with references to the Mkombozi plow).* Department of Marketing, University of Dar es Salaam, Tanzania. pp. 9-11.

Photograph opposite
A woman and an ox at an on-farm demonstration, Tanga, Tanzania