BLOG: FOR TANZANIAN FARMERS, DIGITAL PLATFORM STRENGTHENS EVERY LINK IN THE VALUE CHAIN
08 Jan 2019

By Sebnem Sener

Over the past three years, Tanzanian farmer Martha Emanuel Talanju has seen her business growing steadily thanks to a value-chain financing program from the Farm to Market Alliance (FtMA). Now, an innovative digital platform is making it possible for farmers like her to benefit from an increasingly interconnected world.

During my visit to Tanzania last fall, Ms. Talanju, a member of a farmer organization in King'ori Village, explained how the new digital platform, whose development was supported by Mercy Corps's AgriFin Accelerate Program and the World Food Programme's Innovation Accelerator to work with FtMA's existing value chains, is making it easier for her to grow and sell her crops, obtain credit, and keep track of market trends.

Value-chain financing is not new in this corner of Tanzania. FtMA launched the program in 2015 and they are now working with 42,000 farmers, almost half of them women, through 211 farmer organizations throughout Tanzania, including Ms. Talanju's. Within three years, the program has helped her increased her maize production from five bags per acre to as many as 20 bags. She has been able to obtain high-quality seeds, fertilizer, and other supplies on credit, receive training on how to improve productivity, and gain access to a reliable, contracted buyer who offers a fair market price to farmers for their produce.

The digital platform is making this system work better at every stage of food production—from purchasing supplies to harvesting and selling crops. Ms. Talanju can now choose from a wider range of supplies—15% lower than market rate—and have them delivered via her farmer organization. She can also apply directly for a loan for supplies through the app and receive SMS updates on the status of her supply order and credit approval. In addition, regular updates on market pricing help her decide when to sell her crops.

Most importantly, Ms. Talanju has now a digital footprint with every transaction recorded online for the first time in her life. Her digital footprint enables her to develop a credit history that will help her grow her business further.

I also talked with John Sarakikya Rajeaeli, the leader of the farmers' organization to which Ms. Talanju belongs. For him, 2018 has been similarly productive. He is now able to communicate via SMS with all his organization's members, replace paper ledgers with an easy-to-use mobile app, and help members see the market price for each crop even before they plant.

As FtMA strives to reach 85,000 farmers by 2020, its innovative technology promises to make value-chain financing easy and profitable for every link in the journey from farm to market. For the farmers of King'ori, it is already transforming their lives.

Sebnem Sener is a policy advisor in the office of the UNSGSA. She visited Tanzania in October 2018.