

## Newsletter December 2022

### Cooking up a concept for fairer food logistics

**Mama Ntilie:** Anyone who travels in Tanzania knows a «Mama Ntilie». It's the local name for the women who produce cheap meals for the workforce. They cook on the streets, outside industrial and port facilities or at construction sites. They also supply the vast majority of low-income earners in the large urban centres, by far the largest market for agricultural products. Due to a lack of cash and storage facilities, they often have to buy food daily from retailers at very high prices. So: What if the food supply from rural areas could run through a separate network of outlets specializing in city clients?

Bahat Tweve with his trading company Tanzania Biashara Mapema (TBM) has devoted a lot of time to tackling this challenge. He now wants to complement the [Scheduled Cargo Service SCS](#), which is co-funded by *farip*, with points of sales. The aim is to set up small warehouses along the route where the truck can stop briefly and unload ordered goods.



The «Mamas Ntilie» could pick up supplies there according to their daily cooking needs. Of course, such outlets are supposed to function with the mechanism of fair and transparent «TSS» trade throughout the chain, from the farmer to «Mama Ntilie», including Fatuma in Dar es Salaam. To test this concept of its own sales outlet, TBM applied to *farip* for “à-fonds-perdu” financing for the first three trial locations along the route from Makambako via Ruaha Mbuyuni to Dar es Salaam. Ruaha Mbuyuni is an important regional trading town in the southern highlands, on the road between Iringa and Morogoro. Dirt roads stretch out from there for many miles, to villages growing onions and tomatoes. Will it be possible to demonstrate the feasibility of the concept of keeping the supply chain in their very own hands in the future? *farip* is financing this trial phase with donated money. The «Mamas Ntilie» and Fatuma will surely be pleased with reliable delivery of the food.

*farip* promotes innovative business ideas: Among them are women who want to run a business on their own, like Fatuma with her [cookshop](#), or Lucy who turns 50kg bags of [beans](#) into small packages for family consumption. «MTM» uses waste biomass from harvested fields to produce charcoal dust. This is processed into briquettes as a charcoal substitute, reducing the consumption of solid wood. [GRACOMA](#) is an experiment to test how private forest ownership can be used as collateral for bank loans. This complex project encompasses a wide range of areas such as fire protection, forest maintenance, tree nursery and monitoring and evaluation of the growing trees. «Scheduled Cargo Service» SCS wants to provide agricultural producers with reliable transport to markets. [TSS](#): A fair trading model, distributing surplus to producers. *farip* aims to sustainably strengthen the agricultural production chain in the countryside and to stabilise and improve farmers' income situation.



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### News from current ventures

#### GRACOMA: *farip* investigates on the ground

Are there lenders in Tanzania who can accept trees planted by farmers as collateral? First clarifications show: Farmers need money to buy seeds and to prepare their fields for sowing. Trees are too unsafe for banks because of the risk of fire. The banks want the land titles and houses as collateral. Farmers are rightly afraid of the risk of losing their property if drought destroys the crop.



They must be able to insure this risk. Is this possible? In addition, monitoring small loans on the ground is too costly for the banks. Are there solutions? What happens if a farmer cannot repay the loan?

Will the young trees be cut down and sold, or are there ways to let them grow to increase their value? Many questions! *farip* investigates them on the ground with help from the University of St.Gallen; a case for the *farip* method of «scouting».



**Thanks for the support:** Rahel Guggenbühl and Mauro Lanfranchi are studying innovation management at the University of St.Gallen. They are on site with *farip*. Rahel is investigating which gaps need to be closed, so that GRACOMA loans can be processed through Tanzanian channels. Mauro looks at how the TECASESO (vegetable carbon in the soil) business model can be combined with TBM marketing, to secure good prices for the producers.



**Plant carbon in the soil:** Putting carbon from biomass into the soil means that CO<sub>2</sub> is irretrievably removed from the atmosphere (terminal carbon sequestration in soil - TECASESO). The international CO<sub>2</sub> trade pays money for this! The people in Magunguli know how to produce coal dust without cutting down valuable trees. And they are able to document their process of putting coal dust into the ground with «boma» manure in a way that can be independently verified.



Now *farip* needs to clarify who needs to be involved for CO<sub>2</sub> offsets to reach Magunguli.

More and more questions arise as discussions on site are going deeper: How is CO<sub>2</sub> being certified? Through which channels do the payments go? Do we need permits? Coal dust, mixed with manure to fertilise new vegetable beds plus generate CO<sub>2</sub> money - what is the framework for this new business model to pay off? This needs to be researched.

**«Scouting»** How does an interesting idea in rural Africa turn into a successful small business? It takes scouting! *farip* picks up ideas brought to us by locals. We look into them and ask: Who are the potential entrepreneurs to tackle this? How can they organise themselves? What practical tests can show whether the idea is feasible? And where is the market for the products? Many ideas have to be abandoned; only the best make it to be supported by *farip* as a venture. The initiators receive funds to reach the proof of concept in defined stages. *farip* acts like a venture investor, giving loans for the critical stages in venture development, and support through coaching and exchange of experience - until the ventures become interesting for investors.