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**TANZANIA**

# SUCCESS STORY

## Cooperation Brings Farmers Profit

**Farmers are boosting revenues by cutting out middlemen**

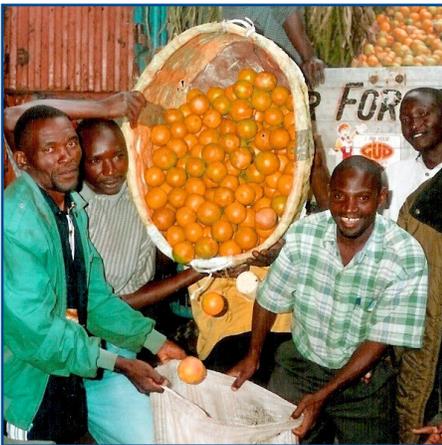


Photo: DAI

Orange farmers selling their produce directly in the main market in Nairobi, Kenya.

***By working together to find alternative markets, orange growers are bypassing middlemen and breaking the monopoly of exporters. Now, they deal directly with the major regional markets.***

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Small-scale farmers in Tanzania have no trouble growing oranges — but sometimes they have trouble selling them. With orange groves located far from main markets, farmers who work alone or in unorganized small groups wind up selling their produce, often at a loss, to local wholesalers or to exporters. Either option brings the same result: low prices. At the peak of the season, it's common to see piles of the fruit simply rotting on the side of the road — the cost of transportation is higher than the value of a truck-load of oranges. To add to the challenge, farmers are reluctant to be associated with any organization that they think resembles a “collective” — a legacy of Tanzania's economically disastrous socialist past — making it difficult for them to collaborate in finding a solution.

USAID has been working with orange farmers since 2003 to help them confront some of these challenges. In three years, the program has helped over 1,000 orange growers along Tanzania's northern coastal Tanga Region. The growers receive technical assistance on organizational and strategic planning, business skills, and plant husbandry. The program is also encouraging the growers to form producer organizations that work towards securing wider markets and higher prices.

To support its technical assistance program, USAID sponsored learning visits to the capital of neighboring Kenya, Nairobi, where farmers connected directly with market wholesalers. Farmers who had previously exported through middlemen can now sell oranges straight to Nairobi. Also, USAID encouraged orange farmers to start collaborating. Together, they worked to find more alternative markets, bypassing local brokers and breaking the monopoly of traders. As a result, 13 orange grower associations teamed up to form the Tanga Association of Best Orange Growers Limited, a private company that acts as the marketing organization for their produce.

Thanks to better organization and direct connections with regional markets, orange growers who had been losing money are now making a profit — double, tripling, and in some cases even quadrupling their revenue.