THE IMPACT OF MARKET LIBERALIZATION TO MEMBERS OF AGRICULTURAL MARKETING COOPERATIVE SOCIETIES: THE CASE OF MOSHI AND ROMBO DISTRICTS, TANZANIA

BY

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ABSTRACT

In Tanzania Cooperatives societies and unions emerged as socio-economic institutions in the 1920s purposely to protect the interests of indigenous coffee growers in production and marketing. Following economic and market reforms in 1990s, which propagated market liberalisation, the reform have not lead to the expected improvement in the productivity, incomes and overall livelihoods of coffee growers. As a consequence, primary cooperatives societies or Agricultural Marketing Cooperative Societies (AMCOS) and cooperative unions like KNCU have been unable to provide satisfactorily the essential services to their members. This study analysed the impact of market liberalisation to members of AMCOS in Rombo and Moshi rural districts whereby 120 members of AMCOS and 12 Key informants were involved through use of structured questionnaires and checklist in focus group discussion. The results indicate that; following market liberalisation, AMCOS are disorganised and lack strong management such that they are easily penetrated by unfaithful traders (PCBs) who are normally organised, well informed tricky, tactical, works in cartel and come to hike for profit. There is no substantial welfare improvement to AMCOS members due to unpredictable pricing of coffee. Also bureaucracies, lack of transparency and farmers involvement by KNCU management are the major factors causing AMCOS members' detachment to join G-32s. Basing on these findings, the study recommends that primary societies should be informative and inquisitive in searching for coffee quality production and market information by establishing farmers' ICT centre. AMCOS should strengthen their organisations' management (societies and unions) with emphasis on participatory and majority consensus. The government and KNCU should support AMCOS by enacting policies which deliberately protect and nurture them in terms of skills and power to

negotiate, conduct regular stakeholders forum where farmers directly and, or through representation by their management actively participate, negotiate and defend their interest to instigate focused and collective objectivity.

DECLARATION

I, Shose Eliezeri Monyo, hereby declare to the Senate of the Sokoine University of Agriculture, that this dissertation is my own original work and that it has neither been submitted nor being concurrently submitted for degree award in any other institution.

27/01/2012

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Date

The above declaration is confirmed

6/2/2012

Dr. David G. Mhando
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Date

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ACU	Arumeru Cooperative Union
AMCOS	Agricultural Marketing Cooperative Societies
BACAS	Bureau for Agricultural Consultancy and Advisory Service
COASCO	Cooperative Auditing and Supervision Corporation
ESAANet	East and Southern Africa Agribusiness network
FGD	Focus Group Discussion
G-32	Group of AMCOS not directly selling through KNCU
ICA	International Cooperative Alliance
ICCDE	Institute of Continuing Cooperative Development and Education
ICT	Information Communication Technology
KCB	Kilimanjaro Cooperative Bank
KDCU	Karagwe District Cooperation Union
KNCU	Kilimanjaro Native Cooperative Union
KNPA	Kilimanjaro Native Planters Association
MUCCoBs	Moshi University College of Cooperative and Business Studies
PCB	Private Coffee Buyers
SI	Structured Interviews
SPSS	Statistical Package for Social Studies
TCB	Tanzania Coffee Board
TCCCO	Tanzania Coffee Curing Company
TFC	Tanzania Federation of Cooperatives
URT	United Republic of Tanzania
VCU	Vuasu Cooperative Union

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background

Cooperative is a voluntary communal undertaking of a business for mutual benefit. It is a democratic organization controlled by members, who actively participate in setting their policies and making decisions. Elected members are representatives accountable to the memberships' day to day cooperatives' mission (ICA, 1995; Banturaki, 2000).

In Tanzania Cooperatives started to emerge as socio-economic institutions in the twentieth century. As pointed out by Kimario (1992), in Kilimanjaro, the first form of cooperative organization was set by the Chagga farmers in 1925. They started by establishing the Kilimanjaro Native Planters Association (KNPA), with the purpose to protect the interests of indigenous coffee growers against Indian traders, assist in the control and provision of guidelines on farming practices; protecting coffee plants against pests and diseases, supplying agricultural inputs necessary for the improvement of the industry and also assisting farmers to sale their produce at higher price.

In 1932 the Kilimanjaro Native Cooperative Union (KNCU) was officially registered purposely to enable and empower farmers' negotiation against the skewed cash crop marketing business run by non African tradesmen. The cooperatives ultimate vision was to enhance democracy and rational business structure. It ought to improve members' socio-economical life by fighting against poverty and exploitation from Asian traders through collective efforts (Maghimbi, 1990).

The development of Agricultural Marketing Cooperative Societies (AMCOS) and Cooperative union in this country has been associated with the introduction of cash crops such as coffee, cotton, tea, and tobacco (Kimario, 1992). In such context, they played an important role in the country's agricultural production and marketing transformation.

The first cooperative union in the country; as it is further explained in chapter two part 2.1.1, was the Kilimanjaro Native Cooperative Union (KNCU), which was registered with its eleven affiliated primary cooperatives in 1932 (Kimario, 1992). After registration, the union by then comprised of the current Rombo, Hai, Moshi, Siha, and Mwanga districts. In 1924 there were 3300 peasants growing coffee in Moshi district only who later in 1966 they increased to 15000 (University Press, 1968; Kimario, 1992). Formation and registration of other cooperative unions continued in different parts of the country. This included Bugufi Coffee Cooperative Society in Ngara district in 1940s; Mwakaleli Coffee Growers Association in Rungwe district established in 1950s; Bukoba Native Cooperative Union in Bukoba district, (University Press, 1968).

Literature indicates that in Tanzania cooperatives were abolished following the Ujamaa policy, which was stated during the Arusha declaration in 1967s; and later on re-introduced in 1982. Although cooperatives were abolished for a relatively short time, still even after being reinstated they failed to recover their old vibrancy. After re-introduction cooperatives have had not performed well and most of them were liquidated or gone under receivership (Banturaki, 2000; Maghimbi, 2006; Coles and Mhando, 2010).

However, it is revealed that cooperatives were successful in the pre-abolition era, the time when the government had an upper hand and provided support in form of stabilisation fund or subsidies. The changes in macro-economic policies, which started in 1980s, introduced trade liberalization policies (Banturaki, 2000) that lead to failure by cooperatives, which were ill-prepared; to compete with private sector in the purchase of crops in the villages as there were no equal footing with private buyers. With subsequent removal of subsidies on agricultural inputs some of these cooperatives, like MBICU of Mbinga, could no longer support their farmers and hence they collapsed (Banturaki, 2000; Maghimbi, 2006).

Working in the same context, Munker and Shah (1993) revealed that, during market liberalisation, subsidies and other privileges started being offered to progressive farmers, the local elite, particularly those who are already better off and can produce largely, hence the only strong and bright cooperative members could be supported and therefore the smaller producers were left peripherally. Market liberalization came with problems of poor quality of coffee as extension services diminished, also poor drying facilities and poor handling, including storage and transport facilities while buyers rushed to compete on collecting large quantity to meet their contract quotas.

According to Moshi (2003), the coming of the private buyers and the way in which they could weaken cooperatives in their present form has clearly been demonstrated in the coffee industry. Private buyers have gone deep into the heartland of basic activities of cooperatives without giving back to the farmers any assistance like agricultural inputs, purchasing crops and paying into three instalments, education, and advice/ extension services which cooperatives provided. This has literally killed the coffee industry in Kilimanjaro. Cooperatives in this environment are wedged by tricky competition from oscillatory private buyers as it is pointed out by Mhando and Itani (2007).

Contrary to the expectations of the implementers of the market liberalization, crop production has continued to decline. Cooperatives that were the sole marketing channel of smallholder farmers continue to perform poorly. After liberalization of domestic crop marketing, shares of many cooperative societies declined considerably while that of the private buyers increased. For example, in 2010 KNCU lost 48% and 76.2% of its coffee market share in 2009/10 and 2010/11 respectively compared to its 2008/09 share. During the same seasons, PCBs realised a market gain of 15.5% and 15.3% for the respective two years consecutively (Table 1). The oscillatory trend in market share by cooperative unions shown in Table (1) for the period from 2006 to 2010 indicates a significant loss of stake almost for all cooperative unions. Regardless of having large number of members, cooperative unions' shares were either stagnant or decreased years over while PCBs indicated a vertical steady share increase.

Table 1: Market shares by individual coffee buyers for the seasons 2006/07 to 2010/11

Buying Agent	Weighted Clean coffee (Kg)				
	2006/07	**2007/08**	**2008/09**	**2009/10**	**2010/11**
K.N.C.U.(1984)LTD	757 221	1 192 187	1 914 282	993 420	455 663
A.C.U. LTD.	276 845	171 824	378 009	171 824	144 032
VUASU Co-op. Union LTD.	28 359	46 511	89 755	46 511	29 568
Usambara Co-operative Union (1994)	54 015	109 150	248 073	108 985	38 249
T.C.G.A.	19 392	113 376	102 568	95 018	45 888
Private Coffee Buyers	182 552	284 261	244 951	282 957	282 521
Rural Cooperative Groups (G-32)	413 869	684 553	606 557	684 553	290 139
TCB sample	0.00	4 560	2 032	0.00	0.00

Source: KNCU (2010)

TCB (2010) revealed the same down fall trend in cooperatives performance whereby KNCU market share for instance; among other coffee buyers, was only 0.17% for the season 2010/2011 (Table 2). The companies which were reported by TCB to lead in buying large share of coffee were; Taylor Winch Ltd with 22.17%, followed by Dorman (T) Ltd, 15.30%; Kagera Cooperative Union Ltd, 15.24%; Armajaro Co. Ltd., 13.53% and Louis Dreyfus Commodities Ltd, 7.66%. Similarly KNCU direct coffee export share at the same period stood at 0.15% while the leading companies were Olam (T) Ltd with 45.60%; followed by Karagwe Estates Ltd., 25.64% and KDCU Ltd., 19.96%. This downfall in market shares implies that financial position of cooperative unions; KNCU in particular, continued to decline after market liberalization.

This is because when cooperatives were receiving loans in 1984, they had no capital of their own since their prime role was to offer services to members and not for profit maximisation while the government facilitated bank borrowing to meet their needs for both working and investment capital (Ngailo *et al.*, 1999). In regards to this paradox, farmers have been left at the mercy of PCBs who have managed to have upper hand in the coffee industry; farmers' expectations remained unmet, while the government has withdrawn from regulating the business. The cooperatives are no longer seen as the vehicle that could continue being used for improving broad rural population's livelihood. This study therefore, assessed the impact of market liberalisation to AMCOS members.

Table 2: Auction purchases performance by individual companies in Sept. 2010

Purchasing Company	Quantity purchased (Bags)	%-age market share
Taylor Winch (T) Ltd.	25 715	22.17
Dorman (T) Ltd.	17 741	15.30
Kagera Coop. Union Ltd.	17 489	15.08
Armajaro Co. Ltd.	15 693	13.53
Louis Dreyfus Commodities Ltd.	8 886	7.66
Mazao Ltd	8 171	7.04
Mawenzi Coffee Exporters Ltd.	6 802	5.86
Kilimanjaro Plantations Ltd.	6 511	5.61
Sheriff Dewji Ltd.	3 646	3.14
Tudeley Estate Ltd.	1 593	1.37
Karagwe District Coop. Union Ltd.	1 199	1.03
Gatto Company Ltd.	969	0.84
Kilimanjaro Cooperative Union Ltd.	819	0.71
Rombo Millers Co. Ltd.	711	0.61
TCB – Coffee Roasting Unit.	38	0.03
Cumulative	**115,982**	**100**

Source: TCB (2010)

1.2 Problem Statement

Although market liberalisation was considered to be the alternative means to activate agricultural business for AMCOS and increase price and income at the farm gate, the system has been amalgamated with several constraints. The main constraint being the concentration at macro level reforms while paying a little concern at desirable micro level impact. The reforms have not lead to the expected improvement in the productivity, incomes and overall livelihoods of coffee growers (Mahdi, 2008). This has increased inability of AMCOS and cooperative unions to fulfil provision of agricultural input and extension services to members and also price stabilisation under a liberalized Market.

Having large formal structures with high overhead costs, cooperative unions were also not prepared in advance to overcome the challenges of the new economic order which allows competition with individuals or well structured institutions of private traders.

Conversely, cooperatives have been incapable of restructuring their conduct while their economic activities have been dramatically shrinking. As a consequence, cooperatives have been unable to provide essential services to their members, who instead, resorted to sell their produce to PCBs (Mhando and Itani, 2007; Maghimbi, 2007). With all such likelihoods above, this study aims at finding out the impact of market liberalisation to members of AMCOS in Rombo and Moshi rural districts.

1.3 Justification

Coffee crop plays a vital role in the livelihoods of millions of households in developing countries and most of them are small-scale farmers whom their production contributed over 75% of the world's coffee (Mhando *et al.*, 2008). Directly and indirectly; the number of people depending on coffee is estimated to be as high as 500 million people all over the world. In 25 African countries, about 33 million people derive their livelihoods through coffee growing (ICO, 2001). Similarly, Tanzania gains approximately 115 million US dollars annually from coffee. Also the crop provides employment to more than 400000 Tanzanian families whereby 95% of them are smallholders who cultivate only one to two hectares (TCB, 2009).

However agricultural trade reforms came with many challenges to smallholder farmers who always work individually. This has forced farmers to form production and marketing groups and unions in order to have collective bargaining power against private traders so as to increase their ability to influence international coffee markets. Therefore, under liberalised economy and more diversified market channels, AMCOS as pointed out by Hedlund (1988) are one of the tools for farmers' development because they deal with the majority who are small farmers in the rural areas. If strengthened; as it is contextualised in the "Kilimo Kwanza" programme, pillar no. 3 part 3.3 and 3.4; AMCOS are the best unit through which improved rural life for farmers can be achieved.

Therefore, findings from this study will provide data for development of indicators for monitoring and evaluation to agricultural policy makers, planners, AMCOS members and private partners involved in agriculture and marketing functions. The findings will ultimately help all coffee stakeholders to adhere to the policies pertaining to strengthening of cooperatives in the context of poverty reduction and mutual benefits as specified in the Millennium Development Goals and Targets.

1.4 Objectives of the Study

1.4.1 Overall objective

The overall objective of this study was to assess the impact of market liberalisation to members of Agriculture Marketing Co-operative Societies (AMCOS)

1.4.2 Specific objectives

(i) To assess AMCOS marketing environment in the new competitive marketing arrangement.

(ii) To determine the effects experienced by AMCOS members after market liberalisation.

(iii) To identify factors which have caused some AMCOS, popularly known as "G-32", to detach from KNCU

1.5 Research Questions

(i) What AMCOS are doing to survive in the new competitive marketing arrangement under liberalization?

(ii) What are the effects experienced by AMCOS members after trade liberalisation

(iii) What are the factors which have led to some AMCOS detachment from KNCU?

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

Literature review is a systematic review of the published work about the variables of study. Its essence is to make a survey of what has been done in the study area, particularly the research variables. Hart (1999) and Barnes (2005) pointed out that; "literature review shows how the new research fits into the established scholarship in the field, also provide a guide, reference and alternative views to further reading in the area. This chapter therefore, (literature review) enables the researcher to understand and confirm what has been done and what have remained particularly over the research variables as revealed below.

2.2 Cooperative Society's Performance before Trade Liberalization

2.2.1 Background

Cooperatives societies have a long history in Tanzania. It started far back in 1920s during colonial time and the district commissioner by then Sir Charles Dundas propelled the process (Sizya, 2001; Mhando and Mbeyale, 2010). The colonial governments promoted the formation of agricultural marketing cooperatives particularly for cash crops like Coffee, Cotton and Tobacco just to raise and maintain supply of raw materials for their home industries (Sizya, 2001). According to Wrigley (1988), coffee was introduced in Tanzania by German missionaries in 1898 whereby for the first time, it was grown at Kilema Mission, Marangu, down the foot of Mount Kilimanjaro. During that period it was only the European settlers who were allowed to cultivate and own coffee plantations.

The local people, the Chagga were not allowed to cultivate coffee, fearing that they would spread pests and diseases to European plantations. Besides, it was believed that if the Chagga could directly get involved into growing of coffee, it would reduce the supply of labor to European-owned plantations (Kimario, 1992; Mhando and Mbeyale, 2010). However the spread of coffee to small holder farmers went on rapidly such that by the year 1920, coffee had become a popular crop among Chagga farmers living on the slopes of Mount Kilimanjaro (Kimario, 1992).

After the spread, the colonial government remained quite to the Chagga's continued act of growing coffee but it did not support them with provision of extension services, financial assistance and marketing. Thus, with difficulties the Chagga farmers continued to grow coffee and their produce were bought by dishonest Asian and European middlemen who extremely exploited farmers (Kimario, 1992; Mhando and Mbeyale, 2010).

Through their own initiatives and struggle, farmers discovered that they were receiving lower prices than settlers received and hence they started forming their own organization to deal with coffee production and marketing. In 1925 the Kilimanjaro Native Planters Association (KNPA) was established and its main role was to protect the interests of indigenous coffee growers. The organization assisted farmers to get extension services, supply of agricultural input and marketing in order to realize good price (Kimario, 1992; BACAS, 2005). Due to progressive increase in demand of the crop both cultivation and smallholder producers extended into the Kilimanjaro region and, later on, to other parts of Tanzania.The crop gradually expanded to include the southern Arabica zones of Mbozi and Mbinga (Hill, 2001).

The first marketing cooperative of native cultivators in Kilimanjaro (KNCU) was officially registered in 1932 (BACAS, 2005; Coles and Mhando, 2010), primarily to promote coffee as a cash crop among peasant farmers. Then cooperatives continued growing in size and number, but they were confined to regions producing coffee for export (Baffes, 2003). However due to unfair marketing practices of mainly non- African traders; Asian and European businessmen who had straight contacts with importers in the West, Africans and peasants reacted against it and this in the first time cooperatives turned into a convenient cover for political movement (Carlsson, 1992; Kimario,1992; Sizya, 2001). With politicians' curiosity involvement, in between 1950s and 1960s, primary societies and cooperative unions took control over the domestic sale and trade of cash crops (Baffes, 2004).

The main purpose by the politicians were to enable farmers fetch higher prices from their crop, acquire a platform of channelling power and influence to the larger farmers who appeared to dominate the unions, allowing an emerging wealthy section of Africans farmers to exercise leadership in cooperatives and also to challenge the authority of traditional African Chiefs (Sizya, 2001).

Generally, the cooperatives offered a way of involving producers and educated Tanzanians broadly in cash crop production and also creating an opportunity for upward mobility and political advancement. Through this wind, the cooperatives of that time gave substantial voices and contribution to poverty reduction. This apparent success was the basis under which cooperatives were adopted as a central part of the Government Rural Development Policies (Sizya, 2001).

Basing on the contributions realised before and after independence engagements in 1961; the government continued to expand cooperatives; regardless of some failures, into areas that had no cooperative experience and, or even need (Mapolu, 1990; Baffes, 2003). Government policy and strategies were to make the cooperative movement the pivot for economic development. Government leaders believed that cooperatives were an important organ through which independence movement and development benefits could be spread to a broad section of the Tanzanian population. This was the case since cooperatives obliged to combine the efforts of the farming communities and the workers for better economic and social lives. To achieve these, cooperatives were anticipated to play a principal role in business as a means of reducing foreign domination in export crops (Kimario, 1992; Sizya, 2001).

To cement the functionality of the cooperative societies, the Arusha Declaration of 1967 advocated and recognized cooperatives as instruments for implementing the policy of socialism and self-reliance. This feature is an indication of the versatile political and social nature of cooperative unions and its evolution history in Tanzania which has been sometimes blamed to be the causes of management failure leading to market liberalization (Moshi, 1992; Kimario, 1992; Maghimbi, 1992; McHenry, 1994).

2.2.2 Cooperative societies' management before liberalisation

Through a number of legislations, cooperatives were systematically promoted to an important tool for transforming rural community production into a socialist planned economy. The primary societies handled coffee production and procurement, payment to farmers, and transportation of coffee to the cooperative union which owned processing factories like KNCU in Moshi and later on coffee was sold to exporters at the Moshi auction, operated by the Tanzania Coffee Board through brokers (Baffes, 2003; Mapolu, 1990; Ponte, 2004).

Following the Arusha declaration, several changes occurred. In May 1976 the government abolished the primary societies, and the villages took over the societies' functions. Cooperative unions were dissolved and all post-harvest functions were handed over to the villages and later the Tanzania Coffee Board was renamed the Coffee Authority in 1977 (Baffes, 2003). The changes were in perception that cooperatives were becoming too extensive and controlled by larger farmers with vested interests (Baffes, 2004; Coles and Mhando, 2010).

2.2.3 Members motivation before market liberalization

Before market liberalization, farmers obtained information, research and extension services through the Government. The extension services and research history in Tanzania is consequently closely linked to government concern in the cooperative development. During this time farmers were encouraged to plant certain crops over others with incentives like provision of improved breeds of coffee seedling, subsidized input and state-led extension, educational training programs, etc. In additional to that, pricing and marketing for producers' crops largely relied on the cooperative and primary society structures while advice and support to producers was frequently and entirely controlled by the state (Komba, 1992).

2.3 Cooperative Societies after Trade Liberalization

2.3.1 Background

As stated earlier, before trade liberalisation, the government was highly involved in management of cooperatives through legal provisions and development policies. Through the system, with all privileges they obtained, cooperative society members were mostly passive participants as they remained responsible for production and formation of their organization structures rather than being active member with supreme decision and management power at their primary cooperative level. The heavy government involvement in regulatory framework, taxation and manipulation systematically suppressed and ultimately diminished the poverty reduction potential of cooperatives as earlier envisaged (Sizya, 2001; Mahdi, 2008).

Following such malfunction and market liberalization in 1990s, private companies and traders were given permission to compete with the existing cooperative unions in the purchase of the crop at the village level. The coffee auction system was retained so that domestic traders and purchasers of coffee are legally separated from those purchasing the crop at auction for export. In the same context, cooperative unions like KNCU were allowed to provide producers with additional payments, depending on prices increase following the sale of their crop at auction (Ponte, 2002).

Under free market system, most of smallholder producers pick the ripe coffee, wash, remove the pulp and then dry them to obtain coffee bean (BACAS, 2005; Bargawi, 2008). Coffee buyers, whether being cooperative unions or private companies transport the semi-processed coffee to factories where full processing and grading of coffee in anticipation of selling the crop at the auction takes place. In Kilimanjaro, KNCU is still very active in the process of purchasing coffee; although with smaller share, from primary societies, transport and grading (Itika, 2005).

Generally, coffee market liberalization in Tanzania has shown varied faces, the promising one is the higher cash payment made to farmers on delivery (Mahdi, 2008). The ill-side of the system is the collapse of input-credit schemes and the decreasing volume of coffee exports and decreased coffee quality since buyers rush on quantity while paying farmers one price for all coffee irrespective of quality differences (Ponte, 2004; Mahdi, 2008; Coles and Mhando, 2010).

2.3.2 Management of cooperative societies' after market liberalisation

Market liberalisation which basically leave decisions, bargaining and primary marketing procedure to the hands of producers have failed to improve quality, output and productivity in favour of producers. Farmers who are considered as "homogenous group", they don't have enough production dynamics and market information and hence be short of power to influence market environment (Ponte, 2001; Winter-Nelson and Temu, 2002; Ponte, 2004; Itika, 2005; Coles and Mhando, 2010; Mhando and Mbeyale, 2010). Fundamentally market liberalization visionaries' focus was to provide an opportunity to a wider range of marketing options per grower (Mahdi, 2008).

Under market liberalization, Cooperative unions have lost their managerial monopoly power at the village, ward, district and regional level by allowing private buyers to participate and take upper hand (Temu, 1999; Ponte, 2002). This system has given room to some un-loyal producers who obtained subsidised inputs (if any) from the cooperatives but when it comes to selling, they sometimes sale their crop to private buyers who offers higher coffee prices on spot (Mahdi, 2008). This leaves many cooperative societies with debts and hence lowering their ability to provide an input service in the future (Skarstein, 2005; Itika, 2005).

However continued functioning of the cooperative unions and AMCOS in areas like Kilimanjaro has given chances for producers to receive more stable price. Cooperative unions are providing producers second, or up to third payment over the year subject to price increases prior to sale at auction (BACAS, 2005; Mahdi, 2008). Under this system private companies are unable to offer this service, what they do is to offer a higher initial price to producers without further payment in the season (Mahdi, 2008; Coles and Mhando, 2010; Mhando and Mbeyale, 2010). Although this competition from private traders has created some problems for the unions, still producers are in position to decide between the prices cooperative unions and private companies are paying for their crop. In that case, producers are indirectly connected to the world price, as buyers of coffee at the village level depend on world prices' trend to determine what prices they have to pay producers (Bargawi, 2008).

2.3.3 Members motivation after market liberalisation

During this period of trade liberalization, fertilizer subsidies have been decreasing gradually, from 1990s on wards, farmers started experiencing open market pricing hardship for input like fertilizers and pesticides (Temu, 1999; Ponte, 2002; Cooksey, 2003; Skarstein, 2005; Mhando and Itani, 2007). This has demoralized farmers' impetus since fertilizer and pesticide application has declined and hence lowering coffee production (Ponte, 1998; Gibbon, 1999). Farmers record in Kilimanjaro region as revealed in the report by the United Republic of Tanzania (1996; 2006) indicates a reduction in application of pesticide, insecticide and herbicide by households from 51% to 35% between 1994/95 and 2002/03. The subsequent impact is the continued decline in the quality of coffee caused by fundamental changes to the structure of the market which do not care to create incentive mechanisms for improving coffee quality (Mahdi, 2008)

These changes have been noted largely by stakeholders and therefore a new framework for seed and pesticide provision through voucher system meant to rectify such abnormalities. This has been done with entitlement to vouchers derived from the amount of coffee sold in the previous season. Contrary to the expected results, the coffee voucher system reported to fail due to a number of reasons which includes; high cost of inputs and a little contribution to manage inflated cost, lack of adequate input shops in rural areas, price opportunism by suppliers, development of a black market for vouchers, etc. Also the low production capacity of smallholder producers; who produce a little amount, limit them to access input vouchers (Mwakalobo, 2000; Ellis, 2000; Larson, 2001; Itika, 2005; Mhando and Itani, 2007; ESAANet, 2007; Coles and Mhando, 2010)

The variation in pricing mechanism as revealed by Mahdi (2008) has been also one of de-motivation factor particularly to those who are selling to private buyers. This is caused by luck of communication even among the neighbouring villages as well as the fact that farmers are mostly not in position to determine and dictate the quality of their coffee. If the attribute of the product could not be observable by the buyer but the seller, the seller would have an incentive to report a higher quality and therefore ask a higher price. Since this claim cannot be verified, and that there is asymmetry of information, private buyer have been always offering only the lowest price.

Generally, the reviewed literatures in this study clearly show that coffee growers are currently in contradiction. Coffee production is becoming not much worthy to support their livelihood, pricing system is not consistent, extension and input services are not freely provided as it used to be before trade liberalisation, and that their unions are no longer powerful since even the government no longer protect them compared to the period before market liberalisation. The work with this study is therefore; to reveal the ultimate impact of trade liberalisation at grassroots' level, disclose how farmers are participating through their AMCOS in order to survive/overcome this situation and finally suggest the possible alternative by which coffee growers should employ to improve their welfare.

CHAPTER THREE

3.0 METHODOLOGY

3.1 Study Area

The study was conducted in Moshi Rural and Rombo Districts (Figure 1) in Kilimanjaro Region, Tanzania. Other Districts in the Region are, Same, Mwanga, Hai and Siha. Rombo District lies in the northern part of Kilimanjaro region, covering 1 442 square kilometres with a population of 246 479 people; whereby 116 859 are male and 129 620 are female. There are 50 123 households distributed in 5 divisions, 20 wards, and 58 villages. On the other hand Moshi rural district is located in the southern part of the region covering 1 713 Square kilometres with a population of 402 431 people; whereby 192 998 are male and 209 433 are female (URT, 2002). There are 84 862 households distributed in 4 divisions, 31 wards and 145 villages.

The major economic activities in the districts include agriculture (subsistence and small scale farming), livestock keeping and to some extent retail business. These areas were selected due to the fact that Moshi and Rombo districts have long history in coffee production and marketing. More than 127 villages of Moshi rural district alone (Mahdi, 2008) produces coffee, relative to that a lot of changes and diversification; in the area, to coffee growers who were mostly dependant on coffee crop have happened. Also the areas have been experiencing high infiltration of PCBs since the inception of market liberalisation. There are 63 AMCOS in Moshi and Rombo while those available in Hai, Same and Siha are 66.

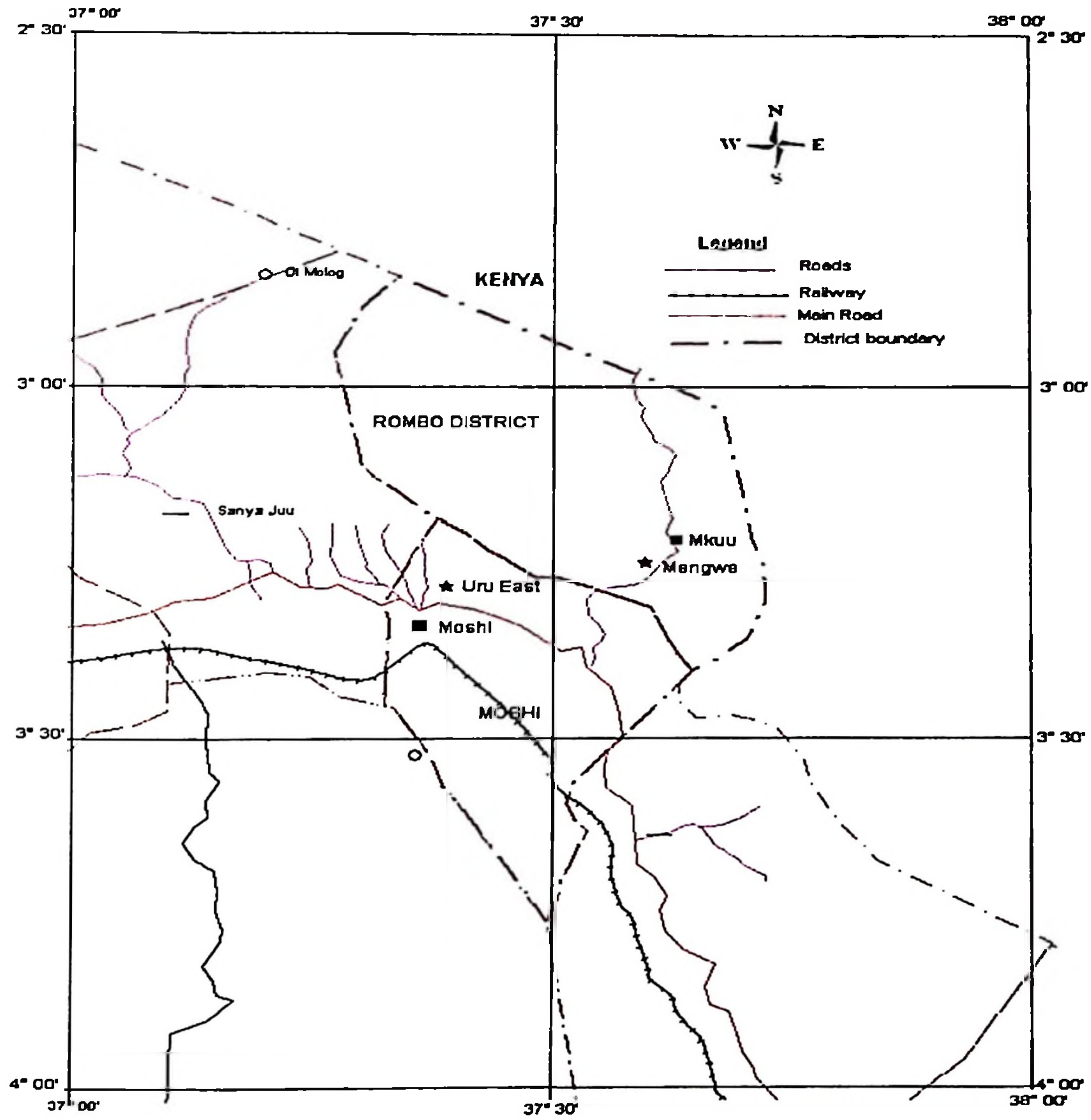

Figure 1: Sketch map of the study area: Moshi rural and Rombo district

3.2 Study Design

This study used a cross-sectional design in which two sample groups were studied. This method allows raw data collected from one case/respondent in time to be combined with other data collected from different cases in the same study to determine relationship between dependent and independent variables (Bailey, 1998; Kothari, 2004).

3.3 Population of the Study

The population of this study composed of members from the sample of four selected AMCOS in Moshi rural and Rombo districts.

3.4 Sampling Procedures

Both non-probability and probability sampling methods were applied in this research. A purposive sampling method (non-probabilistic sampling) and a simple random sampling (probability sampling) were the procedures applied.

3.4.1 Non-probability sampling

A purposive sampling tool, adopted from Kothari (2004) was applied to establish sample frame of groups operating as AMCOS. Generally Kilimanjaro region have a total of 129 AMCOS whereby 80 are KNCU affiliates, 25 are Vuasu Cooperative Unions (VCU) affiliates and the remaining 24 are under G-32 (Appendix III). The 80 KNCU affiliated AMCOS distribution is as follows; 46 in Moshi rural; 4 in Rombo; 27 in Hai; 3 in Siha and one AMCOS in Same district while 17 and 8 are VCU AMCOS in Same and Mwanga districts respectively. The AMCOS under G-32 distribution with their respective locality is as follows; 11 AMCOS are in Rombo; Two (2) in Moshi; eight (8) in Hai; two (2) in Siha and One (1) AMCOS in Same.

At the outset, a list of all AMCOS in the two districts of Rombo and Moshi rural was established and from which only those AMCOS under KNCU and G-32 were sorted out purposely to establish a sample frame for probabilistic sampling method. The sampling frame was established by a total of 63 AMCOS found in the two districts. Then AMCOS were stratified into two strata, the one which operate under KNCU and those under G-32.

The stratum of AMCOS operating under KNCU comprised of 50 while those under G-32 were 13.

Also institutions related to cooperative development were consulted on important issues regarding the performance of coffee marketing mechanisms and benefits accruing from the alternative marketing channels. These were, among others, KNCU, Tanzania Coffee Curing Company (TCCCo), Tanzania Coffee Board (TCB), Kilimanjaro Cooperative Bank (KCB), Cooperative Departments in Rombo and Moshi rural districts, Cooperative Audit and Supervision Corporation (COASCO), Moshi University College of Cooperative and Business (MUCCoBs) and Private dealers.

3.4.2 Probability sampling method

This method was applied with the assumption that the project samples obtained from purposive sampling in part (3.4.1) above were homogeneous (all are group of coffee farmers serving their members either under KNCU or G-32) and hence they had equal chances of being selected for the study. From the sample frame established, a simple random sampling method was applied to draw four AMCOS. In this course, each sample AMCOS was assigned a unique number starting from one (1) to fifty (50) for those under KNCU and one (1) to thirteen (13) for those under G-32. From which four AMCOS; two (2) under KNCU and other two (2) under G-32 AMCOS groups, were selected by using a lottery method; adopted from Kothari (2004). The selected two KNCU affiliated AMCOS were Shimbi and Uru East in Rombo and Moshi rural districts correspondingly, while the other two (2) G-32 AMCOS were Mamsera and Mruwia also in Rombo and Moshi rural districts respectively.

3.4.3 Sample size and number of respondents

From the four sample of AMCOS obtained, a total of one hundred and twenty (120) respondents; eighty (80) farmers, members of AMCOS operating under KNCU and other 40 members of G-32 were randomly selected. This number is also justifiable as stated by Bailey (1998) that; a sample of 30 respondents is the minimum for studies in which statistical data analysis can be done. The unit of analysis for this study therefore were the 120 household members of the four selected AMCOS and twelve key informants from MUCCoBs. KNCU, COASCO, KCB, TCCCo, TCB and Cooperative department in Moshi Rural and Rombo districts.

3.5 Data Collection

3.5.1 Primary data

Primary data were collected and recorded both qualitatively and quantitatively, and the household was the unit of analysis from which only one respondent; either male or female was interviewed. Data from these respondents were those related to the impact of coffee market liberalisation to members of AMCOS. Questionnaires; structured interviews (SI) (Appendix I), were used to collect quantitative data from 120 respondents; eighty (80) and other forty (40) respondents from each of the two KNCU and two G-32 affiliated AMCOS respectively. The Checklists/guides (Appendix II), adopted from Auret and Barrientos (2004) were also the tools used to collect qualitative primary data from twelve (12) key informants to supplement information gathered through questionnaires.

3.5.2 Secondary data

Secondary data was collected from regional and national source of relevance to aspects of interest to this research. Major sources were government cooperative department, TCB, COASCO, KNCU, G-32, Kilimanjaro Cooperative Bank (KCB), MUCCoBs, Sokoine University of Agriculture libraries and Internet.

3.6 Data Processing and Analysis

Data processing and analysis was done through use of Statistical Package for Social Sciences (SPSS), a computer program for quantitative data analysis. From which, descriptive statistic results; frequencies generated were used to make inferences subject to research question and hence meet objectives. Similarly, content analysis (for qualitative data gathered) was another analytical tool used to add an in-depth stance and affirmation of issues found through quantitative analysis. The results from this process were used to supplement and comprehend study findings in totality as it appears in chapter four.

3.7 Limitation of the Study

Social science research limitations are tailored in the context of the subject, which is the human being. Human being's cannot be fixed or controlled since they are dynamic, they argue and demand explanations before engagement and if not satisfied can respond negatively or mislead and frustrate the study by providing tongue-tied answers. Poor record keeping and confidentiality linked to income data was another problem encounter during this study. Similarly respondents were very inquisitive showing that they are doubtful with reappearance of researchers coming from academic institutions for different survey and leaving without bringing significant impact to their business. Through this experience, farmers considered the study being more beneficial to the researchers and purely interruption to them. Keen clarification about the study and findings were therefore provided to clear these doubt and let the study continue.

CHAPTER FOUR

4.0 RESULTS AND DISCUSSION

4.1 Introduction

The results and discussion in this chapter are based on the responses from the study questions which looked into what AMCOS are doing to survive under market liberalization, and also its impact to members of AMCOS. The study also looked into the factors which led the G-32 AMCOS to detach from KNCU. These results are organised and discussed as per respective factors to obtain the general reflection over the impact of trade liberalisation to members of AMCOS.

4.2 Socio-economic Characteristics of Respondents

4.2.1 Information sources and composition

One hundred and twenty (120) respondents were interviewed whereby 70% were male and 30% were female. Out of these, 73.3% were married, 25.8% widows and 0.8% respondents were singles. This composition gives a fair representation of the household groups as well as their views.

Table 3: Respondents characteristics (n=120)

Respondents characteristics		Frequency	Percent
Sex	Male	84	70.0
	Female	36	30.0
	Total	**120**	**100.0**
Marital status	Married	88	73.3
	Widowed	31	25.8
	Single parent	1	0.8
	Total	**120**	**100.0**

4.2.2 Respondents' distribution

Respondents; eighty (80) were drown from AMCOS operating through KNCU while forty (40) were AMCOS member drawn from the G-32 proportionate as per Moshi rural and Rombo districts respectively. This is a rational distribution to draw accurate inference.

Table 4: Respondents' distribution (n=120)

Name of Co-operative society	Frequency	Percent
KNCU affiliated AMCOS members -Moshi rural	40	33.3
KNCU affiliated AMCOS members -Rombo district	40	33.3
G-32 affiliated AMCOS members- Moshi rural	20	16.7
G-32 affiliated AMCOS members -Rombo	20	16.7
Total	**120**	**100.0**

4.2.3 Sources of income

The sources of income for the respondents varied from farming to mixed farming as indicated in Table 5. The increase in number of farmers' diversification to other crops and animal husbandry concur with the findings revealed by Maghimbi (2007). This indicates the decline in number of farmers largely depending on coffee production as a cash crop in the area. It was revealed that 40.8% of farmers depend on coffee production to earn their living while 52.5% apart are doing both coffee and animals production to stabilise their income. Few also think their employment (4.2%) and pension (2.5%) are becoming the main source of income compared to coffee earning. These findings add significances to coffee lose of stake as the main source of income particularly under the current market liberalisation.

Table 5: Households' main source of income (n=120)

Main source of income	Frequency	Percent
Farming	49	40.8
Farming and Animal keeping	63	52.5
Pension	3	2.5
Employed	5	4.2
Total	**120**	**100.0**

4.2.4 Land ownership and utilisation

The shrinkage of coffee acreage in the study area, particularly for farmers who owned more than three acres (Table 6) underline the results discussed in part 4.2.3. Similarly, several studies including Larson (2001), Ellis (2000), Mhando and Itani (2007) as well as the study by Maghimbi (2007) and Mhando and Mbeyale (2010) observed the same shift in use of land for other crops like maize and beans either as a single stall; which is not common, or mixing with coffee to maximise land utilisation which has been traditionally done.

As analysed in Table 6, only farmers with less than three acres have shown a little change in coffee acreage compared to the size of land they own. The study shows that farmers owning land above 3 acres have scaled down their coffee land use to a range between 1.25 to 2.00 acres which implies land slicing for other purposes. Land uses for coffee farming at this range are higher by 2.5% compared to ownership. Mixed farming has been traditional in the area. However through observation there is an increase in mixed farming whereby coffee is becoming highly encroached by food crops like banana, maize and beans. Poultry, small ruminants (Sheep and Goats) and cows (Zero grazing) are also occupying significant space. The same disclosure was also made by Mhando and Mbeyale (2010).

Table 6: Land ownership and utilisation by household (n=120)

Acres of Land	Ownership distribution		Used for coffee farming	
	Frequency	percent	Frequency	Percent
0.25 - 1.00	50	41.7	50	41.7
1.25 - 2.00	44	36.7	47	39.2
2.25 - 3.00	18	15.0	18	15.0
3.25 - 4.00	6	5.0	4	3.3
Above 4 acres	2	1.6	1	0.8
Total	**120**	**100**	**120**	**100**

Another observation which was mentioned to cause a sluggish change in land utilisation is the mode of land acquisition among Chagga people. Approximately 95% of respondents reported to inherit their land piece and hence hindering self decision to change land uses. The responses concerning land acquisition denote limited expansion of coffee field since buying and hiring of land is very minimal such that only 3.3% and 1.7% bought and hired land piece from other villagers respectively (Table 7).

Table 7: Land acquisition

How land for coffee was obtained	Frequency	Percent
Inheritance	114	95.0
Buying	4	3.3
Hired	2	1.7
Total	**120**	**100.0**

4.3 AMCOS Marketing Environment under Trade Liberalisation

Cooperative societies are meant to safeguard members' welfare and concern. In that context members are supposed to have direct responsibilities or delegating to few members who work on behalf of the rest. In regard to this, 95% of respondents were identified as ordinary primary society members, 2.5% were leaders and the remaining

2.5% were board members representing their colleague at higher levels of decision making (Table 8). This composition if objectively used can importantly influence coffee marketing and hence improve farmers' welfares.

Table 8: Responsibility sharing among AMCOS members (n=120)

Respondents position in their cooperative society	Frequency	Percent
Member	114	95.0
Leader	3	2.5
Board member	3	2.5
Total	**120**	**100.0**

The major reasons necessitating farmers to seek membership basically falls to the fundamental objective of farmers to improve their earning by having large voices in influencing market channels. This was echoed by 37.5% of members interviewed (Table 9). However, 60.8% of members agreed to join cooperative societies basically to influence coffee marketing as well as building collective loyalty and common agenda against problems facing them in regard to their produce. As a rule of collectivism, members through AMCOS expressed to gain confidence and security to their business instead of working lonely particularly under this new era of market liberalisation. It was also explained in focus group discussion that, members and leaders either individually or as a group, work to attract new member by explaining and demonstrating the benefits of being in group against individuality.

Table 9: Motivation for gaining membership in cooperative societies (n=120)

Reasons for membership	Frequency	Percent
Coffee marketing	45	37.5
Faithfulness of Leaders	2	1.7
All of the above	73	60.8
Total	**120**	**100.0**

It was also explained that, in order to run their union, members are constrained to subscribe membership fees deducted through their coffee sales. This enhances management of the union and taking care of related overheads costs. Respondents (98.3%) acknowledged paying membership fees. Membership fee increases with time as it appear on Table 10 below where there is variation from 100 to 1000 Tanzanian shillings denoting the past and the current fee for the old and new members. However, members are complaining about the increased management cost, and instead they are proposing membership fee to be used for strengthening farmers' production skills and input support as well.

Table 10: Membership costs and other benefits

Membership fees payment and amount		Frequency	Percent
Membership Fee	Paid	118	98.3
	Not yet	2	1.7
	Total	**120**	**100**
Amount paid (Tanzanian shs)	100	7	5.8
	500	108	90.0
	750	3	2.5
	1000	2	1.7
	Total	**120**	**100.0**
Shares possession in the union	Yes	115	95.8
	No	5	4.2
	Total	**120**	**100.0**

Being AMCOS members, farmers enjoy ownership of shares in the groups' accrued terminal business gains. This gain; as revealed in FGDs is sometimes released; in case it requires doing so, as members' contribution in establishment of social services like construction of school classrooms, office maintenance, water services and other utilities. This was acknowledged by 95.8% of respondents who have shares in their societies and unions (Table 10).

4.4 Effects Experienced by AMCOS Members after Trade Liberalisation

4.4.1 Effect of selling direct to private buyers

The effects were analysed in the context of liberalised market whereby respondents gave a varying perspective in respect to the two sides; those AMCOS still selling through KNCU and some of the AMCOS which sale to PCBs or direct to the auction. The study clearly revealed that the AMCOS members selling to PCBs gain very little or nothing more than cerebrating a freedom to decide, where and to whom they can sell their coffee, this was acknowledged by 80% of respondents.

Having many buyers, AMCOS members are able to decide where to sale, but those who sale direct to private buyers end up securing the first "higher" price which is normally paid once, and since PCBs do not have realistic and fixed initial price to pay farmers. Basing on market trends, PCBs offers more than two different prices once on the same day/season contrary to second or third additional payment for those who sale through KNCU. Respondents in focus group discussion pointed out that the pressure to meet the immediate need(s) such as school fees, food and clothing is the major reason forcing them to hasten selling their coffee to any buyer instantly after harvest instead of waiting for premium payment given by episode from KNCU and/or G-32 which sale to the ultimate auction.

Table 11: Effects of selling direct to PCBs (n=120)

Benefits realised	Frequency	Percent
Higher prices	24	20.0
Freedom to decide	96	80.0
Total	**120**	**100.0**

4.4.2 Benefits received by AMCOS which sale through KNCU

Contrary to part 4.4.1, those AMCOS selling coffee through KNCU are still receiving extension services although not at similar pack compared to the period before market liberalisation. As it was also observed for instance, that extension workers decreased from three in 1985 to one in year 2007 serving four villages in Mruwia area. This result agree with similar finding in the study by Mhando and Mbeyale (2010) where it was observed that even the number of extension officers has been decreasing.

Similarly, KNCU has been conducting price speculation; as underscored by 53.4% of respondents (Table 12), to enable its members to receive payments by episode or instalments; second to third, as price increases at the world market. KNCU is therefore used as a stabiliser where farmers coffee is kept waiting for price increase before disposal to the auction. The only problem they face with KNCU; which was also explained in focus group discussions, is delayed payment as it takes time for transaction proceedings which is also compounded with bureaucracy and dim transparency by the management.

Table 12: Observed impact to AMCOS selling coffee through KNCU (n=120)

Benefits/loss to Members remained with KNCU	Frequency	Percent
Higher prices	13	10.8
Extension services	28	23.3
Three payment system	64	53.4
Developing my cooperative society	15	12.5
Total	**120**	**100.0**

The three payments tiers made by KNCU are generally insignificant to bring tangible income changes to farmers since the first price remain unchanged for long time extending beyond to the third season while the additional payments are unpredictable as may increase or drop season after. For instance from the season 2005/06 and 2006/07 cumulative parchment price dropped by 2.8% which was contributed much by decline in the third payment while no second and third payment was made for the season 2008/09 (Table 13).This was another reason mentioned to motivate farmers to sell to PCBs who pay on sport instead of waiting for unpredictable gain. Nothing tangible in terms of price increases was also observed to farmers who produced quality coffee (grade one) whereby there was an addition of 0.83 cents for the season 2005/06 to 2006/07.

Table 13: Parchment coffee prices 2005/06 to 2010/11

Season	Advance payment	Second payment	Third payment	Cumulative
2005/2006	1 200.00 (special/grade I)	400.00	157.59	1 757.59
2005/2006	1 200.00	300.00	205.64	1 705.64
2006/2007	1 200.00(special/grade I)	400.00	158.42	1 758.42
2006/2007	1 200.00	300.00	158.42	1 658.42
2007/2008	1 500.00	400.00	173.96	2 073.96
2008/2009	1 800.00	0.00	0.00	1 800.00
2009/2010	1 800.00	500.00	308.23	2 604.23
2010/2011	3 000.00	500.00	0.00	3 500.00

Source: KNCU (2011)

4.4.3 Coffee price changes

Analysing the results in the context of liberal market, farmers failed to mark the difference apart from realising the presence of freedom of choice and decision to where and to whom they can sell their coffee. Table 14 indicates that 60.8% of respondents acknowledged that the price they are receiving is moderate, neither higher nor low taking into consideration of their past experience and the comparative value of money they receive.

Table 14: Rating of income from coffee after economic liberalization (n=120)

Price rating after economic liberalisation	Frequency	Percent
High	19	15.8
Moderate	73	60.8
Low	28	23.3
Total	**120**	**100.0**

The Farm-gate prices for the consecutive five coffee seasons in Table 13 above shows that, the fist coffee prices of 1200 Tshs and 1800 Tshs remained constant for almost two seasons each. However, by looking at the auction prices in Table 15, there is a gradual increase of price at least in every coffee season which is not clearly felt by farmers since their additional payment are very small and comes in episode hence making no significant impact to their general income.

Table 15: Coffee auction price/kilogram trend 2005/06 - 2010/11

Season	Unit price(US$)	Exchange rate(Tshs/ US$	Unit price(Tshs.)
2005/06	1.68	1 160.14	1 949.04
2006/07	1.71	1 259.60	2 153.91
2007/08	2.29	1 150.96	2 635.70
2008/09	1.80	1 638.82	2 949.88
2009/10	2.72	1 287.20	3 501.19
2010/11	3.79	1 457.73	5 524.81

Source: KNCU (2011)

Farmers' dissatisfaction with the price offered is partly contributed by the payment made once; "though considered to be high", by the PCBs and the delay in second payment made by KNCU. Also unrealistic pricing of input contribute much frustration to farmers. Respondents (26.7%) think the price offered is reasonable if the second payment could be given in time instead of waiting for so long while 73.3% (Table 16) expressed their dissatisfaction with the price.

Bureaucracy and confidentiality (lack of transparency) gives bad impression and mistrust between AMCOS members and the KNCU leaders with supposition that may be the price they are given is not the real one which was fetched at the auction. To eliminate this problem, respondents in FGDs were proposing to their AMCOS to install ICT facilities (internet) and/or send few representatives at the TCB auction in Moshi town so that they can access market information promptly instead of waiting for the KNCU management to proclaim.

Table 16: Price consideration by farmers after trade liberalisation (n=120)

Satisfaction with price offered	Frequency	Percent
Satisfied	32	26.7
Not satisfied	88	73.3
Total	**120**	**100.0**

Apart from the above expression, the only remarkable and significant difference between the two market groups; those selling direct to private buyers and the other selling through KNCU, is the opportunity by the AMCOS under KNCU to receive more payment subject to price increase at auction. During FGDs farmers and leaders under KNCU appreciated the income they earn but they expressed the difficulty to signify it since payment comes periodic; the second, the third, etc depending on the world auction price changes. Table 17 denotes 70% of respondents' appreciation of the income they receive after being members in AMCOS compared to the time before.

Table 17: Household income rating after joining AMCOS (n=120)

Income rating after being member in AMCOS	Frequency	Percent
Earn high	84	70.0
No changes	27	22.5
Earn a little	9	7.5
Total	**120**	**100.0**

4.4.4 Farmers training

Other benefits gained by farmers include seminars and trainings provided to AMCOS leaders particularly those under KNCU and some members concerning quality standards required by the market as well as AMCOS management skills. Under free market system training services are provided by private individuals, NGO and other institutions like MUCCoBs who partly or fund fully the training costs (Table 18), which was also revealed by Maghimbi (2010). Sometimes the charges to these trainings are made or deducted from their sales under supervision of the primary society they belong.

Table 18: Trainings provided to AMCOS

Participants/trainees	Duration	Trainer	No. trained	Funding agency
AMCOS leaders and staff	3 days	ICCDE	200	KNCU
AMCOS members	3 days	"	600	(NGO)
AMCOS leaders and staff	1 month	"	250	NGOs

Source: MUCCoBs records (2008)

Leaders are sometimes facilitated with some fund to enhance mobilisation and collection of coffee from group members so as to avoid penetration of other competitors and unfaithful tricky private buyers. This was revealed by respondents in FGDs where it was explained that KNCU has been facilitating and supporting periodic training sessions to its AMCOS leaders and members while KCB has been supporting them with fund to collect or buy coffee from AMCOS members, the privilege non affiliates have not often been enjoying (Table 19).

Table 19: Other benefits gained through AMCOS memberships (n=120)

Benefits	Frequency	Percent
Seminar/training	98	81.7
Money for collecting coffee	22	18.3
Total	**120**	**100.0**

4.4.5 Input provision to farmers

Input availability was another benefit assessed to determine the situation before and after trade liberalisation. It was revealed that before trade liberalisation; the time where cooperatives were strongly facilitated and given subsidies by the government; as also revealed by TFC (2006), inputs were more available compared to the time of free market. About 45.8% of respondents realised the availability of input at low cost during the period before liberal market compared to 20% of the present time (Table 20).

This is the miserable side of liberalised economy whereby farmers are basically left to struggle on their own to improve farming so as to secure good market. Quality check out for market assurance, especially for those working in solitary, is up on the farmers themselves through consultation fee payable to extension services providers who are found in the area. In regard to the importance of the crop to farmers' livelihood, they are therefore forced to shoulder whichever input cost to maintain their coffee productivity.

Table 20: Input availability before and after liberalisation (n=120)

Input availability		Frequency	Percent
Before liberalization	Easily available	55	45.8
	Not easily available	65	54.2
	Total	**120**	**100.0**
After liberalization	Easily available	24	20.0
	Not easily available	96	80.0
	Total	**120**	**100.0**

4.4.6 Credit accessibility by farmers

Credit incentive was another factor looked into, to determine the situation before and after trade liberalisation. Under liberal market credit provision is treated like any other business given the assurance of being paid back. This study revealed that nothing has changed in relation to credit acquisition conditionals at a time before and after liberalised economy. Credit accessibility has remained to be in virtual of the stock of coffee farmers have plus other household security assets.

Table 21: Credit accessibility situation before and after market liberalisation (n=120)

Credit accessibility		Frequency	Percent
	Accessible	37	30.8
Before liberalization	Not Accessible	83	69.1
	Total	**120**	**100.0**
	Accessible	33	27.5
After liberalization	Not Accessible	96	80.0
	Total	**120**	**100.0**

4.4.7 Participation in decision making

Before liberalisation cooperative society members were normally treated as passive members whom their role remained to be production and receiver of directives from high level of management. During this study 77.5% of respondents underscored lack of participation before trade liberalisation while 86.7% of them acknowledged being involved to decide their undertaking in coffee marketing at this time of trade liberalisation (Table 22).

This has come; as it was explained by leaders, due to the fact that some farmers are now informed and some are in groups of AMCOS which enable them to have voices and business consensus right at the farm gate. Also since farmers are currently prohibited to uproot coffee trees, they are slowly diversifying or switching to other crops supportive to their livelihood. This act has forced other partners to consider them before they terminate the business if not satisfied.

Table 22: Participation in decision making before and after market liberalization (n=120)

Farmers participation in unions' decision making		Frequency	Percent
Before liberalization	ensured	27	22.5
	Not ensured	93	77.5
	Total	**120**	**100.0**
after liberalization	Ensured	104	86.7
	Not ensured	16	13.3
	Total	**120**	**100.0**

4.4.8 Strategies in place by AMCOS to ensure sustainability

Following the instability among AMCOS, several strategies have been put in place to regain their strength in the prevailing market environment. As explained earlier in part 4.3 and also responses in Table 23, leaders and members particularly the KNCU, have been working hard to convince more farmers to come together, increase production and improve quality of coffee and stick selling their coffee to their society so as to make them viable, competitive and sustainable under liberal market. Leaders have been mobilising their members to start producing organic coffee; also revealed by Mhando and Mbeyale (2010), as an alternative to expand and win the market broadly as per the current varying consumers demand and market conditions.

Table 23: Strategies for AMCOS sustainability (n=120)

Strategies for sustainability	Frequency	Percent
Advice more farmers to join cooperative	28	23.3
Increase production and quality	35	29.1
Sell coffee to the society	54	45.0
Invest more (hostels and buildings for rent)	3	2.5
Total	**120**	**100.0**

4.5 Factors Caused AMCOS Detaching from KNCU

In principal, AMCOS is the primary society whose members have united to save their interest normally gaining production and marketing strength, using the economy of scale. Collectivism provides voice to the isolated voiceless. However these groups have been facing many challenges as per group dynamics and contradicting interests. As a result, some groups have been disintegrating into more than one sub groups which again reverts the movement back to individuality.

In Kilimanjaro, most of the AMCOS initially were all working under one umbrella; the KNCU, but due to varying reasons as indicated in Table 24, groups of AMCOS has detached to form a G-32 group. Respondents (60.9%) mentioned the reasons for detachment to be caused by deductions made by KNCU management while 22.3% said detachment is caused by the motive to sale direct to the market and cut off intermediate cost and maximise profit. The same reasons were revealed by Mhando and Mbeyale (2010) where KNCU operation cost, corruption and low price offered were the major defection drive. The other 15.1% pointed out that, separation is made in order to stay away from regular delay of payments and KNCU bureaucracy. These reasons were underlined in focus group discussion where farmers; including KNCU members, blamed KNCU management for its bureaucracy and lack of transparency in deciding and setting the amount of deductions for management costs. This separation has been weakening the KNCU and hence allowing the PCBs to encroach and penetrate the market and hence continuing to disorganise and exploit farmers in the rule of liberal market.

Table 24: Reasons for AMCOS to detach from KNCU

Factors led to AMCOS detachment	Frequency	Percent
Unrealistic deductions from coffee proceedings	73	60.8
Not getting inputs	2	1.7
Delayed payments and KNCU bureaucracy	18	15.0
Direct selling to the market not through KNCU	27	22.5
Total	**120**	**100.0**

Although there has been a noticeable member's detachment, yet still KNCU holds a significant proportion of membership since only 18.6% of AMCOS were among the detacher while 62% are still KNCU members (Table 25). The KNCU members have continued to decrease from 90 in 2006s to 80 AMCOS by the year 2011s. This decrease is literally an opportunity for KNCU to make a reflection on its business management mission and value to its members in order to attract more and maintain them. Currently, Kilimanjaro region have a total of 129 AMCOS whereby 80 are KNCU affiliates; 25 are VCU members and the remaining 24 are under G-32 through which they are free to decide the agent to trade with; either selling direct to the auction, or selling through KNCU, VCU or PCBs as per the prevailing privileges.

Table 25: AMCOS affiliation proportion

Membership	Frequency	Percent
G-32 affiliates	24	18.6
KNCU affiliates	80	62.0
VCU	25	19.4
Total	**129**	**100.0**

CHAPTER FIVE

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

Cooperative societies in both periods; before and after economic liberalisation have been the stem for unity against exploitation, hope for better livelihood and the unit for negotiation power for smallholder farmers in a liberalised economy. Basing on the results of this study, the following are the impact of market liberalisation to members of AMCOS:-

(a) AMCOS are disorganised and lack members own strong management such that they are easily penetrated by unfaithful traders (PCBs) who are normally organised, well informed, tricky, tactical, works in cartel and normally come to hike for profit.

(b) Following market liberalisation, there is no substantial welfare improvement to AMCOS members and this is due to low and unpredictable price they receive which ultimately end them into minimal gain.

(c) Lack of farmers' incorporation, dim transparency and bureaucratic KNCU management are the major factors causing AMCOS members to detach and join G-32.

5.2 Recommendations

Basing on the weaknesses and strength of farmers under free market environment, the study recommends several issues to be taken on board in order to improve and establish mutual beneficial agricultural business. These recommendations specifically embrace all the key players involved in the business. These include farmers, cooperative society management, private entities as well as the policy makers. The findings recommend that;-

(a) Primary societies should be informative and inquisitive in searching precise and timely coffee market information by establishing farmers' ICT centre where farmers can access global market trend tips and updates promptly regarding coffee price, quality and quantity as well as strain required, in so doing transparency and power of negotiation is guaranteed.

(b) Farmers should strengthen their organisations' management (societies and unions) with emphasis on participatory and majority consensus approach to claim their unity and collective power against global market forces. Within the same context, the government should support them by enacting policies which deliberately protect and nurture farmers and their unions which are still weak in terms of experience, skills and power to negotiate and assume their role accordingly.

(c) KNCU should conduct regular stakeholders forum prior and during seasons' business kick off to establish memorandum of understanding and updates safeguarding all parties. Through this forum, farmers directly and, or through representation by their AMCOS and KNCU management will actively participate, negotiate and defend their interest so as to instigate focused and collective objectivity.

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APPENDICES

Appendix 1: Questionnaire for Members of AMCOS

SOKOINE UNIVERSITY OF AGRICULTURE
DEVELOPMENT STUDIES INSTITUTE

A Questionnaire for Research on:

THE IMPACT OF MARKET LIBERALIZATION TO MEMBERS OF AGRICULTURAL MARKETING COOPERATIVE SOCIETIES (AMCOS): THE CASE OF MOSHI AND ROMBO DISTRICTS,TANZANIA.

By

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QUESTIONNAIRE FOR MEMBERS OF AGRICULTURAL MARKETING COOPERATIVE SOCIETIES OPERATING UNDER KNCU AND G-32

Name of Co-operative society---

1. Respondent's Registration number ---
2. Date of interview---

A. BACKGROUND AND SOCIO-ECONOMIC CHARECTERISTICS

3. Sex: 1) Male ( ) 2) Female ( )
4. Household composition

Serial numbers	P1 H/H Head	P 2	P 3	P 4	P 5	P 6	P 7	P 8
Name (Only one)								
Sex (1 = M; 2 = F2)								
Year of birth								
Yrs of schooling								
Marital status (1. Married, 2. Divorced, 3. Widowed, 4. Others)								
Main occupation of household head								
Main source of income for the household								

5. (a) Do you own land on which you grow coffee? 1. Yes 2. No

   (b) For those who own land, fill in the following table

Total land owned	Land owned for coffee	How the land for coffee was obtained 1. Buying, 2. Inheritance 3. Other means	Other crops mixed in the coffee farm

B. AMCOS MARKETING ENVIRONMENT

6. What is your position in the cooperative society (AMCOS)?

   1. Member---------------------------------- ( )
   2 .Leader------------------------------------ ( )
   3. Board Member-------------------------- ( )

7. What are the reasons which made you to become a member of the cooperative societies?

(Tick the correct answer).

1. For coffee marketing------------------ (   )
2. For obtaining coffee inputs--------- (   )
3. To acquire loan----------------------- (   )
5. Others (mention) --------------------------

8. Did anybody influence you to join the cooperative society? 1. Yes (   ) 2. No (   )
9. If yes who influenced you? ---
10. a). Did you pay membership fees?

1. Yes (   )
2. No (   )

b) If yes, what was the amount? ---

c) What is your view with regard to membership fee payment

1. High (   )
2. Reasonable (   )
3. Law (   )
4. Very low (   )

d) If membership fees became too high would you leave the society?

1. Yes----------------- (   )
2. No ---------------- (   )

e) Have you bought any shares in your society? (Yes) or (No)

1. If yes, how many? ---
2. What is the value of one share? Tzs---------------------------------
3. If not, why? ---

f) What is the maximum number of shares can a member buying?

g) What makes you not fulfill the maximum amount?

11. a) Do you know the conditions concerning membership?

1. Yes------------------- (   )
2. No-------------------- (   )

b) If yes mention them

1---

2---

3---

12. (a) Do you have a constitution for running your primary cooperative society?

    1. Yes 2.No

    (b) Is your cooperative society run according to the constitution?

    1. Agree; 2. Don't know/No opinion; 3.Diasagree

    (c) Please give reasons for your answer ---

    a) Member patronage.

13. Meetings attended per year.

    A. Annual general meetings

    1) 2006 one meeting......two meetings......three meetings......
    2) 2007 one meeting......two meetings......three meetings......
    3) 2008 one meeting......two meetings......three meetings......
    4) 2009 one meeting......two meetings......three meetings......
    5) 2010 one meeting......two meetings......three meetings......

b) Indicate the duration in (days) of each meeting attended.

B. Committee meetings

1) 2006 one meeting......two meetings......three meetings......
2) 2007 one meeting......two meetings......three meetings......
3) 2008 one meeting......two meetings......three meetings......
4) 2009 one meeting......two meetings......three meetings......
5) 2010 one meeting......two meetings......three meetings......

c) Indicate the duration in (days) of each meeting attended ----------------------------------

(d) How many times have you visited your society since 2006? ----------------------------

(e) What have been the major purposes of your visits? --------------------------------------

14. a) How many days per month do you participate in the cooperative activities --------?

    b) In which ways do you participate in the cooperative activities?

    1. Leader ----------------------------------( )
    2. Labor contributions------------------ --( )
    3. Financing contribution------------- -- ( )
    4. Attending meeting---------------------( )

5. Others (specify) --

15. Amount of coffee produced, where sold and price earned:

Year	Coffee farm size	Number of coffee trees owned	Sold to cooperative society		Sold to G32		Sold to private buyers		Total sold	
			kg	Tsh/kg	kg	Tsh/kg	kg	Tsh/kg	kg	Tsh
2006										
2007										
2008										
2009										
2010										

C: AMCOS DETACHMENT

16. Do you have any information about the AMCOs which departed from Union?

1. Yes------------------------------------- ( )
2. No-------------------------------------- ( )

17. a) Do you know why some AMCOS have detached from KNCU?

1. Yes--------------------------------------- ( )
2. No-- ( )

b) If yes why? --

18. Are you a member of an AMCOS which has detached from KNCU?

1. Yes (----); 2. No (-----)

19. If yes, why did you depart from Union? ---

20. Who decided to depart from the union? (Tick to the correct answer).

1. Leaders----------------------- -- ---------------------- ( )
2. Members through meetings------------------------- ( )
3. Others (specify) ------------------------------------- ( )

21. Were you convinced about the decision to depart?

1. Yes--------------------------------------- ( )
2. No--- ( )

22. a) If yes what benefits do you gain after departure from KNCU and form G-32?

1. Higher price------------------------------- ( )
2. Extension services------------------------ ( )
3. Payment installments--------------------- ( )
4. Loans--------------------------------------- ( )
5. Others (mention) ------------------------- ( )

b). If no, why have you remained with KNCU?

1. Higher prices------------------ ( )
2. Extension services`----------- ( )
3. Three payments--------------- ( )
4. Education for children ------- ( )
5. Others (please mention) ----- ( )

23. What strategies do have to ensure sustainability of AMCOS? ---------------------------

24. Who decided to remain with Union? (Tick to the correct answer)

1. Leaders------------------------- ( )
2. Members through meetings-- ( )
3. Others (specify) -------------- ( )

25. Were you consulted about decision to remain with KNCU?

1. Yes---------------------- --------( )
2. No--------------------------------( )

26. a) Where do you sell your coffee produce?

1. KNCU--------------------------- ( )
2. G-32----------------------------- ( )
3. Private Buyers--------------- ----------------- ( )
4. Private Buyer and KNCU-------------------- ( )
5. Others (specify) ------------------------------ ( )

b) When do you get payments?

1. Immediately when I sell my crops---------- ( )
2. Later on after the society sells the crops--- ( )
3. If later on after how long last year ------------ and before liberalization

D: EFFECTS EXPERIENCED BY AMCOS MEMBERS AFTER MARKET LIBERALIZATION

27. What benefits do you gain after deciding to remain with Union?

1. Participation in decision making---------------- (   )
2. Education-- (   )
3. Timely paid-- (   )
4. Bonus/Dividends-------------------------------- (   )
5. Inputs--- (   )
6. All above--- (   )

28. a) Who set your crop price?

1. Cooperative society----------------------------- (   )
2. Private traders----------------------------------- (   )
3. Others (specify) -------------------------------- (   )

b) How did you rate prices for your crops after economic liberalization?

1. Very high-- (   )
2. High--- (   )
3. Moderate--- --(   )
4. Low-- (   )
5. Very low-- (   )

29. What is the price of one kilogram of coffee?

Season	Sold (kg)	Price (TSh/kg)
2005/2006		
2006/2007		
2007/2008		
2008/2009		
2009/2010		

30. Are you satisfied with the price? 1. Yes------------- (   ) 2. No----------------- (   )

36. a) If yes why? ---

b) If no why---

31. a) What services do you obtain from KNCU? and G-32 concerning to marketing access?

1. --
2. --

b) From G-32?

1. --
2. --

32. a) Do you face any problems in marketing your coffee produce?

1. Yes---------------------------------( )
2. No ---------------------------------( )

b) If yes, what are those problems?

33. What benefits were you expecting from the cooperative society?

1. Marketing---------------------------( )
2. Inputs--------------------------------( )
3. Loans---------------------------------( )
4. Advisory services-------------------( )
5. Trainings-----------------------------( )
6. Others (specify) ---

34. a) Do you acquire loan from your cooperative society? 1. Yes ( ) 2. No (......)

1. Yes----------------------------( )
2. No-----------------------------( )

b) If yes, how do you pay back the loan?

1. Reduced from the sales of coffee-------------( )
2. By cash --( )

35. What is the security (collateral) required for the loan to be granted?

36. a) Have you attended any seminar/training for the last 12 months?

1. Yes --( )
2. No ---( )

b) If yes, what is the objective of the seminar/training? ----------------------------

c) Who organized a training/seminar? --

d) To what extent has the seminar/training helped you in managing your cooperative society?

1. Not all ---( )
2. A little ---( )
3. Very much --( )

e) What did you learn? ---

37. Is training offered as incentives for you to remain in the cooperative society?

1. Yes---( )
2. No --------------------------- ---------------------------( )

38. (a) How do you compare your household income you earn after joining the co-operative?

1. Now I earn high--( )
2. I earn the same--( )
3. I earn little-------------------------------------- ------------( )
4. Now I earn very little-------------------------------------( )

39. Do you participate in electing your leader?

1. Yes--( )
2. No---( )

40. If no why? --

41. What services does your AMCOS get from KNCU? ------------------------------------

42. What procedures are you using in your records keeping system? ----------------------

43. What benefits do you gain from the KNCU/G-32?

1. Seminar/training--------------------------------------( )
2. Money for collecting coffee -------------------------( )
3. Inputs--( )
4. Loan-- -( )
5. Transport --( )

44. a) Are the extension services available?

1. Yes--( )
2. No---( )

b) If yes what types of extension services do you get?

1. ---
2. ---
3. ---

c) To what extent are the extension services available?

1. Available thought the year---------------------------- ( )
2. Periodically available---------------------------------- ( )
3. Not available at all------------------------------------- ( )

45. Economic benefits gained before and after liberalization

Indicator of performance	Before liberalization (Before 2006) 1. Yes 2. No	After liberalization (Since 2006) 1. Yes 2. No
1. Availability of inputs		
2. Credit		
3. Training		
4. Lobbying & Advocacy		
5. Policy		
6. Reasonable price		
7. Participation in decision making		
8. Timely payment		
9. Loans		
10. Being elected as leaders		

58. What are your general comments on management of your society?

THANK YOU FOR YOUR COOPERATION

Appendix 2: Check Lists for Key Informants

1. Occupation---

2. Date of interview---

3. a) Do you have any roles with respect to AMCOS?

    1. Yes------------------- ( )

    2. No-------------------- ( )

    b. If yes what are the roles--

4. a. When did the Union begin? Year--

    b. Where did the Union begin? -----------------------

5. What is the main purpose of Union? --

6. What are the reasons for some cooperative societies to depart from Union?-------------

7. Can you rank the reasons? --

8. To what extent these problems affect affiliated and non-affiliated societies?------------

9. Do the AMCOS operating under Union benefit with the current situation?

    1) Yes---------------- ( )

    2) No------------------ ( )

    a) If yes, how---

    b) If no how would you advice them? --

10. How do you think you can improve this situation? -----------------------------------

11. Can those AMCOS departed reunite again and turn to Union? ------------------------

12. What do you think are important/ effective measures/actions that should be taken to solve these problems? ---

13. How does the cooperative enterprise/union/G-32 markets the crop collected? --------

14. What is the effect of trade liberalization on the cooperative business? ----------------

15. Where do Cooperatives get money for collecting coffee from members? --------------

16. What kind of services do you offered to the Cooperative societies?

    1. Loan provision------------------------------ ( )

    2. Education------------------------------------ ( )

    3. Auditing and Inspections ----------------- ( )

    4. Registration-------------------------------- ( )

    5. Advices------------------------------------ ( )

    6. All the above. ----------------------------- ( )

17. Do cooperative societies AMCOS managed to return loans on time?

1. Yes-- ( )

2. No--- ( )

18. If no what action do you take to make sure that the loan have returned

19. Will you continue to offer loan again?

1. Yes-- ( )

2. No -- ( )

20. If no. how can cooperative societies can manage to collect coffee from members-----

21. Give your general opinion about co-operative society--------------------------------------

Thank you

Appendix 3: The List of AMCOS Operating in Kilimanjaro Region.

A. KNCU AMCOS IN KILIMANJARO

- AMCOS in MOSHI DISTRICT

1. MANUSHI NDOO R.C.S LTD
2. MANUSHI SINDE R.C.S. LTD
3. KINDI
4. UMBWE NDOO
5. KIBOSHO WEST
6. KOMBO
7. KIMASIO
8. KIBISHO CENTRAL
9. MWIKA NORTH
10. URU EAST
11. URU KATI MAWELLA
12. URU NORTH NJARI
13. URU NORTH
14. URU NORTH MSUNI
15. KIBOSHO MWEKA SUNGU
16. KIRIMA BORO
17. KIRUA VUNJO NORTH
18. KIRUA VUNJO EAST
19. MBOKOMU
20. LEGHOMULLO
21. TELLA MANDAKA
22. OLD MOSHI
23. KIMOCHI
24 .KILEMA SOUTH
25. KILEMA NORTH
26. MARANGU WEST
27. MARANGU EAST

28. MAMBA NORTH
29. MAMBA SOUTH
30. MWIKA KINYAMVUO
31. MWIKA WEST
32. MWIKA. N. EAST
33. MRIMBO UUO
34. KIRUA VUNJO WEST
35. URU SHIMBWE
36. MAKUYUNI
37. CHAWAMPU
38. KILEMA POFO
39. UCHIRA
40. LOKOLOVA
41. MWIKA SOUTH EAST
42. SHIRI NJORO
43. SHIRI MGUNGANI
44. ORORI
45. NARUM
46. LYAMUNGO

- **KNCU- AMCOS in ROMBO DISTRICT**

47. MENGWE
48. SHIMBI
49. MASHATI
50. OLELE

- **KNCU- AMCOS in HAI DISTRICT**

51. SIKIRARI
52. SAMA
53. KIBONGOTO WANRI
54. MAE
55. KISHISHA
56. KYENGIA
57. MASHUA

58. ISUKI
59. KASHASHI
60. MUDIO
61. KWARE
62. KYEERI
63. SHARI
64. NRONGA
65. MASAMA ROO
66. MACHAME NKUU
67. UDURU MAKOA
68. MANIO
69. MASAMA SAAWE
70. NKWASIRA
71. FOO
72. MACHAME WARI
73. LEMIRA MUROMA.
74. MASAMA MULA
75. KARANSI
76. NSHARA
77. USWAA MAMBA.

- **KNCU- AMCOS in SIHA DISTRICT**

78. SIHA KIYEYO
79. MRAO
80. KOBOKO

B: V.C.U - AMCOS IN KILIMANJARO REGION

- **V.C.U - AMCOS IN SAME DISTRICT**

1. KANDA YA MBAGA R.C.S.LTD.
2. MHEZI R.C.S. LTD
3. NGUMA 11 R.C.S .LTD
4. MKOYO R.C.S. LTD.
5. BWAMBO R.C.S. LTD.

6. VUMA R.C.S. LTD.
7. GANDU R.C.S. LTD
8. MENANO R.C.S. LTD.
9. CHOME R.C.S. LTD.
10. SARUNJO R.C.S. LTD
11. KIHURIO FARMERS R.C.S. LTD.
12. SHENGENA R.C.S. LTD.
13. MAORE R.C.S. LTD
14. MAKANYA R.C.S. LTD.
15. SHENGENA FARMERS R.C.S. LTD.
16. MAORE FARMERS R.C.S. LTD.
17. NGUMA R.C.S LTD.

- **V.C.U- AMCOS IN MWANGA DISTRICT.**

18. KAMWALA R.C.S LTD.
19. KINDOROKO R.C.S LTD
20. VUCHAMA NGOFI R.C.S.LTD
21. RAA R.C.S LTD.
22. MWAKIMAMA R.C.S. LTD.
23. KINOKO R.C.S. LTD.
24. NGUJINI R.C.S. LTD.
25. CHEGO R.C.S. LTD.

C: <u>G-32 AMCOS LIST in KILIMANJARO region</u>

- **G-32 in Rombo District**

  1. TARAKEA R.C.S. LTD
  2. USSERI R.C.S. LTD.
  3. USHIRI R.C.S. LTD
  4 .MAHIDA R.C.S. LTD.
  5. KENI R.C.S. LTD.
  6. MAKIIDI R.C.S. LTD.
  7. KERYO R.C.S LTD.
  8. MASHIMA R.C.S. LTD
  9. KIRWA KENI MRERE R.C.S. LTD.
  10. MKUU MASASENI R.C.S. LTD.
  11. MAMSERA R.C.S. LTD.

- **G-32 in Moshi District**

  12. KIMASIO R.C.S. LTD
  13. MRUWIA R.C.S. LTD.

- **G-32 in Hai Districts**

  14. KARANSI R.C.S. LTD.
  15. NSHARA R.C.S. LTD.
  16. USWAA MAMBA R.C.S. LTD.
  17. LUKANI LOSAA R.C.S.
  18. SONU NGIRA R.C.S. LTD
  19. KYUU R.C.S LTD.
  20. NG'UNI R.C.S. LTD.
  21. MARUKENI AGR. MARK C.S LTD

- **G-32 in SIHA Districts**

  22. SIHA KIYEYO R.C.S. LTD.
  23. KOBOKO R.C.S. LTD.

- **G-32 in SAME Districts**

  24. GOMATA COFFEE R.C.S. LTD.