

Moving from Public Project to Private Enterprise: The Murumase Story

By Nuswe Nanzali¹

The Start of Murumase

My name is Nuswe Nanzali. I am a crop officer in Mufindi district council and was a member of the AMSDP project group in Mufindi District. After the AMSDP phased out we needed to move on from public to private enterprise. We decided to form a company which is called Murumase (Mufindi Rural Marketing Service Company). The aim of the company is to provide market information brokering for the farmers and buyers. Our service will improve the quality of the farmers' produce and improve their incomes.

We have three members, myself (Nuswe Nazali), Henry Mang'enya and Bahati Tweve. Bahati is our trade agent. He knows how to search for market information and to find markets for the farmers. We are trying to link the farmers to the buyer either directly or by using trusted middlemen who will give us price transparency.

The Challenges for Small Farmers

The challenge of the small farmers in Mufindi district is knowing where to sell their produce after the harvest. During the AMSDP programme we started linking the farmers with buyers and markets and we are continuing this work as Murumase. The farmers also need to know about quality, according to the needs of the buyer. So we help the farmer do what is necessary to get a good price for their produce.

The First Deal and Lessons Learned

As a MAC we have organised a timber deal and we are presently arranging a deal for the farming groups to sell their beans through Murumase.



The circular saw operators near Makungu village

For our first deal we had an action plan to organise the whole chain. We searched for plank buyers; small saw mill operators and transporters. The first deal we had was an order for three hundred cypress plank pieces for construction.

We approached the circular saw operators and fixed a price. When they had sawed the planks and fulfilled the contract, we gave them a delivery note which gave the price, the date and the specifications of the planks. We then contacted our buyer and organised for the delivery to be collected. We took a small commission from the buyer for our company; for each load of timber of 2,000/= Tshs, and we made 6 deliveries.

As it was our first deal we soon realised that 12,000/= Tshs could not cover our costs. Now we have a new deal with the same buyer and we are charging 100/= Tshs per piece of plank that we supply. Both the buyers and the saw mills are willing to pay the prices that we have arranged because they did not have to lose time and money travelling and searching for the planks or the buyers.

¹ Interviewed by Anne Dennig in April 2008



Nuswe and Henry at Makambako Market

Marumase' s Second Deal

Our second deal is with beans. This is the harvesting season for beans. The buyers wanted two main varieties Kablanketi and Saronde. We have agreed a price of 14,000/= Tshs per tin (20 kg). The buyers from Mafinga market have asked us to collect and grade the beans. We have phoned around to the villages, to the farmers we know from our AMSDP work. The farmers prefer to sell to us rather than to the middlemen because they trust us, they know us and they get a better price. During the programme we managed to teach the farmer to calculate the cost of production. We told them that to add 20% profit depending on the market situation of the time was reasonable. If there is high demand they could take 50%. Marumase will be facilitating the bean deal this month; we will calculate a commission of approximately 10% which the buyer has agreed to pay.

Plans for Information Boards (IBs)

We need to share information about the MAC deals through information boards (IBs) so that we can keep producers and buyers in our area efficiently informed. We are putting up IBs in Mafinga town; at Makungu village (120 km from Mafinga) by the new market area; and in Ihowanza village (60 km from Mafinga). We will use the IB to search for produce; if we have a buyer we can advertise what and how much he requires, so that if anyone can fulfil the order they can contact us and we can link them to the buyer. Other

information can also be put on, perhaps to advertise input sales. For one advert we will charge 500/= Tshs for three days or if a company wants to use the IB we will charge them 2,000/= Tsh. We will also charge for using the cell phone.



Clive and Nuswe collecting the IB for Mafinga from the workshop

An IB manager will look after each board and get income from the advertising. The MAC will also have to pay the IB manager for adverts that we put up on the board. The manager will get 10% of the money that is paid for the adverts. We are also interested to see how the trading platform that we that we heard about from Mark Davies (TradeNet) can help our IB businessmen to link producers and buyers.

Our Future plans for the Business

We would like to build a warehouse so that we can put produce somewhere for easy collection. We could also store produce until the price is right to sell, and hire out space in our warehouse. It would be a good idea to have an IB there. We really need this because a warehouse like this does not exist in this district right now.

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