

## A MARKET-RESPONSIVE APPROACH

Inevitably, any activity the Chai Project undertakes must allow flexibility. WFT Africa and Gatsby will constantly respond and react with new activities as the tea industry evolves and as discussed with stakeholders.

Through the Chai Project, WFT Africa and Gatsby look forward to a unique partnership with the Tanzanian tea industry to double smallholder production and increase the overall competitiveness of the sector.



**CHAI**

Kwa maendeleo ya Tanzania

*For more information on the Chai Project please contact:*

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## A COMMITMENT TO TEA

Wood Family Trust Africa (WFT Africa) and the Gatsby Foundation, two leading UK foundations, have been working in partnership with the Tanzania Tea Sector to assist the industry achieve their vision.

“Chai – Kwa Maendeleo ya Tanzania” (Chai Project) intends to commit up to \$9million USD over a six year period with the aspiration of:

1. Doubling smallholder “made tea” production; and
2. Increasing the overall competitiveness of the sector.

While the target beneficiary is the smallholder tea farmer, the Chai Project will undertake a portfolio approach to unblock constraints and inefficiencies at all levels in the value chain, from input supply to end market.

Support will be provided through a variety of mechanisms including technical assistance, matching grants, loan guarantees, debt/equity investments, or any other type of intervention that is commercially viable and will add value to the sector.

## TANZANIAN TEA – A SECTOR OF GROWTH POTENTIAL

Tea is the fourth largest export crop in Tanzania with \$28.7 million in export earnings. Over 31,253 farmers are directly engaged - from a combination of estate and smallholder production the sector reaches over 50,000 families.

While tea is a sector of economic importance within Tanzania, it faces a number of significant challenges:

- Low smallholder productivity and yields
- Limited access to material inputs and extension services
- Low business orientation of farmers
- Poor infrastructure constraints
- Low quality of made tea and poor reputation on international markets
- Lack of smallholder stake in processing operation

These constraints limit new investment and reduce margins for smallholder farmers. However, this is a sector with significant growth opportunities if yields and quality can be improved: the world market is growing, and international prices for tea are forecast to rise as key supplier countries face production problems.

## AN INDUSTRY PARTNERSHIP

The Chai Project will support the Tanzanian Tea Industry and coordinate closely with its associated stakeholders: The Tea Board of Tanzania, Tea Research Institute of Tanzania, Tanzanian Smallholder Tea Development Agency, Tea Association of Tanzania, Tanzanian Smallholders Tea Growers Association, and Ministry of Agriculture Food Security & Cooperatives. An MOU between all the parties has been signed.

The overall objective detailed in the Industry Plan – “To increase tea production and productivity with a view of increasing incomes among the smallholder farmers” – will be a particular focus of Chai Project support. Within this objective priority areas will include:

- Strengthening the capacity of smallholder tea growers
- Improving the quality & quantity of green leaf tea produced
- Enhancing availability of tea processing factories at growing areas
- Enhancing tea promotional activities
- Improving utilisation of natural resource base