

WRs: Tanzania Rural Urban Development Initiative (RUDI)

- **Rural Urban Development Initiative (RUDI)** supports smallholder rice and maize farmers in three districts of Tanzania: Kilombero, Iringa and Handeni. These are very remote areas with no reliable road and electricity infrastructure. Farmers lack appropriate agronomy skills, post harvest handling education, storage facilities, and inputs; often they sell their produce as paddy immediately after harvest, obtaining low prices.
- RUDI's model is built on several key areas: farmer training, farmer group development, group aggregation/warehouse receipts, value addition, Packaging, Branding and Product Differentiation.
- Farmer training on use of inputs and collective marketing has generated significant returns for smallholders. While RUDI's progress toward promoting value addition was slow at first, However farmers later embraced with great vigour and the results are amazing successes. All of RUDI's groups have been trained in the use of crop inputs, collective marketing and warehouse receipt systems.
- RUDI, through its grant from USAID COMPETE, renovated (Ten (10) Warehouses so far renovated and equipped). These storage facilities had been developed over the years by the communities, donors and the Government of Tanzania. Thus, RUDI was able to quickly mobilize their farmers' associations and concentrate on WRs management and financing instead of on building warehouses.
- The renovated warehouses were certified by the Tanzania Warehouse Licensing Board, This enabled RUDI's farmer groups to secure financing from NMB and Stanbic banks; farmers accessed a total of \$40,000 USD from both financiers? This amount was equivalent to the volume of commodity that the farmers had deposited in the certified warehouses; as intended, this type of financing has allowed farmers to store their commodities for longer periods and avoid having to sell at harvest.
- Last season, the price for paddy at harvest was Tshs 200/kg. After storing their paddy in secured warehouses for four months, farmers were able to sell for Tshs 450/kg, earning more than double the harvest farm gate price.
- With warehouse receipts, RUDI farmer groups are entering a more formal trade network which will hopefully lead to greater market access, trade and increased regional food security in the future. However, sustainability is a serious concern for the RUDI model as it still relies on donor funding to support key components.