

The transformation has changed the attitude of both the public and private sectors towards the indigenous poultry industry considerably. For Example, Bytrade Tanzania Limited company which was contracted by RIU to supply vaccines and poultry drugs to farmers is considering strengthening its distribution network in the project area to be able to tap the emerging poultry market. On the other hand, government has started monitoring and regulating indigenous chick production by hatcheries and breeder farms to control production quality, minimise spread of diseases and enhance traceability and animal welfare. The Ministry of Livestock Development and Fishers is

also considering developing a national strategy for rural poultry subsector development, based on the RIU value chain approach.

As the RIU Country Coordinator correctly observes, the project has demonstrated the importance of an innovation broker who is well equipped with resources and flexibility to tackle different kinds of systems challenges which have held back the indigenous poultry industry from realising its potential – thanks to the United Kingdom Department for International Development (DFID) for the generous financial support which made the transformation possible.



Ms. Mwanaheri Nyangalio, signs her first contract for poultry farming in Bungu Ward, Rufuji district. Poultry contract farming created major advantages for farmers specifically women. The financial mechanisms provided through contract farming enabled vulnerable groups to easily access inputs, markets and reduce the levels of risks in the value chain.



SUCCESS STORY 2

From Subsistence to Commercial Viability: The Role of an Innovation Broker in Transforming the Rural Poultry Subsector.



Increased scales of poultry production triggered demand for knowledge, extension support and input supplies.

“When I look back to where we started with the indigenous chicken industry, I cannot help but feel proud. I feel proud of the level of energy the project has mobilised along the entire value chain; the institutional and attitudinal changes that have taken place within a short time; and how the project has demonstrated the importance of an innovation broker who is well equipped with resources and flexibility to tackle different kinds of systems challenges that have held back the indigenous chicken industry from realising its potential”, **remarks Vera Mugittu, the Research-Into-Use (RIU) Tanzania Country Coordinator.**

Poultry keeping is a common economic activity in Tanzania, practised in both rural and urban areas. Out of every 100 rural households with livestock, 66 have some poultry birds. In urban areas, chickens are kept by large, medium and small-scale companies and individuals, mainly for commercial purposes. The commercially raised chickens are mostly exotic and cross-breeds, which mature relatively fast. However, indigenous chickens supply nearly 100% of all poultry meat and eggs consumed in rural areas and about 20% in urban areas.

The primary objective of the RIU poultry project was to transform the indigenous chicken industry into a more innovative, productive and competitive rural sector through up-scaling to increase the demand for new knowledge, and through building system capacities to seek and utilize knowledge and technology. The programme therefore built technical capacity of smallholder rural farmers to take care of larger poultry flocks, boosting indigenous chicks production in local hatcheries and breeder farms, established a functional value chain and linkages among stakeholders, facilitated investment in market development, and influenced policy and regulation by the government for overall development of the subsector.



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KEY PROJECT OUTPUTS

- All major stakeholders in the indigenous poultry value chain mapped and linked;
- 3,500 rural poultry farmers mobilised and trained to start commercial production of indigenous chickens;
- The 3,500 farmers provided with 100 indigenous day old chicks each as in-kind credit, alongside subsidies (feeds, vaccines and medicine) enough for 1 month in the first production cycle;
- Production of local chickens increased from 5-10 to 100-300 per farmer;
- Number of hatcheries producing indigenous day old chicks increased from 2 to 13 in less than a year;
- All the 13 hatcheries supported to access new technologies and advisory services to increase production;
- 5 out of the 13 hatcheries provided with a total of Tsh.300 million as matching grants to procure bigger incubators, expand parent stock size and finance basic construction work;
- Production capacity of day old chicks increased from 500 - 2,000 chicks to 6,500 - 10,000 chicks per week;
- Increased investment in the rural poultry subsector, with the 3,500 farmers investing a total of Tsh.350 million in day old chicks alone in the first cycle of production;
- Increased regulation and monitoring of production of input supplies for the rural poultry subsector by the government.

Researchers have found out that consumers prefer indigenous to exotic chicken because they trust the way indigenous chickens are raised and also like their taste. In major urban centres such as Dar es Salaam, Mwanza and Arusha, the demand for indigenous chicken is so high that its price is twice as much as that of exotic chicken, making the delicacy a preserve of the affluent urban upper and middle classes. However, a bigger share of the urban market remains untapped due to undersupply and the high price. Rural indigenous poultry farmers are producing only 5 to 10 chickens each, some in 12 to 18 months. The chickens are mainly kept for subsistence, with only a few finding their way to the market.

The stumpy production scale is associated with poor poultry husbandry, as chickens are mainly kept under the free-range low-input management system; inadequate market information for rural poultry farmers; poor infrastructure in rural areas making access to inputs and urban market difficult; inadequate extension support; limited supply of day-old chicks due to low egg production for hatching; difficult access to capital for commercial production; and inadequate business knowledge among farmers, coupled with the perception that poultry keeping is a minor economic activity left for women and children.

As an innovation broker, the RIU had to find non-conventional ways of dealing with long term system challenges and the general lack of a strong commercial drive in the indigenous poultry industry. However, this could not be done unilaterally. The project therefore mapped all major players in the poultry value chain including rural farmers, hatcheries, feed millers, suppliers of vaccines and medicines, extension and regulatory actors, processors and buyers in urban markets. At the centre, RIU assumed the role of value chain coordinator in creating both forward and back linkages to get the stakeholders more organised for a commercial transformation. The value chain approach also meant dealing with the stakeholders individually whenever necessary.

To rural farmers, the first step was to make them understand the opportunity they were missing to generate more income and improve their livelihoods

from the poultry business, by the failure to take advantage of the immense market potential of local chickens. Farmers were mobilised through champions (local farmer leaders) who had been empowered to believe in the commercialisation dream, and convinced to raise 100 chickens each with a plan to move to 200 and later 300 chickens. A total of 3,500 farmers responded positively in the four project regions of Pwani, Singida, Dodoma and Morogoro and signed up to produce 100 chickens in the first round of production. Research Into Use assured farmers of technical and material support all the way to enable them realise the commercialisation dream.

The support included, provision of 100 day old chicks as in-kind credit payable upon selling mature chickens; on-site practical training in modern poultry management using livestock production certificate holders who had graduated from government vocational training centre; linking farmers with input suppliers and the local extension systems for continued technical support; provision of essential tools including poultry-keeping guide book, laminated vaccine calendars, an exercise book for record-keeping, charts showing types of records to be kept, as well as basic equipment (2 drinkers and 2 feeders per farmer); and provision of start-up feeds, vaccines and essential medicines, as subsidies enough for one month.

The act of pushing farmers to new production scales triggered demand for knowledge and extension services instantly, as motivated farmers were determined to see their larger poultry flocks grow to maturity. Those who could not readily access government extension services opted for private veterinary services at a fee to secure their investment in larger poultry flocks. The demand for input supplies including day-old chicks, feeds, drugs and vaccines also increased dramatically.

Prior to introduction of the project, only two medium-scale hatcheries were producing indigenous day old chicks but not at a commercial scale. As the project progressed, 11 other medium-scale hatcheries registered to start producing the chicks. RIU Programme assisted all the 13 hatcheries to access

improved technologies and advisory services to enable them increase production and cope with the increased demand for chicks. The project provided a total of Tsh.300 million as matching grants to 5 of the hatcheries to procure bigger incubators, expand parent stock size and finance basic construction work.

As a result of the efforts, local chicken production increased from 5-10 to 100-300 chickens per farmer in less than a year. The number of production cycles per farmer also increased from 1 in 12-18 months, to 3 in 12 months. The current combined output by the 3,500 farmers is estimated at 30,000 mature indigenous chickens entering the market every month. The project provided farmers with a ready market by buying 75% of mature chickens and selling them in Dar es Salaam. The remaining 25% of the birds were left for domestic use and to enable farmers to explore rural markets. Likewise, production of day old chicks increased from 500-2,000 per week to 6,500 - 10,000 per week.

The increased volumes also meant more investment in the indigenous poultry industry by the public and private sectors including rural producers and input suppliers. For example, by providing farmers with 100 day old chicks in form of in-kind credit valued at Tsh.100,000/-, the project enabled the 3,500 farmers to invest a total of Tsh.350 million in chicks alone in the first round of production. The investment was equivalent to two and a half times the estimated worth of the indigenous poultry industry (Tsh.140 million) at inception of the project.

“The programme mapped all major players in the rural poultry value chain and assumed the role of value chain coordinator in creating forward and backward linkages to facilitate a commercial transformation.”