



CRAFT

# Khebandza Marketing Company Limited (KMC): Making climate smartness the beacon of hope for farmers

[Using Climate-Smart approaches to increase Sunflower Productivity and farmers' Incomes]



## Sunflower in Tanzania

Sunflower (*Helianthus annuus* L.) is vital for its edible oil and by-products which contributes to smallholders' incomes. Moreover, the crop is easy to produce, for it requires low inputs for production and endures well in dryer regions. In comparison to other edible oils and fats, Sunflower is healthier and if produced and processed in large amounts it can improve the livelihoods for millions. However, the crop's production remains low with climate as the most apparent factor affecting the crop's productivity. In mitigating the climate change stresses, Khebandza a CRAFT Business Champion is assisting farmers by advancing the adoption of climate-smart agricultural (CSA) interventions.

CRAFT, also Climate Resilient Agribusiness for Tomorrow, is a project committed to capacitating Agro-based Small and Medium Scale Enterprises (SMEs) to ably support smallholder farmers develop key crop value chains that can survive the impact of extreme climate now and in the future.

## About Khebandza Marketing Company Limited (KMC)

KMC is a private agribusiness firm situated at UWAMU house, first floor, Uyole area in Mbeya city but with a strong presence in Mbozi, Chunya, and Songwe districts. Established in 2005, it is now a registered company and tax contributor that supports sunflower processing and value addition through engaging farmers effectively with contracts. In addition to sunflower processing, the company also deals in maize value chains right from production, processing, and marketing. The company is making available to farmers: climate-resilient and sustainable sunflower seed, Agricultural financial services, and market development for sunflower products among other interventions.

## Climate Smartness

For climate smartness, KMC through a cluster partnership is taking the entire value chain approach. The company is reorienting not only farmers but actors in the value chain to the new realities of climate change with the following steps:

- **Good soil management:** Encourage and mainstream reduced or zero tillage (ripping, direct seed, intercropping beans with sunflower)
- **Efficient soil management** through effective use of organic manure and proper use of inorganic fertilizers to reduce emissions of Green House Gases (GHG) such as methane (CH<sub>4</sub>), Nitrogen oxide (N<sub>2</sub>O), and carbon dioxide (CO<sub>2</sub>).
- **Pest and Disease Management:** Encourage user-friendly pesticides and herbicides that cause no harm to humans and have little or no residual effect on soil and the crop, but are effective in controlling pests and diseases for maximum production and preventing crop loss.
- **Post-harvest management:** Provide farmers with efficient and energy-efficient drying and processing tools or devices that will lower post-harvest losses by 15% from the current 30%. Such special equipment will include, dryers, and seed cleaners to ensure seed quality. In addition, the company will provide constant supervision of the drying process and monitoring the seed condition before and after storage. This will make the process faster and increase the bulk of harvested seeds to ensure quality oil extraction.
- **Agricultural Insurance:** will protect and reduce the risk exposure of farmers against the implications of climate change and increase resilience.

## Targets

Smallholder Farmers	Producer groups	Value-chain Actors	Yield
2,000 	55 	7; Aggregators, Extension providers, Input suppliers, Financial service providers 	3,563 MT (Metric tons per year) 

## Target market segments and consumers

**Marketing:** to promote the buying of sunflower oil and other products, KMC will create awareness using mass media advertisement, trade fair promotions, and branding. By making the factory unique, and using digital technology (website, social media, and emails) to excite and promote products, KMC will attract and retain customers which enhances business success. For example, KMC will reach customers through radio adverts, using posters, flyers, brochures, and leaflets. The company will also use loyalty programmes and packages such as gift certificates and discounts to attract and maintain more customers.

**TBS product certification:** KMC is to obtain a TBS certification and branding such that targeted consumers have trust in the company's products. The TBS is a quality mark or branding that shows a product is tested and certified or meets the quality standards according to the Tanzania Bureau of Standards. With the sunflower oil confirmed as cholesterol-free, it will give consumers the comfort that KMC is providing a healthier product. This will attract customers with consciousness to healthy living and healthy food the most.

**Packaging in a range of affordable volumes:** To make the edible oil more accessible such that consumers with varied incomes can enjoy the product, the oil will be produced in different volumes to the affordability of all consumer groupings. These will range from 1litre, 3 liters, 5litres, 10 liters, and 20 liters.

**Distribution through existing channels:** With close connection and good relationship with over 30 wholesale buyers (25 in Mbeya and Songwe regions and 5 in Coastal, Dar es Salaam, Morogoro, and Mtwara regions); KMC will make products available for consumption to the end consumer through already existing channels to ensure a wider market is covered at a minimal cost.

## Partners

KMC has mapped out essential partners such as the Tanzania Meteorological Agency (TMA) for disseminating weather information, MGen Insurance who will insure farmers' crops against climatic shocks, and Lighthouse EA Legal Clinic (LEALC) that will support reviewing and improving farmers' engagement guidelines such as bylaws, and rules for managing cooperatives owned by farmers. Other partners KMC is working with include OBO Investment, CRDB/NMB Bank, TARI-Uyole, and the District support provided by: Mbozi, Momba, Chunya & Sumbawanga..

## Key Objectives and Outcomes

Enhance the capacity of 5000 smallholder farmers to improve sunflower output by 15% through climate-smart agronomy, linkages to input suppliers, and mechanized farming by 2022.	<b>5000 SHF contracted and capacity build to adopt CSA practices.</b>	
	<ol style="list-style-type: none"> <li>1) Mobilize and engage farmers on scheduled contract farming agreements.</li> <li>2) Facilitate and mentor leadership, business management skills, marketing, and financial inclusion.</li> <li>3) Facilitate and Link farmers to Input and mechanization service providers.</li> <li>4) Recruitment and train 40 TOTs on CSA ultimate to train the SHFs and follow up on the adoption of CSA.</li> </ol>	
Improve resilience to climate Change amongst targeted farmers through the promotion of appropriate climate-smart agricultural practices.	<b>Adoption of CSA practices for increased productivity</b>	
	<ol style="list-style-type: none"> <li>1) Facilitate and Set up 60 demo farms to showcase CSA practices and technologies.</li> <li>2) Profile and link TOT service providers and SHFs to extension and business developments services.</li> </ol>	
Improve efficiency in sunflower inputs delivery, agronomy, and markets access	<b>Facilitating inputs, production, financial, and marketing services</b>	
	<ol style="list-style-type: none"> <li>1) Mapping strategic and establishing inputs delivery channels</li> <li>2) Organized inputs sourcing, accredited suppliers and link with financial service providers.</li> <li>3) Conduct farmers deal-making business workshops for VC actors interaction and farmers exposure</li> </ol>	
Improve business turnover by at least 10% through developing new market channels and increasing volumes of sunflower marketed.	<b>Increased supply of volume and sales of Sunflower</b>	
	<ol style="list-style-type: none"> <li>1) Increase working capital to increase the volume of procured grains.</li> </ol>	
Business case budget	Total : € 336306.08	Own funds; 82%