

Author: Marloes Philippo

Country: Tanzania

Sector: OYE Agriculture



CHALLENGE

The Opportunities for Youth Employment (OYE) program aims to contribute to the establishment of youth-led enterprises that respond to market dynamics, and the creation of employment for youth in growing profitable enterprises. Youth-led Enterprise Development in OYE Tanzania Agriculture consists of a tailor-made training and coaching trajectory for young agripreneurs that includes Basic Life Skills training, Business Development Skills Training, Technical training and coaching on group governance, enterprise establishment, management, registration and linkages to financiers and the market.

CLIENT

Ebenezer youth group consists of five young people aged between 18 and 25. Petro Benedict is the chairperson of the group, Paskalina Pius and Imelda Mugele serve as Secretary and Treasurer, John Michael and Danieli Philipo are members. The enterprise is formally registered, a constitution and business plan are in place and the group practises *group saving and lending*. The group has been granted a loan from the Youth Fund by Babati Council.

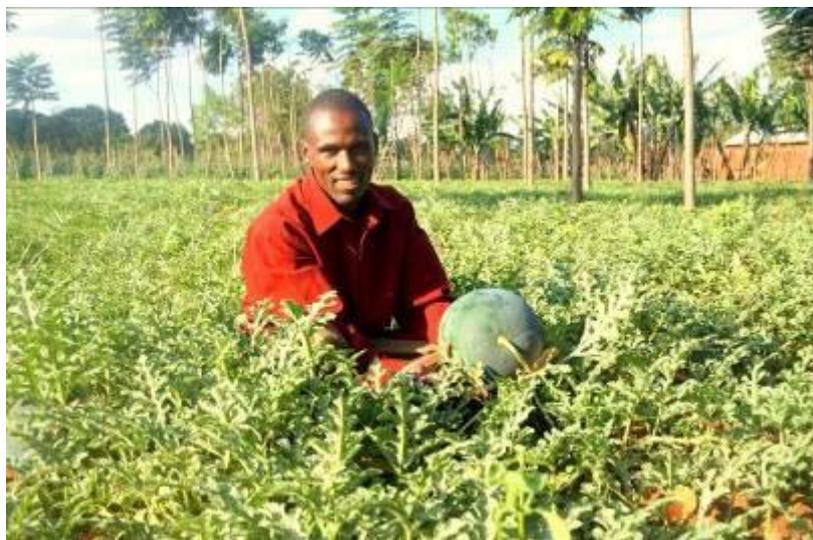
METHOD / SNV INTERVENTION

This group has benefitted from Basic Life Skills, Business Development Skills and Enterprise coaching imparted by a local implementing partner - Shambani Solutions. While becoming a more regular partner of OYE, Shambani Solutions is broadening its portfolio of youth services from selection to youth enterprise coaching.

OUTCOME

The interventions of the BDS training resulted in a number of outputs. The group took their first steps towards running a professional agri-business. To begin with, the group prepared business plans, estimating production figures including labour costs and projected incomes.

Secondly, the group developed a marketing plan, using market intelligence, to time their production with market demand. The Ebenezer group produces horticultural crops and has built a good relationship with retailers. The group has begun participating in agricultural fairs alongside other youth groups. This has resulted in diversification of their products.



IMPACT

Overall the venture is already making profits, despite being a start-up business and having incurred huge investments in setting up an irrigation system (costing around US\$930), building necessary physical infrastructure (fencing), and the acquisition of farming tools.

Ebenezer youth group mainly focuses on producing vegetables. Currently they produce up to ten different types of vegetables on about 2.5 acres of land. The return on investment (ROI) on most crops is positive, exceeding losses from other crops.

Table 1: Cost-benefit analysis for horticultural production by Ebenezer group

	Land size (acres)	Costs (USD)	Income (USD)	Profits (USD)	ROI
Tomatoes	0.5	336.99	390.24	53.26	16%
Cucumber	0.25	177.09	292.68	115.59	65%
Green paper	0.25	250.26	731.71	481.44	192%
Nightshade	0.25	87.21	292.68	205.47	236%
Saro	0.25	101.85	146.34	44.49	44%
African eggplant	0.25	86.36	292.68	206.32	239%
Spinach	0.25	72.58	1463.41	1390.83	1916%
Kale	0.1875	57.36	29.27	-28.09	-49%
Chinese cabbage	0.25	72.58	195.12	122.54	
Unused land	0.56				
Total	3.0	1,242.29	3,834.15	2,591.86	209%

Looking at the sustainability of the enterprise, the prospects are positive;

- The business reported a positive net income or return on investment showing potential for sustainability on the short and long-term.
- The youth are implementing their own saving scheme, which gives them a substantial basis and independence on external funding.
- The group enterprise has fulfilled the requirements to be considered a legal entity i.e. having a constitution, and being registered with the local authority.
- The project ideal concerning youth employment is congruent to the municipal development plans and strategy for youth, women and vulnerable members of the community.
- The youth are motivated and embracing ICT technologies (mobile technology) for networking and information acquisition.

OYE intends to further provide coaching to the group in order to address a number of prevailing needs, including.

- Lack of technical skills/services to diagnose and manage pests and disease early enough.
- Lack of awareness on the risks of agro-chemical use and lack of quality protective gear for agro-chemical application.
- Lack of competent available input suppliers; input suppliers seem not to be technically competent to advise farmers on what kind of agro-chemicals to use.

The main lessons learned can be summarized as below;

- **Technical training support** is required to meet the challenges around pest and disease management; this can be in the form of capacity building for the youth, access to (government) extension services or hiring of labour with these technical skills.
- Better understanding of **the market dynamics** is required to establish a proper marketing plan looking at price setting, promotions, people (customers, retailers, input suppliers, technical support), products (products on high demand and value addition), packaging (value addition) and marketplace. This access to market information can be realized by means of **ICT** applications.
- **Partnership with municipal council/local authority:** The partnership with Babati municipal council should extend beyond funding to influence policy.