

From Millet to Tomatoes: Productivity Increase by Means of Introducing High Value Agricultural Products in Meru, Tanzania

Ellen Hillbom¹

¹Lund University, Economic History, Lund, Sweden

ellen.hillbom@ekh.lu.se

Most countries in sub-Saharan Africa are agricultural-based and agriculture is dominated by smallholder producers with the household as the basic unit of production. The way for an agricultural based country to achieve economic growth and poverty reduction is through a process of agricultural transformation based on significant long-term productivity increase giving rising incomes for people employed in agriculture and releasing labour to be transferred to other sectors of the economy. Where smallholder farming is dominating this transformation process will be most successful if it is broad-based, i.e. inclusive and based on smallholders' productivity increase. This paper focuses on one stream in such a broad-based transformation process, namely opportunities for productivity increase by means of smallholders shifting their farming from low value to high value agricultural products.

It is claimed that Meru in northeastern Tanzania is an area where changes in factor endowments have lead to intensification of farming methods and increased production of high value products while growing both rural and urban demand are expanding high value markets. General lessons can be drawn from studying the Meru case as it is characterized by the World Bank as a favored area, i.e. it belongs to a group of regions classified according to their agricultural potential including access to irrigation, high to medium levels of humidity and medium to good access to markets (maximum five hours from a market town of no less than 5,000 inhabitants). More than 60 per cent of the rural population in developing countries globally, and 30 per cent of the rural population in sub-Saharan Africa, lives in such favored areas (World Bank 2007: 4-5).

The aim of the paper is first, to verify and map the shift in smallholder production from low value to high value agricultural production in Meru. Second, to analyze the driving forces that are instrumental in the local broad-based process of intensification. Finally, there will be an attempt to indentify outcomes and how they fit into the general expectations of the positive impact of agricultural transformation.