

**ROLE OF THE EVANGELICAL LUTHERAN CHURCH IN TANZANIA ON  
POVERTY ALLEVIATION: A CASE STUDY OF THE MOUNT MERU COFFEE  
PROJECT IN MERU DIOCESE, ARUSHA TANZANIA**

**BY**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE  
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## ABSTRACT

The study was conducted in Arumeru district, Arusha region Tanzania. The study examined the role played by ELCT-DME in poverty alleviation using Mt. Meru Coffee Project as a case study. Specifically the study aimed at (i) identifying key livelihood projects owned by ELCT –DME, (ii) assessing impacts of Mount Meru Coffee Project in coffee production in the study area,(iii) assessing impact of Mount Meru Coffee Project on poverty alleviation in the study area, and (iv) identifying challenges facing ELCT- DME in implementing Mt. Meru Coffee Project. Both secondary and primary data were used in which the former was obtained from project management, factories as well as from different literature. Primary data were collected from household survey using structured questionnaires. Procedurally, primary data were analyzed to get descriptive statistics: frequencies, percentages and cross tabulation. Results shows that ELCT-DME has various livelihood projects addressing both income and non-income poverty alleviation for her members and non-members. Furthermore results indicate that 44% and 50% of the respondents' reports increase in number of coffee trees and production respectively; while 78% reports improved income through the project. Lack of extension services, input supply and limited market were identified as challenges. The study concludes that, the project has reduced income poverty by offering good price. However, the project had no effect on quantity of coffee produced. The study recommends the project to collaborate with government to provide extension services and expand the existing market. Furthermore, it recommends that the project should have a small processing industry to add value instead of exporting green coffee.

**DECLARATION**

I, EMMANUEL LAZARO MAKONINDE, do hereby declare to the Senate of Sokoine University of Agriculture that; this dissertation is my own original work and has neither been submitted nor concurrently being submitted for a higher degree award in any other university.

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The above declaration is confirmed

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**Date**

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**DEDICATION**

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**LIST OF ABBREVIATIONS**

ACU	Arusha Cooperative Union
AMEC	African Mission Evangelism Church
BoT	Bank of Tanzania
CCT	Christian Council of Tanzania
DME	Diocese of Meru
ELCA	Evangelical Lutheran Church in America
ELCT	Evangelical Lutheran Church in Tanzania
FAO	Food and Agriculture Organization
FGD	Focus Group Discussion
G8	Great 8 Wealthy Nations in the World
GDP	Gross Domestic Product
GMS	Great Milwaukee Synod
IGAs	Income Generating Activities
MDC	Mbozi District Council
MDGs	Millennium Development Goals
MMSCGA	Mount Meru Speciality Coffee Growers Association
MUCo	Makumira University College
NBS	National Bureau of Statistics
NSGRP	National Strategy for Growth and Reduction of Poverty
PCEA	Presbyterian Church in East Africa
REPOA	Research on Poverty Alleviation
SACCOS	Saving and Credit Cooperatives society
SNAL	Sokoine National Agricultural Library
SUA	Sokoine University of Agriculture

TaCRI	Tanzania Coffee Research Institute
TCCCO	Tanganyika Coffee Curing Company
TZS	Tanzanian Shillings
UNDP	United Nations Development Projects
URT	United Republic of Tanzania
URT	United Republic of Tanzania
USA	United States of America
USD	United States Dollar
WEO	Ward Extension Officer

## CHAPTER ONE

### 1.0 INTRODUCTION

#### 1.1 Background Information

The global trends of socio-economic problems, unemployment, crime and poverty levels, show signs of persistence, there is a need for active participation of all stakeholders (religion included), in community life and development. If community development is the responsibility of all stakeholders as many would agree, then the religion plays a part too. Perhaps society has not fully utilized or explored the potential of the religion in the development process. The church ministers, for example, hold influential positions in society and they could assist in a range of 'developmental' programmes. This also calls for a desire to revive the spirit of volunteerism, which is disappearing in many parts of the world today. If this is the case then religion is the place or one of the places to begin this life-long worthwhile journey towards creating prosperous and sustainable communities for tomorrow-free from poverty.

Church ministers; Pastors and Evangelist have a responsibility in the social development of the 'poorest', 'ignorant' and 'disadvantaged'. They can emerge as dynamic forces for social change at the community level. With their privileged positions, they can address issues such as poverty or non-attendance at school, parenting and how to value education. Thus the church, ELCT-Diocese of Meru in this context has a role to play in poverty alleviation for her members and the society at large.

According to FAO (2005) poverty is one of the greatest challenges confronting the world. Apart from insufficient income to maintain basic human survival and dignity, poverty also includes low level of education and health, the vulnerability, arising from lack of



safeguards, and the inability to, among other things, seize opportunities because of poverty. The war against poverty is critically a multidimensional issue. It basically requires that various disciplines and social institutions operate and work strategically and even jointly in order to fight and win over poverty bondage from every possible angle. Religious institutions have an important role in social development and a reform, as their impact on the public is very intense. They can play an important role to reduce poverty by their influence on peoples' way of life. Religious leaders have responsibilities towards society who trust and have faith on them (Stern, 2005).

Furthermore, according to Omari (1999) religion is a powerful agent in people's perception and idea formation. He suggests that a large scale comparative study on the influence of religious systems on poverty alleviation in Tanzania needs to be carried out; the relation between religion and economic development, he emphasizes, needs to be documented and correlated properly.

Likewise, according to Kijanga (1978) the role of the Church can be described as foremost: Evangelism and proselytizing. But the Church has been fully involved in education and medical services. These two enhanced the work of evangelization and proselytizing. The role is more socio-economic and through this Christian faith becomes more obvious. Jesus one time told his audience that, "...Man does not live by bread alone..." (Mathew 4:4 King James Version). The assumption is that he can not live without it either. Education and medical services were seen and perceived as the work of Jesus: He taught and healed the people. The role of Christian church is primarily evangelism which is also socio-economic in nature. The socio-economic role of Christian church has an impact on poverty reduction in Tanzania. The Evangelical Lutheran Church in Tanzania (ELCT) is not far from this reality. The ELCT comprised of 20 dioceses, and a membership of more

than 4.6 million in a population of nearly 38 million Tanzanians. Diocese of Meru is amongst the 20 dioceses (ELCT, 2006).

Meru diocese is fully involved in various socio-economic projects to improve the humans' life for its members and non-members in the area. Apart from social services the diocese owns and runs agricultural projects as well as SACCOS. The Diocese of Meru is in the Arumeru district Arusha, Tanzania. Topography of the district is dominated by Mount Meru, whose irrigated slopes are extremely fertile and densely populated. For much of the last century the economy was dominated by coffee but the crop declined rapidly in 1990s. Many households in the mountain keep zero grazing improved dairy cattle. Diversification is a striking feature of the economy, and today most households combine farming with some paid employment, petty trade, skilled or casual labour (Larson, 2001).

In the early 1990s, when the price of coffee collapsed in the World market, Wameru were amongst many people who were affected. The fall of the price in 2001 and 2002 affected over 400, low-income coffee producing households in Tanzania (Oxfam, 2001). The liberalization of the coffee sector exposed farmers and their marketing organizations to intra-seasonal price fluctuations. These fluctuations have made it difficult for farmers to optimize production technology, that being the timing of sales and use of assets that could eventually result in higher household income (Oxfam, 2001). Exposure to price volatility, coupled with extremely low prices for coffee has greatly diminished the overall welfare of coffee farmers. Several efforts have been made to improve the wellbeing of people following the fall of the coffee price. It is from this back ground that made ELCT-DME to come up with the intervention Mt. Meru coffee project to rescue the situation of farmers producing coffee.

### **1.1.1 Nature and organization of Mt. Meru Coffee Project**

Mount Meru Coffee Project is a partnership project between the ELCT Diocese of Meru and ELCA in The Greater Milwaukee Synod (GMS). The original idea of forming the project dates back to April/May 1998 when the Hon. Bishop Paul I. Akyoo and his delegation visited the Great Milwaukee Synod. Out of mutual discussions the issue of creating market for quality coffee from Meru was raised, the idea behind this being to uplift the well being of coffee farmers in the Diocese. On return the Hon. Bishop presented the matter before the Executive council of the Diocese whereby it was resolved that a coffee committee should be formed. Hence the formation of the coffee committee for Meru Diocese was mandated on 4 May, 1999.

Based on this outstanding, a four person delegation went to the Greater Milwaukee Synod. Through mutual conversation with GMS coffee committee concluded an agreement on 13 May, 2000 that the partnership coffee project by the name “Mt. Meru coffee project” should be officially recognized. In the same agreement an official invitation was extended to the facilitator of the GMS Mt. Meru coffee project Rev. David Zellmer and Ward Fowler of Altera Coffee Roasters, Milwaukee Wisconsin to visit Tanzania in order to acquaint themselves with the real situation and make recommendations on how to proceed. The Mt. Meru Coffee Project was incorporated in the USA as a not for profit company in the year 2000 (Mt. Meru coffee Project document, 2009).

#### **1.1.1.2 Shared vision and goal**

A shared vision by the two churches is, “to raise the small farmer income in Meru Diocese-Tanzania”. On the other hand shared goal states that: “as the project grows our sisters and brothers in the USA will continue to buy and drink quality coffee from Meru; and Mt.

Meru coffee project will fully own and manage quality coffee production all the way to exporting it”.

### **1.1.1.3 Formation of Farmers’ Association**

Since the establishments of Mt. Meru coffee project the smallholder farmers groups have been encouraged to form an association. The association is called “Mt Meru Specialty Coffee Growers Association” (MMSCGA) with Registration Number: SO14611 (Appendix 6). The Mt. Meru Speciality Coffee Growers Association is operating under the regulations as stipulated in the organization constitution (Appendix 5). At the moment the association is composed of 32 small farmers groups from three different coffee growing areas of Meru with about 2400 members (Mt. Meru Coffee Project document, 2009).

The association is led by committee composed of: Chairperson, Vice chairperson, secretary and Treasurer who are elected by General Assembly of the Association according to the constitution. The MMSCGA received some financial support from Mount Meru Coffee Project USA-and will continue to support the association until it is in a position to stand on its own. The Association has a Board of Trustees composed of seven members led by: Bishop as the chairperson and the Mt. Meru Coffee Project Manager is the association advisor (MMSCGA constitution, 2003 cap.10).

### **1.1.1.4 Service provided by Mt. Meru Coffee Project**

#### **1.1.1.4.1 Buying and processing coffee**

Mount Meru Coffee Project provide its service in three processing factories: Mulala, Makumira and Leguruki. Three processing centres buy coffee cherry from farmers and process it to parchment. The parchment from the processing centres is sent to Tanganyika Coffee Curing Company (TCCCO) in Moshi where further processing, (i.e. milling,

grading, sorting, bulking) is done to obtain green coffee ready for export and some will be sold at the Auction. Coffee has several grades: A, AA, AF, B, C, E, F, UG, PB, Tex.TT, etc. but the project exports only A, AA and PB. The export is done in accordance to the importation contract received in every crop season from Great Milwaukee Synod-USA (Appendix 7).

#### 1.1.1.4.2 Export of coffee to great Milwaukee Synod-USA

The processed and graded green coffee is later on exported to the Milwaukee Synod-USA following the importation contract. According to Mt. Meru Coffee Project (2009) during the first year of the project it was not possible to export coffee to USA due to some technical and quality problems. The export of green coffee started in the season 2002/03 as shown in the Table 1. Before exportation of coffee the Tanzania Coffee Board based in Moshi is responsible for permits and license, auctioning and enforcing government regulations and conditions over export licensing for buyers and exporters.

**Table 1: Export of Green coffee by Mt. Meru coffee project 2002/03-2009/10**

<b>Crop season</b>	<b>Quantity exported (Kg)</b>	<b>Value USD</b>	<b>Price paid to Farmers TZS/Kg **</b>	<b>Equivalent value for parchment TZS/Kg</b>
2002/03	12 000	52 800	180	900
2003/04	9 000	39 600	220	1 100
2004/05	10 654	46 877.6	270	1 350
2005/06	18 000	79 200	320	1 600
2006/07	9 000	39 600	380	1 900
2007/08	11 400	50 160	400	2 000
2008/09	9 000	43 560	440	2 200
2009/10	9 000	43 560	510	2 550

\*\* Prices indicated are for fresh coffee berries (ripen berries) brought to the factory for processing into parchment coffee.

1 Kilogramme of parchment coffee is equivalent to 5kilogrammes of coffee barriers.

**Source:** Annual Export records from project office March, 2010

Mount Meru Coffee Project obtain permit of direct coffee export each crop season (Appendix 8). The coffee to be exported has to meet the quality according to Tanzania Coffee Industry Regulations, 2003. Coffee from the Mt. Meru Coffee Project meets the required qualities as shown in the certificate of quality export in every crop season (Appendix 9).

## **1.2 Problem Statement**

The Evangelical Lutheran Church in Tanzania has been involved in a number of development activities which address the cardinal problems of poverty. Activities includes: provision of education, health services, provision of clean water, orphanage centres, provision of dairy animals to farmers, credit facilities and agricultural extension service. Yet, in spite of this long time involvement in socio-economic development activities very little is known about the contribution of ELCT diocese of Meru towards poverty reduction. Sharon (2000) urges that either, religious influence on development has not been a primary topic for many poverty research reports despite of its concerns regarding the well-being of the society

Thus, it is not well understood the magnitude of contribution of ELCT diocese of Meru on poverty reduction strategies in the community. Studies conducted in the same area by Kelsall (1994); Baroin (1996); Mungure (2004) and Mbaga (2007); focus on conflict leaving aside the contribution of the diocese as a social institution in socio-economic development. Therefore this study aims at filling the knowledge gap by assessing the impact of the ELCT on socio-economic development by using Mt. Meru Coffee Project as a case study.

### **1.3 Justification of the Research**

The study is in line with the Millennium Development Goals (MDGs) and National Strategy for Growth and Reduction of Poverty (NSGRP) in the third cluster which targets poverty reduction by increasing effective participation of the private sector and social/faith based institutions. Furthermore, the study contributes towards understanding on what and how the ELCT in the Diocese of Meru has contributed to community development activities from the perspective of the beneficiaries.

### **1.4 Objectives of the Study**

#### **1.4.1 Overall objective**

The overall objective of the study was to assess the role played by the ELCT Diocese of Meru in poverty alleviation.

#### **1.4.2 Specific objectives**

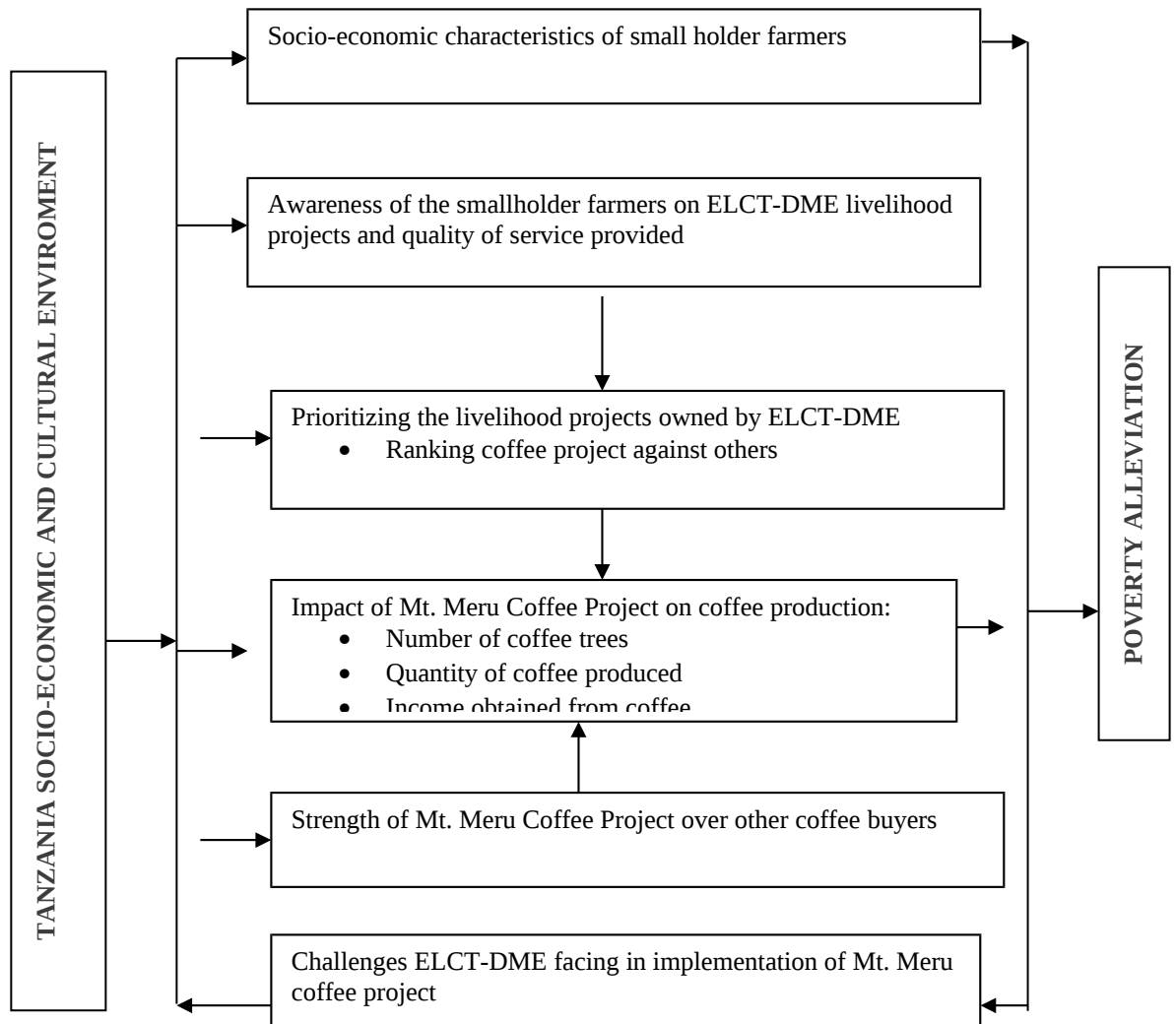
- (i) To identify key livelihood projects owned by ELCT -DME.
- (ii) To assess impact of Mount Meru Coffee Project in coffee production in the study area
- (iii) To assess impact of Mount Meru Coffee Project on poverty alleviation in the study area
- (iv) To identify challenges facing ELCT- DME in implementing Mt. Meru coffee project.

### **1.5 Research Questions**

- (i) What are the livelihood projects owned by ELCT-DME?
- (ii) What are the impacts of Mt. Meru Coffee Project on coffee production in the study area?

- (iii) What is the contribution of Mt. Meru Coffee Project on inputs supply for coffee production in the study area?
- (iv) What are the impacts of Mt. Meru Coffee Project in coffee price?
- (v) What are the impacts of Mt. Meru Coffee Project on farmers' income in the study area?
- (vi) What is the special contribution made by Mt. Meru Coffee Project in wellbeing of the people in the study area?
- (vii) What are challenges facing ELCT-DME in implementing Mt. Meru Coffee Project?
- (viii) What are the possible solutions for the above challenges?





**Figure 1: Conceptual frame work**

## CHAPTER TWO

### 2.0 LITERATURE REVIEW

#### 2.1 The concept of Poverty

Maliyamkono (2006) argues that, Tanzania still ranks among the poorest countries in the world. The author kept on urging that, according to the Tanzania government report, a third of all Tanzanians are living in absolute poverty, while some 20% live in abject poverty. Above all other problems of development, ignorance and diseases have most sorely taxed successive Tanzanian government. The concept of poverty, however, is not simple. It encompasses both income poverty and non-income poverty. The first is easily defined in terms of the income required to provide basic necessities or a decent standard of living. The latter is more complex. It includes access to social services, such as health, education, clean water, and vulnerability to unforeseen events (Maliyamkono, 2006). It has been also suggested that non-income poverty is a contributor to income poverty. And income poverty in turn, is a factor that prevents people escaping from non-income poverty. Non-income poverty apart from what is mentioned above; it is worthwhile also to think of the place of spiritual poverty. The incidences of killing disabled people, albino and abusing children sexually looking for fortunes, may be associated with spiritual poverty.

Furthermore, poverty can be explained in terms of basic needs poverty. According to URT (2009) individuals are considered poor when their consumption is less than the “basic needs poverty line”. This indicator is based on the cost of a basket of food plus non-food items. The food basket is defined such that it provides sufficient calories to meet minimum adult requirements with a pattern of food consumption typical of the poorest 50% of the population. Housing, consumer durables and telecommunications are not included nor health and education expenses. In 2007 poverty line in Tanzania was TZS 13 998 (URT, 2009).

## **2.2 Location of Poor People**

Poverty, though being very broad in meaning, it is also important to look at where poor people are located. Poverty maps reveal that the poor tend to reside in areas with one or more environmentally problematic features; such as degraded land, naturally low soil fertility, air and water pollution; and limited access to water (UNDP, 2005). These areas generally have low agricultural productivity, which is one of the most important constraints against incomes among the poor. However, the map suggested above is inclined more to the rural poor. The urban poor may have different locations like in suburbs and in the city centres to facilitate their bagging for daily bread.

## **2.3 Poverty rates and Poverty Density**

When looking at where poor are located, it is important to distinguish between poverty rates and poverty density. Poverty rate is a measure of the proportion of inhabitants who are poor; poverty density is a measure of the number of poor people per unit land area. The two measures can show strikingly different results; for example, the Brazilian Amazon has high poverty rates but low poverty densities because overall population densities are low (FAO, 2007a).

## **2.4 Concept of Poverty Alleviation**

Reducing poverty is a complex and difficult challenge. One reason for the complexity and challenge can be due its multifaceted nature. Chambers (2000) argues that, progress in poverty alleviation requires effective public action at both national and local levels, but this action is profoundly influenced by how society functions and by the public, private and non-Governmental organizations within the country and that action within a country is powerfully affected by international conditions. Regardless of its complexity, many strategies have been formulated to reduce poverty; the most recent being the need to

include the poor and their culture as co-agents in the development process. Culture understood as commonly shared values, and then becomes an important element in poverty alleviation. Like wise religion becomes an important element of culture when the value of that religion is considered as wide spread in the society (FAO, 2007b). In the Meru area Christianity is more widespread compared to other religions such as Islam or traditional religions.

### **2.5 Concept of Religion and Its Role in Society**

Religion has been defined by different scholars. Kung (1993) cited by Omolo (2002) defines religion as a believing view of life, approach to life, way of life and therefore a fundamental pattern embracing the individual and society, man and the world, through which a person sees and experiences, thinks, feels, acts and suffers. It is an appropriate system of co-ordinates by which a man orients himself intellectually, emotionally and existentially. Increasingly within the international development community and among religious organizations, it is argued that religious agencies offer something unique to development programmes, especially to those designed to alleviate poverty (Martin, 2007).

Generally, this comparative advantage is seen as forms of social capital. In fact, virtually all the world's major religions have traditionally urged and even imposed on their members a moral commitment to help the poor. Martin (2007) urges that religious beliefs influence economic systems, and that poverty alleviation strategies of religious agencies generally work within the dominant theories of development. However, care should be taken since the influence of religion in the society may bring about discrimination of members and non-members and even gender in balance. The role of religion in society can be looked in to two schools of thoughts as briefly discussed below.

### **2.5.1 The positive school of thought**

Max Weber found that the “Protestant work ethic” was part of the reason behind the success of the Western nations and his first major publication bore that name (Weber, 1976). Since then many people have written about the tie up between religion and economics. From an evangelical standpoint these statistical facts need to be re-interpreted slightly since we do not believe that all religions are of equal spiritual value. It is of no surprise to an evangelical that Protestant nations are wealthier than equivalent economies with other religious allegiances [<http://www.economic.com/tmk/index.htm>] site visited 3 April, 2010.

According to Macionis and Plummer (2002) all religions have models of life by which people can organize their activities. One of these models include theodicy- a tale about how evil and suffering is to be found in the world and a broad vision of the ethical life, how people should live. They further express their views that religions have a major importance for the functioning of society and that each theoretical paradigm suggests ways in which religion affects social life.

A German sociologist, Emile Durkheim (nd) in Macionis and Plummer (2002) maintains that religion has a major role to play for the operation of society by providing room for social control. Religious doctrine and rituals, he insists, establish rules of “fair play” that make organised social life possible. He asserts that every society uses religious imagery and rhetoric to promote conformity. The importance of religion goes as far as economic issues are concerned. Malik *et al.* (2007) argue that numerous research-based studies by economists have proved positive relationship between economic growth and religion. Haar (2007) for example, argues that development practitioners need to pay attention to religion, for the success in the emerging language of community in Africa. The role of religion in

public life should be considered not only by religious believers but also by every one who is thinking hard about development. It is for that reason that religion has a role to play in development, a process that must be assimilated into people's ideas about their relation to the past and the future of the societies. Development planners and theorists are finally giving thought to the role of religion as potential agent of development. Furthermore, Jeff (2007) argues that increasingly the role of religion has become central to an understanding of international development. Traditionally development studies focused on the causes of poverty, and religious was viewed as detrimental to progress. More recently, however, this negative consensus has broken down, partly due to the wide spread of secular development programmes to achieve poverty reduction and end inequality and injustice. Religion is now seen as a potentially crucial to the achievement of development (Jeff, 2007).

### **2.5.2 The negative school of thought**

Despite of the positive views of religion impact on individuals and society there are negative thoughts that religion might contribute to poverty. The economist Max Weber was one of the first people to systematically study the link between religion and economics. Firstly he found that the higher percentage of their GDP that cultures or nations spent on religion the poorer they tended to be. That is those that were more religious were poorer than those that were more secular (Weber, 1976).

Amitai (2000) describes the negative contributions to social change. He argues that although religion can make a valuable contribution to political life, it can also be a pernicious influence, as liberates rightly highlight. It is often absolutist, self-righteous, arrogant, dogmatic and impatient of compromise. It arouses powerful and sometimes irrational impulses and can easily destabilize society, cause political havoc and create a veritable hell on earth. He concludes that religion often breeds intolerance of other

religions as well as internal dissent and has a propensity towards violence. This thinking is in line with Mahali (2007) who reminds that on the flip side, religion has often been instrumental in preserving and promoting unjust hierarchies and oppressive regimes. Furthermore, Mkilindi (2007) observed that, paternalistic approach which was used by missionaries in ELCT- North-Eastern diocese contributed a lot to the existence of the impact of poverty on the Christian life and the missionary work. Furthermore, Mahali (2007) put forward that in the Church much is emphasized about alms giving while little is said on how the Church should contribute to the Government's effort to reduce poverty in the country. Thus one has to observe the two facets when trying to integrate religion in the development projects.

## **2.6 World Religions on Poverty Alleviation**

In the World Religions Summit, (June, 2010) the Interfaith Summit argues that, for many years, faith leaders from around the globe have met to discuss matters related to human life and sustainable development including poverty alleviation strategies. The leaders also gather to look to the future in ways that will bring about compassion and hope. A significant part of each Interfaith Leaders' Summit is the writing of a statement which underscores the nature of G8 commitments to the Millennium Development Goals and other processes that move toward equity and justice for all children, women and men. These statements are agreed upon by consensus and delivered to G8 leadership at the time of their meeting (Hajnal, 2010).

The 2010 World Religious Summit will take place at the University of Winnipeg, Manchester, (21-23 June), just prior to G8/G20 Summit in Ontario, (24-26 June). The following is the Faith Leaders' Statement prior to this summer G8/G20 summit in Canada:

At the summits in 2010, we expect leaders to put first the needs and values of the majority of the world's population, of future generations and of Earth itself. From our shared values we call on leaders to take courageous and concrete actions in addressing poverty. Almost half the people on this planet live in poverty and insecurity in terms of the fundamental requirements for life with dignity. The most affected groups are women and children, Indigenous peoples and people with disabilities. A record one billion people are now chronically hungry—one in every seven does not have the food needed for basic life. All this is happening in the context of a growing gap between the rich and poor, with particular consequences for poorer regions, such as sub-Saharan Africa.

The statement continues by saying that, a common tenet in many faith traditions is that we should treat others as we would have them treat us. This “golden rule” is a basic human principle which cuts across cultures and faith traditions, and calls us to a collective standard of mutual care. The most recent wave of people pushed into poverty is the result of crises not of their making; it is a result of food, energy and economic crises originating in wealthier sectors of society. Poverty is local but it is also international, and the suffering of anyone is of concern to us all. In addressing poverty the interfaith statement insist that:

- (i) Wealthier countries must do their share: put the Millennium Development Goals on track; practice responsible public oversight of markets; reach the goal of giving 0.7 % of Gross National Income in development assistance; cancel debts of poor countries without regressive conditions; halt illicit capital flight; ensure workers earn living wages and receive decent treatment; and make poverty reduction a priority in trade and international financial negotiations.



- (ii) Countries in the developing world must also do their part: support the above measures; practice good governance; and put in place poverty reduction policies that ensure everyone has access to basic rights such as nutritious food, safe water, health care, education and economic opportunity (Hajnal, 2010).

The actions shown by the coming interfaith summit demonstrate the concern of the World religion on poverty alleviation. The World religion summit demonstrate their concerned for the poor people in the World. However, as co-actors in development they have responsibility to nurture their followers spiritually and bodily by teaching entrepreneur skills.

### **2.7 Christianity and Poverty Alleviation in Tanzania**

The new socio-economic development policies and strategies try to include all sectors and groups in the community where the Church is inclusive as a private organization with potential human and material resources in the war against poverty (URT, 2005). Christians, from Holly book has a role to play in poverty alleviation. In Matthew 25:31-46, God made it clear that those to inherit the heavenly kingdom are those who saw to the plight of the poor. However, the approach to help the poor should be sustainable and not paternalistic approach which in turn encourages the dependency spirit.

The role of church can be described as foremost: Evangelism and proselyte. But the church have fully involved in education and medical services. These two enhanced the work of evangelization and proselyte. The role is more socio-economic and through this Christian faith becomes more obvious. Jesus one time told his audience that, “*Man does not live by bread alone*”. The assumption is that he can not live without it either. Thus for the pastors and evangelist to teach church members entrepreneurship will be a point to combat poverty.

The church can teach industry, honesty, humility, charity and emphasize the creative nature of God. By teaching industry, Christian church play and will continue to play a role in promoting prosperity. Milis (2004) argues that a prosperous society enables people to get food, good health and employment opportunities; as prosperous society supports both the government and religious organizations. Furthermore it is suggested that government policy and religious matters are not the same thing, but neither do they exist in isolation from each other, they are distinct but can not be separated from each other. The domains intertwine because both claim to give answers to important questions about how people should live- especially the issues of poverty, a matter on which all great religious traditions have a great role to play.

Taking Evangelical Lutheran Church in Tanzania as an example the following services justifies the above roles of Christian churches.

### **2.7.1 Health services**

It has been reported that the Christian Churches in Tanzania provide more than 50% of the health care services. The ELCT runs 20 hospitals and 120 primary health care institutions corresponding to about 15% of health care services in the country. Most of their hospitals depend on donations from partners abroad. These donations have enabled these hospitals and health care institutions to keep their fees at affordable rate (ELCT, 2010). The cooperation with the government of Tanzania in running health services is a historical one. The ELCT have hospitals that are jointly run by government and the church. These are called District Designated Hospitals where the government is responsible for administrative costs. The rest of the hospitals receive a small grant per patient. From this perspective ELCT is playing an important role in poverty reduction.

### **2.7.2 Education**

Historically, the ELCT is among the founders of education in Tanzania, as its involvement in education can be traced to the time the Churches were instituted in the country. The main focus of the church has been in secondary education and vocational training. ELCT runs more than 50 Secondary Schools, about 20 vocational training institutions, two Colleges of Teachers Training and one university with three Colleges. Through its Educational institutions, ELCT aims at keeping together learning and faith in God. Their involvement in many pre-schools that are managed by the parishes, as well as in other levels of education, is a move to participate in the eradication of poverty (ELCT, 2006).

### **2.7.3 Agricultural projects**

One of the agricultural projects conducted by ELCT is promotion of dairy farming by heifer distribution in Tanzania. ELCT as a Church Organization has a mandate to serve the people spiritually, bodily and mind. From this understanding it is one of cardinal duties and concerns that the Church has to see that it takes care of the under privileged, the poor and the handicapped. One of the means that the Church has used to reach the poor is through promotion of dairy farming by heifer distribution in the rural areas regardless of religious affiliation political philosophy or tribe affiliation.

The main objective was to raise the standard of life of the poor rural communities by provide, either purebred or crossbred dairy heifers. It was expected that activities related to raising dairy cattle would be so involving that either the individual or the village community would improve and raise the living conditions around him/her or the community (ELCT, 2006).

Apart from the above examples of the projects, individual diocese in ELCT has different projects depending on the location and resources. It has been reported by Shoo, (2009) that ELCT-Northern Diocese has set a trend for poverty alleviation. The Diocese has come up with an innovative scheme to uplift the economically marginalized poor and to break the poverty cycle. The diocese has gone further to open up “Uchumi Commercial Bank Ltd” on 22 September, 2005. In less than two years in business, this bank has reached a “break-even” point and has recorded a profit. By the end of June 2007, the bank assets had grown to three billion Tanzanian shillings and deposits had reached TZS. 2.5 billion. There were 1,600 share-holders and about two billion Tanzanian shillings had been given out as loans mostly to first-time rural borrowers.

Likewise, Meru diocese has its strategies to overcome the threatening conditions of poverty. Mount Meru Coffee Project is among the projects intended for livelihood improvement of the people in the area. In its eight years of operation, the Mt. Meru Coffee Project has provided the coffee farmers and their communities with funding of about USD 50,000 to maintain and improve the sustainability of the Project. Over the past eight years, a new coffee processing machine has been furnished, a new processing center is being financed (Fig. 2); a truck has been purchased, and the Project has provided about USD 20 000 for co-op operations and farmer loans. In addition, the Project has assisted the farmers in developing the Mt. Meru Specialty Coffee Growers Association, enabling them to develop marketing and exporting capabilities, access additional markets and obtain prices greater than those offered by the local buyers (Jeffbessmer, 2010).

The Mt. Meru Coffee Project in the surface its purchasing coffee. However, its support goes beyond that. First of all a part of partnership between GMS of the ELCA and the Diocese of Meru of ELCT, the Project plays an important role supporting: Local hospitals

and clinics, schools and scholarship programmes, hunger relief, water supply, Parish to Parish partnering and numerous other long and short term projects.



New processing machine furnished by MMCP

**Figure 2: New processing machine by Mt. Meru Coffee Project at Makumira factory**

### **2.8 Agriculture and Poverty Alleviation in Tanzania**

Agriculture, for many years has been considered as foundation for Tanzanian economy since the era of “agriculture to be the backbone of economy”. The latest 2009/10, “*Kilimo Kwanza*”-or agriculture first pronouncement is a further testimony to this ambition. Agriculture provides the basis of socio-economic development in Tanzania. Furthermore, it has been reported that the agricultural sector contributes 24.6% of GDP and grew higher at the rate of 4% in 2007(BoT, 2009).

Thus, its contribution on poverty alleviation is worth considered. On the other hand, coffee as one of the traditional cash crops in Tanzania has a lot of potential in alleviating poverty. This is in spite of the unstable prices in the world market for many years. The consequence of the price instability has been the lowering of investment in coffee production in areas such as Kilimanjaro and hence a reduction in its share in GDP. Lack of input supply from cooperatives made the farmers to opt for other crops with less input requirements while coffee is abandoned or given little consideration. It is reported that the peak production period was 1980/81 in which 67 tons were produced (BoT, 2009).

**Table 2: Production of Selected Major Crops, 2003/04-2007/2008**

Item	2003/04	2004/05	2005/06	2006/07	2007/08	Percentage change	Peak production	
							Period	Tons, 000
<b>Total export crops</b>	<b>339.0</b>	<b>572.7</b>	<b>596.6</b>	<b>390.9</b>	<b>461.7</b>	<b>18.1</b>		
Coffee	32.0	54.0	34.3	54.8	43.1	-21.4	1980/81	67.0
Seed cotton	140.0	342.0	374.7	130.6	200.7	53.7	2004/05	342.0
Tea	30.0	30.7	30.3	31.3	34.8	10.9	2007/08	34.8
Cashew nuts	79.0	72.0	77.4	92.6	99.1	7.1	1973/74	145.0
Tobacco	34.0	47.0	52.0	50.7	50.8	0.3	1997/98	52.0
Sisal	24.0	27.0	27.8	30.9	33.3	7.7	1964	230

**Source:** Bank of Tanzania (2009).

Producer prices for most traditional export crops have been increasing gradually due to improved quality and demand of these crops in the world market. Likewise the price of Arabica coffee has been increasing from 400-1850 USD/Ton in 2001/02 and 2007/08 respectively (BoT, 2009).

**Table 3: Average Producer Prices for Traditional Export Crops TZS/Kgs**

Period	Arabica Coffee	Robusta Coffee	Seed Cotton	Green Tea	Raw Cashew	FCV**	Tobacco DFC	Bar ley	Sisal *UG
2001/02	400	106	175	65	300	543	519		540
2002/03	430	95	180	85	360	568	550		574
2003/04	500	130	280	86	462	725	680		786
2004/05	950	250	250	86	650	918	782		885
2005/06	1 100	300	250	93	550	983	735		899
2006/07	1 450	500	350	94	600	1 102	680	910	925
2007/08	1 850	700	450	98	610	1 172	841	917	1 026

Note: \* USD/Ton

\*\* Flue cured tobacco

Source: Bank of Tanzania (2009)

## 2.9 Contribution of Coffee on Poverty Alleviation in Tanzania

Coffee has been one of the traditional cash crops in Tanzania for many years. It is reported that coffee contributes about 3.8% of commodity exports earnings of the nation (BoT, 2009). Tanzania has three main coffee production areas: the Northern and Southern Highland's zones for Arabica coffee and the West Lake zone for Robusta coffee. Administratively, the coffee production areas in the Northern Highlands zone are composed of six districts of Kilimanjaro Region, as well as Arumeru District of Arusha Region. Those in the Southern Highlands zone are mainly comprised of Mbozi and Rungwe districts of Mbeya Region and Mbinga District of Ruvuma Region, whereas the West Lake zone contains Bukoba, Karagwe, and Muleba districts of Kagera Region. Mild Arabica coffee produced in Kilimanjaro and Arusha regions of the Northern Highlands by small-scale coffee farmers and large estates has decreased, whereas production has increased in the Southern Highlands among small-scale coffee farmers in the Ruvuma and Mbeya regions. Production increases in the Southern Highlands have offset declines in the Northern Highlands, so that Tanzania's average coffee production has not shown a dramatic drop since the late 1980s (Ikeno, 2007).

Coffee has been a major cash crop in the above production areas since colonial era as well as after independence. It is difficult to site any single item in the well being of these regions without mentioning coffee; be it education, health services, house and infrastructures like roads. In spite of unstable market of the crop its contribution in wellbeing of the society has been reported. For example in Mbozi district, more than 1,700 farmers and their families life is so much better these days as a result of sustainable coffee projects in the district. Farmers in groups in the district are implementing sustainable agricultural practices, improved their coffee quality and increased their yield by sometimes up to 100%. Many of the beneficiaries now enjoy better living conditions, with improvements in the areas of nutrition, housing, schools and access to health care (MDC, 2008).

It is also reported that in over 50 years, Mwanga District, Kilimanjaro Region has been growing coffee as the sole cash crop. In spite of difficulties on inputs and low price of the crop, however, coffee remains the best possibility for the revival of the District economy and poverty reduction among the people. Therefore, the District have planned a five years coffee crop revival programme that will; increase the area under coffee production, increase yield and improve quality of coffee delivered for sale at the auction (Ikeno, 2007). In Mbinga District it is reported that coffee is improving people's livelihood. According to TaCRI (2006) production of coffee has increased from 4 000 tonnes in 2001 to 1 4000 tonnes in 2006. Likewise price has increased from 400 to 2 000 TZS/ Kg in the same period. The report concluded that farmers are enjoying potentialities of the new coffee varieties; and the extra income obtained from the crop has significantly helped them to pay school fees for their children (TaCRI, 2006). The status of coffee production and the price obtained for the past few years provides a positive direction that rejuvenation of the crop is worthwhile for improvement of farmers' livelihoods.



## **CHAPTER THREE**

### **3.0 METHODOLOGY**

#### **3.1. Study Area**

The study was conducted in the ELCT Meru diocese in Arusha region. The diocese was purposively selected due to its historical background which is overshadowed by political and religious conflicts in Arumeru area. The ELCT Meru diocese came to its existence through conflict between adherents of Mount Meru Diocese and loyal members of the former ELCT northern diocese in 1991-1992. Furthermore Mount Meru Speciality Coffee Growers Association is operating only in the Meru diocese. Three administrative wards, where the project operates: Songoro, Nkoaranga and Leguruki; were purposively selected (Fig.3).

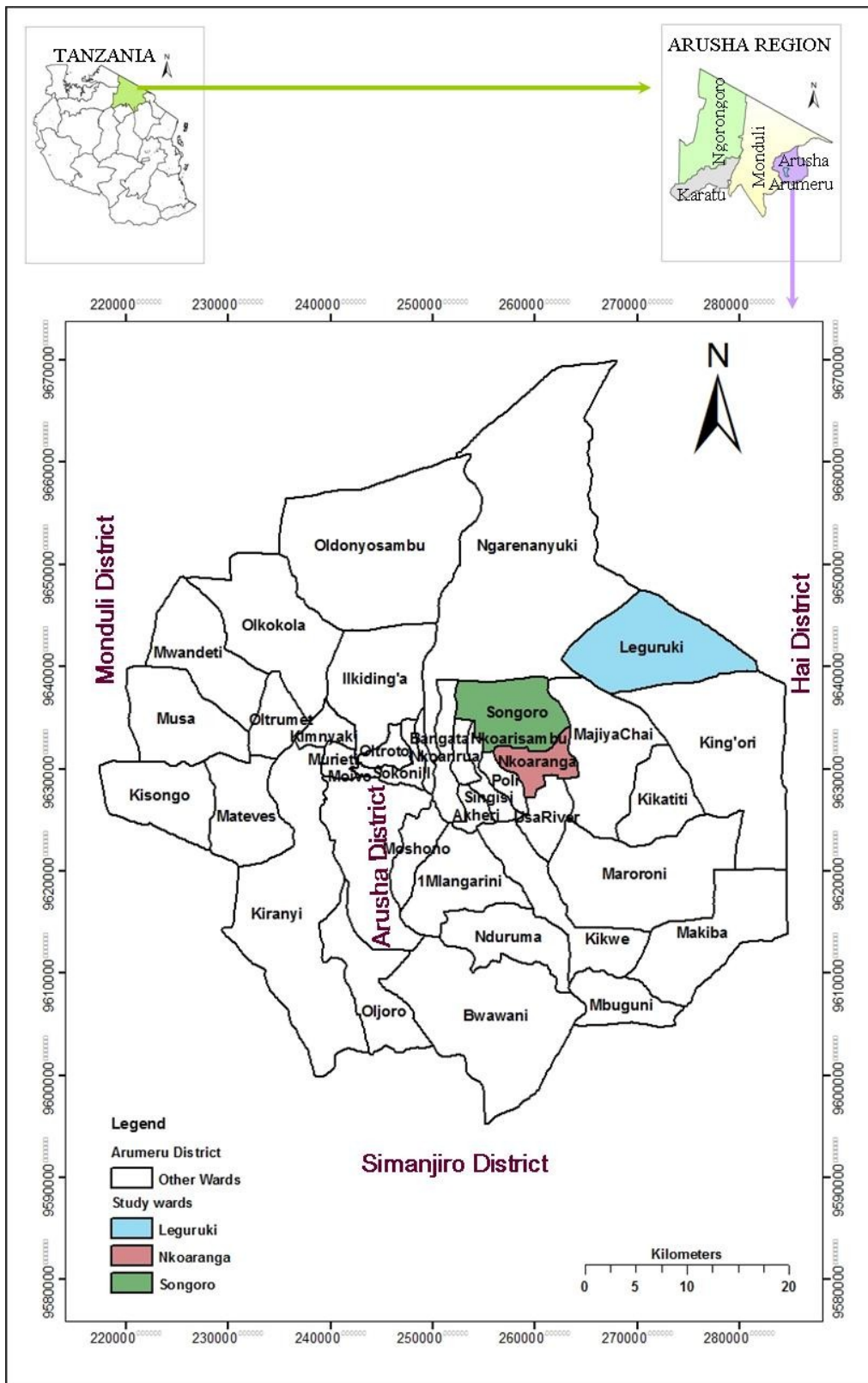


Figure 3: Arumeru district showing the study area

### **3.2 Research Design**

On the basis of the nature of this investigation, the research design was non experimental. In terms of number of contacts, a cross-sectional research design was employed. According to Simon (2008), the design is one in which research subjects are assessed at a single point in time. This is due to the fact that research subjects are not seasonal. Additionally it is fast and can accommodate a large number of study units at low cost. Furthermore, in terms of reference period the study was retrospective-prospective in design. That is, in a retrospective-prospective study, one part of data is collected retrospectively (before intervention) from existing records, and then the study population is followed to ascertain the impact of the intervention, (prospective). This is useful in making comparison between two situations; before intervention and after intervention.

### **3.3 Sampling Procedure**

#### **3.3.1 Area sampling**

Villages were selected purposively depending on the distance from the coffee factory. This is from the fact that selling of the crops doesn't follow the administrative boundaries like villages and wards. Thus, the following factories were used as initial point to identify the coffee growers: Mulala, Makumira and Leguruki Special Coffee Production factories.

#### **3.3.2 Respondent sampling and sample size**

Proportionate sampling was used to obtain actual number of respondents from each factory in order to come up with appropriate sample size. Thus; Mulala, Makumira and Leguruki associations with 400, 250 and 300 farmers respectively; contributed 40, 25 and 30 respondents in that order making a sample size of 95 respondents.

### **3.4 Data Collection Instruments**

Instruments for data collection were structured questionnaires, checklists, and researcher's diary. Questionnaires were used to collect information from coffee growers. The checklists and researcher's diary were used to collect and record information from Mount Meru Coffee Project officials during discussion, and documentary sources from factory reports. The structured questionnaires were pre-tested for reliability before they were subjected to the field for data collection.

### **3.5 Data Collection Process**

Primary data was collected using questionnaires and checklist. Secondary data involved reviewing of literature obtained from books, journals, websites, thesis, and unpublished reports at SUA National Agricultural Library (SNAL); and Tumaini University Makumira college (MUCo) library. Furthermore, the details of Mount Meru Coffee Project were obtained from Diocese of Meru headquarter and coffee factories.

#### **3.6.1 Data processing and analysis**

Quantitative data collected from the primary sources were edited, organized, summarized, and coded for analysis. Statistical Packaging for Social Sciences (SPSS) computer programme (version 12.0 for windows) was used to analyse data from questionnaires.

The research utilized descriptive statistics such as frequencies and percentages in data analysis. Cross tabulation was applied to assess relationship between variables. Qualitative data was summarized according to themes.

### **3.7 Limitation of the Study and Recommendation for Further Research**

The study encountered the following limitation during data collection: The farmers have no proper production records for coffee as well as other crops and dairy production. One of the factories (Mulala) did not operate in the season 2009/2010 hence lack of current data of their members.

On the other hand, the study did not show the Gross Margin of coffee production to ascertain its profitability compared to other agricultural projects. Thus, for further research it is recommended to make comparison study on coffee, horticultural crops, banana and dairy production on their contribution on income of the farmers in Mt. Meru area.

## CHAPTER FOUR

### 4.0 RESULTS AND DISCUSSION

#### 4.1 An overview

This chapter focuses on the results of the study. The discussion is based on the results obtained in respect of the specific objectives of the research. The chapter is divided into nine sections. The first section is an overview which gives a framework of the discussion. The second part deals with a description of the demographic characteristics of the respondents. The third section identifies livelihood projects owned by ELCT-DME; their importance and quality of the service provided. The major focus under this section is to address the services delivered by ELCT-DME, their coverage and quality.

The fourth section focus on effects of Mt. Meru coffee project in coffee production. The section describes production of coffee in the study area before and after the launch of the project. The fifth section identifies the effects of Mt. Meru coffee project on coffee marketing relative to other coffee dealers. The main focus of the section is to identify strengths and weaknesses of the project versus other coffee buyers in the study area. The sixth section describes the impact of the Mt. Meru Coffee Project on poverty alleviation. The section discusses assessment of different beneficiaries from producers to consumers. The seventh section identifies challenges facing ELCT-DME on implementation of Mt. Meru Coffee Project. The challenges are identified in the light of quality of service provided by the project. Section eight provides proposed strategies to overcome the challenges identified. Lastly, section nine provides a chapter summary.

## **4.2 Demographic Characteristics of the Respondents**

The study interviewed coffee growers, male and female members of three selected factories. The central focus of the study was the farmers selling coffee through the project. Demographic characteristics of respondents analyzed were sex, age, level of literacy, religious affiliation and denomination.

### **4.2.1 Sex of the respondents**

The research findings show that out of 100 coffee growers interviewed 82% were males while 18% were females. During field work it was observed that even in the household where both husband and wife were present the spokesperson was a man. The findings partly supports Meru history as reported by Ndosi *et al.* (2002) that the Meru society is patriarchal hence, power and decision making is likely inclined to men.

### **4.2.2 Age of the respondents**

People from different age group give different information due to variation of their age. The age composition of the respondents was an important parameter; for example, in ranking agricultural projects according to their importance cross tabulation analysis shows that population lying between 21-40 years are less interested with coffee as compared to horticultural crops like Carrots, Irish potatoes, etc. According to Basnayeke and Guanaratne (2002) the age of a person usually is a factor that can affect level of production and efficiency. Thus, age of an individual can affect: experience, wealth and decision making all of which have an effect on individual's productivity and information dissemination.

**Table 4: Age distribution of the respondents in complete years (N=100)**

<b>Age range</b>	<b>Frequency</b>	<b>Percent</b>
21-40	21	21.0
41-60	49	49.0
61-80	28	28.0
81 and above	2	2.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

#### **4.2.3 Education level of the respondents**

Education level of respondents was established and results shows that 18% have no formal education while 65% have Primary education. Furthermore, 17% of the study population has secondary education. In cross tabulation education level against age of the respondents indicates that 17% belong to the age between 21-40 years. Age group of 61 and above none of them has secondary school education. The figures shows that the large number of primary school respondents and small number of secondary school respondents in the study population, may be due to the fact that primary school education was compulsory and free for all before the introduction of community secondary schools. However, the level of literacy in that population is higher (82%) as opposed to Tanzanian literacy rate. The Household Budget Survey 2007, reports a literacy rate of 72.5% among Tanzanians over 15 years of age (URT, 2009).

**Table 5: Education level of the respondents (N=100)**

<b>Education level</b>	<b>Frequency</b>	<b>Percent</b>
Primary school education	65	65.0
No formal education	18	18.0
Secondary school education	17	17.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

#### **4.2.4 Religious affiliation of the respondent**

Respondents' religious affiliation was established and found that 99% of the study population were Christians. However, 2008 Annual Report from the Diocese of Meru



indicates 85% Christians and the rest are Muslims and traditional religions. The deviation in this study may be due to location of coffee growers who are mainly of the Meru ethnic group and are residing on the high altitudes whereas the Muslims are at the low lands where production of coffee is low.

#### 4.2.5 Denomination of the respondents

The findings also indicate that, Mount Meru Coffee Project operates with coffee growers irrespective of their denomination. However, Lutherans took the lead (58%) of the population followed by Pentecostal Churches (31%). AMEC and PCEA 10%, and 1% for other groups which are not denomination: Victorious Church, Jesus only and Jehovah witnesses where grouped together as the sect identified in the study. The results show that almost half of the population are Lutherans. The results diverge slightly from the existing record which reports that population in the geographical area covered by Diocese of Meru composed of 63.75% Lutherans (DME, 2008). Deviation may either be associated with the location of the three study wards or shifting of Lutherans to other denominations which has been a common phenomenon in the area.

**Table 6: Denomination of the respondents (N=100)**

<b>Denomination</b>	<b>Frequency</b>	<b>Percent</b>
Lutheran	58	58.0
Groups of Pentecostal churches	31	31.0
AMEC and PCEA	10	10.0
Others	1	1.0
Total	100	100.0

#### 4.3. Projects Owned by ELCT-DME and Service Delivery

Diocese of Meru owned and runs various projects intended to improve the livelihoods of the people living in the area. The Diocese also offers the following: provision of education, health services, provision of clean water, orphanage centres, and provision of dairy animals

to farmers, credit facilities and currently Mount Meru Coffee Project. The researcher has interest to whether respondents are aware of these projects, their importance and the way they are conducted.

#### **4.3.1 Respondent's awareness on the projects owned by ELCT-DME**

Out of 100 respondents 99% are well informed about the projects owned by ELCT-DME. In Focus Group Discussion it was found that projects owned by the Church (e.g. schools and hospitals) perform better and provide good service as opposed to government institutions. The findings support the study conducted in the same area on Understanding Pattern of Accountability in Tanzania (Tim *et al.*, 2005). The report argues that, "religious organisations were important in all field sites and their performance was universally praised. In fact, religious organisations might be considered performed the best in the study".

#### **4.3.2 Service provided by ELCT-DME**

Diocese projects like hospital and schools provide service to their clients without any kind of discrimination. However, while 85.7% said there's no discrimination 14.3% they are of opinion that there is some discrimination based on denomination. On the employment aspect 80.4% had opinion that there are no favouritisms for Lutherans while 19.6% said there are unequal opportunities for all in employment in the diocese projects. The inclined views of the respondents from FGD were discovered to be mainly due to scar of religious conflict in early 1990s. Thus, it was concluded that the services provided by ELCT-DME is free from religious affiliation and denomination biasness.

### 4.3.3 Leadership posts in the DME projects

On the leadership in the diocese project, distribution of respondents was as shown in Table 7. The results show that 64.3% said that the leadership of the project is by Lutherans. 23.5% urge that the leaders are Lutherans with strong participation in the church while 10.2% said that any member of CCT can be leader. Focus Group Discussion concluded that any member of CCT can be leader in the diocese projects. The variation between the respondents and FGDs might be due to knowledge on Lutherans and who are the members of CCT.

**Table 7: Leadership in the diocese projects /institutions (N=98)**

<b>Leadership in the projects</b>	<b>Frequency</b>	<b>Percent</b>
Lutherans	63	64.3
Lutherans with strong participation in the church	23	23.5
Any member of CCT	10	10.2
Non Lutherans	1	1.0
People with good relationship with church leaders	1	1.0
Total	98	100.0

### 4.3.4 Ranking the projects in order of their importance

Respondents were asked to rank the projects according to their order of importance in their livelihood. All projects were very important in their life however relatively differently from one another. In Focus Group Discussion participants argue that: food (agriculture), health (hospitals) and education (schools) should have an equal weight. However, data from household interviews shows that schools rank high 38.8%, hospitals 34.7% and agriculture 26.5%. The results indicate that the society is aware that education provides a broad base to other livelihood projects.

**Table 8: Ranking the projects in order of their importance (N=98)**

<b>Projects</b>	<b>Frequency</b>	<b>Percent</b>
Schools	38	38.8
Hospitals	34	34.7
Agricultural projects	26	26.5
Total	98	100.0

#### **4.3.5 Agricultural projects owned by ELCT- DME and their importance**

Respondents distinguish agriculture from other projects by 94.9%. On ranking agricultural projects according to their order of importance coffee score 81.1% of the respondents followed by dairy cattle 17.9% and lastly dairy goat 1.1%. The result implies that coffee as a source of income, regardless of its production cost and unreliable profitable market, farmers they had not yet identify a substitute for cash crop.

#### **4.3.6. Agricultural sources of income**

The study found that farmers have different livelihood strategies to get income apart from coffee. This depends on location of the farmer from town and availability of irrigation. Horticultural crops and dairy production have become alternative sources of income in the area. However, respondents in FGD have strong opinion that, so far there is no substitute for coffee as cash crop. The argument was supported by household interview which shows that 66.7% rank coffee as number one followed by dairy production 29.3%. Banana and horticultural crops are next to dairy production (Table 9).

Besides above mentioned farm activities farmers has non-farm Income Generating Activities (IGAs). These include wages and salaries, small business, mining, trading banana, milk vendors and timber sales. Results show that 76% of the population have other sources of income apart from agriculture. The results can be translated that people are shifting from agriculture to non agricultural activities (de-agrarian) as a means of

diversification. The condition can be partly due to shortage of land and downfall of coffee as a cash crop.

Similar study conducted in the area, reported that people are retreating from coffee to dairy production and horticulture, while non-agriculture sources like mining and tourism contribute a reasonable portion for the livelihood (Ueda, 2007).

**Table 9: Ranking of agricultural sources of income (N=99)**

Sources of income	Frequency	Percent
Coffee	66	66.7
Dairy cattle	29	29.3
Banana, carrots and Irish potatoes	4	4.0
Total	99	100.0

#### **4.4. Effects of Pre-Mt. Meru Coffee Project on coffee Production**

The project was established to bring improvement on small scale farmers' income through efficient production and access to profitable market. To achieve these, group action is required, hence formation of farmers association called Mt. Meru Speciality Coffee Growers Association (MSCGA). The section that follows describes MSCGA as a production strategy and production of coffee in the study area before and after the advent of the project in the year 2002. The improvement was examined by looking into land size allocated for coffee, increase or decrease in number of coffee trees, quantity of coffee produced and price offered by the project. Other parameters for improvement observed were: input supply and means to obtain it, provision of extension service and market information accessibility.

##### **4.4.1 Formation of Mt. Meru Specialty Coffee Growers Association (MSCGA)**

According to URT, (2009) farmers' organizations in the form of associations, cooperatives

and groups are important vehicles for farmers to lobby for policy changes that may help to improve their bargaining power in terms of accessing inputs and output markets. Farmers' organizations provide avenues for cost reduction of various services such as cost effective delivery of loans, extension services and information. In recognizing that fact Mt. Meru Coffee Project advised the smallholder farmers to form their association called "Mount Meru Specialty Coffee Growers Association- MMSCGA". Thus Mt. Meru Coffee Project is composed of 32 farmers association under MMSCGA. However, other coffee growers none member of the association are free to sell their coffee through the project. The study population composed of 72% of the association members and 28% non-member. The study shows that association is universally useful to the small scale coffee growers. However, the association had not fully address the production process of the crop.

#### **4.4.2 Estimated total size of the land owned by respondents in acres**

The size of land owned by farmers in the study area is relatively small. Six percent of the population has less than one acre; 42% has 1.1-2.0 acres and 41% has 2.1-4.0 acres. The remaining population with relatively large area above 4.0 acres contributes 11% of the population. The findings are supported by national data that most smallholder farmers in Tanzania operate in the land size between 0.5 to 5 acres (URT, 2009). From these findings it is important for the farmers and the project to strive for production per unit area to overshadow the effect of land shortage.

**Table 10: Total size of land owned by respondents in acres (N=100)**

<b>Land size</b>	<b>Frequency</b>	<b>Valid Percent</b>
Less than 1.0 acre	6	6.0
1.1-2.0 acres	42	42.0
2.1-4.0 acres	41	41.0
Above 4 acres	11	11.0
Total	100	100.0

#### 4.4.3 Land set aside for coffee (acres)

The study found that due to the scarcity of land every plot with coffee was intercropped with banana. Beans, maize and Irish potatoes are also intercropped with coffee in their seasons and no land set aside for coffee alone. Thus the plots with coffee and banana were considered as area considered for coffee. The results show that 48% of the population uses 1.1-2.0 acres for both coffee and banana; 38% use less than 1.0 acre and 14% use 2.1-4.0 acres. None of the population has above four acres for coffee and banana. Further analysis discovered that from the total farming area coffee and banana occupies 26.82% in Songoro ward while in Leguruki ward where the land is relatively large, occupies 35.45% equivalent to 3 520 out of 9 927.45 acres (WEO, 2010).

**Table 11: Land distribution by major crops in Songoro Ward**

<b>Type of crop</b>	<b>Size of the land in acres</b>	<b>Percentage</b>
Maize	1 129.25	48.91
Coffee	619.20	26.82
Carrots	358.56	15.53
Established pasture	163.20	7.07
Irish potatoes	38.50	1.67
<b>TOTAL</b>	<b>2 308.71</b>	<b>100.00</b>

Source: WEO office Songoro Ward

#### 4.4.4 Number of coffee trees in the respondent's land

Number of coffee trees was studied to ascertain the production potentials. There were great variations among the respondents. The difference was highly significance at 0 .05 level of significance. However, majority of farmers (62%) has 100-500 coffee trees in their plots while 21% has 501-1000 trees and 13% has above 1000 trees. Four percent of the population has number of coffee trees less than 100. These data indicate that the smallholder retreat from coffee production and shift to other agricultural activities and non farm activities.

**Table 12: Number of coffee trees in the respondent's land (N=100)**

<b>Number of coffee trees</b>	<b>Frequency</b>	<b>Percent</b>
Less than 100 trees	4	4.0
100-500 trees	62	62.0
501-1000 trees	21	21.0
Above 1000 trees	13	13.0
Total	100	100.0

#### **4.4.5 Status of coffee trees after the Mt Meru coffee project**

Number of coffee trees owned by the farmer after introduction of the project was established to ascertain increase or decrease of it. The study found that 46% of the respondents said that there has been no change in the number of coffee trees before and after the project while 44% acknowledge that there has been increase. 10% argue that the number of coffee trees is decreasing. During field trip aging and poorly cared trees were observed; the indication that smallholder farmers are retreating from coffee to other livelihood strategies. It has been reported, by other studies, that when viewed at the village level, however, the retreat of smallholders from coffee may be influenced by the variety of possible livelihood strategies. The range of available strategies may, in turn, depend on the location and environment of the villages, as well as their relationships with other localities, according to how different aspects of economic liberalization have impacted various localities (Ueda, 2007). In the field trip it was observed that, banana and beans intercropped in the field were better maintained than coffee trees.

**Table 13: Status of coffee trees after introduction of Mount Meru coffee Project (N=100)**

<b>Status of coffee trees</b>	<b>Frequency</b>	<b>Percent</b>
Remained the same	46	46.0
Increased	44	44.0
Decreased	10	10.0
Total	100	100.0

#### **4.4.6 Status of coffee production after the Mt. Meru Coffee Project**



The objective of the Mt. Meru Coffee Project is to raise income of the farmers in Meru diocese. The objective will be achieved not only through good price but also through increased production. The study therefore looks on the production levels of individual farmer. The study found that there has been no change in production in terms of number of coffee trees. However, 50% of the respondents had opinion that there has been increase in production while 37% said the production has remained the same like before the project. 13% had opinion that production has decreased. According to the BoT report of 2009, production of coffee in Tanzania had negative percentage change from the year 2003/04 (Table 2). Thus, the decrease of production in Meru area may be due to other factors beyond project operations. This decline has long been attributed to ageing coffee trees, poor crop husbandry, lack of support from government, and high production costs relative to other crops. Thus farmers opted for other crops less cost and ready market like vegetable and banana.

#### **4.4.7 Accessibility to inputs for coffee production**

Mount Meru Coffee Project is encouraging use of manure as opposing to artificial fertilizers. Farmers are aware of that and animal manure is widely used because of their availability. However, other inputs remain important for the production of the crop. The farmers had different response from where they obtain inputs. 92% said that they obtain inputs from input shops, 4% from other coffee buyers and 3% from the project. Similar reaction was observed in FGD where the participant explained the difficulties for the project to provide inputs on credit. One concerned was that farmers are not faithful in selling their produce through the project; hence it becomes risky to supply inputs on credit. The idea of having Association's SACCOS is vital to implement. SACCOS has been considered as an important organ to assist farmers to have savings and obtain credits. For example, World vision,(2002) insist that SACCOS as semi-formal sector are associated

with group- lending, where peer pressure effectively substitute for collateral and other group members may take action to prevent one member defaulting. Further analysis showed that farmers obtain these inputs in normal market price and very little on government subsidies. The study found that the Mt. Meru Coffee Project has helped farmers in solving problems in processing and marketing of the coffee; however, giving low attention in the production process.

#### **4.5 Mount Meru Coffee Project and Marketing Coffee**

According to National Trade Policy 2003, the government introduced the direct export of premium green coffee, both Arabica and Robusta of higher quality commanding premium prices, and it was exempt from sale at the TCB auctions. These exports were facilitated by contracts between buyers located outside of Tanzania and TCB-approved exporters, including farmer groups, cooperatives, large estate owners, and non-governmental organizations (URT, 2009b). The Mt. Meru Coffee Project, however not alone, has successfully utilized the opportunity in coffee market liberalization. Therefore this section discusses strength and weaknesses of Mt. Meru Coffee Project in light of other buyers and the way it is valued by the farmers.

##### **4.5.1 Coffee buyers besides Mt. Meru coffee project**

The study discovered that apart from the Mt. Meru Coffee Project there were other coffee buyers in the area such as the Association of Kilimanjaro Specialty Coffee Growers (AKSCG, or Kilicafe) and DOMAN (T) LTD, to mention few. The study found that farmers for some reasons they sell their produce to these companies/ individuals. Study population distribution indicates that 50% of the population are selling coffee to other coffee buyers while 49% they are selling through the project. The following sub-section will give some explanations for the observed variable options.

#### 4.5.2 Coffee buyers versus Mt Meru coffee project

Focus Group Discussion identified that price of the coffee, second payment, timely payment, distance from factory and provision of inputs are among the factors influencing a farmer to choose a particular buyer. These factors were studied and results show that 58.5% of farmers are selling their produce thorough other buyers than the project because of timely payment. The distance to the factory as a factor was examined and 13.2% of the respondents go for other companies due to transport cost from farm to factory. However, the distance constraints show little effect as compared to timely payments. FGDs suggested the payment to be done in period not more than one week after selling the produce. The period is considered to be enough for the project to accomplish financial logistics. Provision of transport or introduction of buying centres in convenient place may reduce the distance constraints.

**Table 14: Coffee buyers versus Mt. Meru Coffee Project (N=53)**

<b>Other coffee buyers versus Mt. Meru Coffee Projects</b>	<b>Frequency</b>	<b>Percent</b>
Payment is done on time	31	58.5
Is the nearest centre	7	13.2
Is the only one available	6	11.3
Second payment	3	5.7
Good price	3	5.7
They can buy coffee even with low quality	2	3.8
They provide inputs	1	1.9
Total	53	100.0

#### 4.5.3 Mt. Meru coffee project versus other coffee buyers

The same factors as mentioned above were examined in favour of the project. Respondents distribution shows that 44% selling the produce through the project because of second payment. 27% Choose Mt. Meru Coffee Project because of good price offered. While 12% were attracted by timely payment, 9% they sell through the project to maintain their membership irrespective of other factors. The results shows that, if the project improves on

timely payment, maintains good price and second payment there is possibility to win over other coffee buyers. The study discovered that Mt.Meru Coffee Project has advantage over other buyers since the price offered is determined before in the purchase contract irrespective of market price at auction in Moshi (Appendix7).

**Table 15: Mt. Meru coffee project versus other coffee buyers (N=98)**

<b>Mt. Meru Coffee Project versus other coffee buyers</b>	<b>Frequency</b>	<b>Percent</b>
Second payment	44	44.9
Good price	27	27.6
Payment is done on time	12	12.2
To maintain membership	9	9.2
Is the nearest centre	4	4.1
Is the only one available	2	2.0
Total	98	100.0

#### **4.5.4 Mt. Meru Coffee Project in the crop-season 2009/10**

The study excluded other coffee buyers and examined recognition of the project in the season 2009/10. Mt. Meru coffee project was still accepted and valued by 70% of the respondents in the season. However, 30% of the respondents showed reluctance in selling their produce through the project. Late payment, failure to open one of the buying centres emerges as major factors affecting its operation in the area.

The portion of the population (N=32) which was reluctant to Mt. Meru Coffee Project was examined to ascertain the reasons for reluctance. Table 15 shows the distribution of the respondents that 28.1% were affected by late payment while the same figure was affected by failure to open one of the project's factories at Mulala centre. Administration problems and low production in the season 2009/10 carry the same weight of 15.6%, while 12.5% of the population were affected by distance from the factory. The study found that the problem of late payment and failure to open one of the factories in the season 2009/10 can

be addressed by higher authority at project office- DME to rescue the sliding back of the farmers from the project.

**Table 16: Farmers reluctance to the Mt. Meru Coffee Project in crop-season 2009/10**  
(N=32)

<b>Farmers reluctance to the project</b>	<b>Frequency</b>	<b>Percent</b>
Late payment	9	28.1
Mulala centre didn't operate in the season 2009/10	9	28.1
Administration problems on service delivery	5	15.6
Small quantity of coffee produced in 2009/10	5	15.6
Selling to the nearest centres	4	12.5
Total	32	100.0

#### **4.6 Impact of Mt. Meru Coffee Project**

The Mt. Meru Coffee Project has tried to revive the crop which has been at recession conditions for many years in Meru area since the liberalization of coffee market in the 1990s. Different stakeholders in the society were affected differently by the collapse of the crop. Thus the following section put forward impact assessment of the project by different beneficiaries. In the last two sections describes contribution of the project on farmers' income and its uses in different wellbeing of the smallholder families.

##### **4.6.1 Farmers assessment**

The main objective of the Mt. Meru Coffee Project is to raise the small farmer income in Meru Diocese-Tanzania. According to project document, (2009) since establishment of the Mt. Meru Coffee Project, there has been positive change to farmers' income. When the project started the price of coffee was TZS 300/= to 400/=per kilogramme of parchment. When the project started export in the crop season 2002/03 purchased coffee at the rate of 900 TZS/Kg of parchment (Table 1). The Mt. Meru Coffee Project uses a multi-payment system, while private buyers normally adopt a single, fixed-cash payment system upon the

delivery of coffee at the buying centers. The multi-pay system adopted by the project was observed as advantageous to farmers since it serves as savings.

#### **4.6.2 Assessment of other coffee buyers**

The effect Mt. Meru Coffee Project was also observed when compared to private companies and co-operatives buying coffee in the area. The price offered by the project it was a challenge to other coffee buyers to increase the price to win customers. Thus, even the farmers who are not members of the project have increased their income through the fair competition. In the Crop season 2009/10 Mt. Meru Coffee Project had paid her clients 2 550 TZS/ Kg of parchment (Mt. Meru Coffee Project, 2010). The study identified that, in the same season, the highest payment (2 850 TZS/Kg), was obtained from Poli- Meru Rural Co-operative Society. The co-operative is located in the same geographical area. The study also discovered that other companies bought coffee in the same area paid the farmers between 1 600 to 2 000 TZS/ Kg of parchment. From these findings it can be learnt that Mt. Meru Coffee Project was affected by the purchase contract which deviate from the highest price offered in the auction. However, on average basis the prices offered by the project show a steady increase (Table 1).

#### **4.6.3 Assessment of input suppliers, transport agency and processors**

The study also identified that farmers operating under Mt. Meru Coffee Project obtain inputs for coffee production from private input suppliers. Thus, effect of the project was extended from farmers to input suppliers who had opportunity to sell inputs and by doing so increase their income. Transport agents had opportunities through the project by transporting inputs to farmers, coffee to factories and parchment coffee to coffee curing at Moshi; the chain is endless. It goes as far as to shipping agency from Tanga/Dar es salaam port to Mt. Meru Coffee Project Inc. in USA.

Another stakeholder includes processors. During primary processing, the pulp is separated from the beans, whose mucilage is removed via fermentation before being sun-dried, resulting in parchment coffee. The processing at factory employs a number of daily paid labours depending on the volume collected. The dried parchment is delivered to curing factories for secondary processing, which consists of hulling, polishing, and grading into various categories of green/clean coffee beans according to shape, size, and density. Samples are sent for quality assessment to the Tanzania Coffee Board (TCB) in Moshi in the Kilimanjaro Region, and bulk coffee is offered for sale to licensed export companies under the national auction system organized by the TCB. This bulk coffee is transported to ports in Tanga or Dar es Salaam for shipment abroad.

Thus the project had offers a chain of opportunities leading to utilization of available human resource. The Project has reduced stress of unemployment, increase income and therefore reducing pressure of its inadequacy.

#### **4.6.4 Contribution of Mt. Meru Coffee Project on income**

Mt. Meru coffee Project since its operation in the crop season 2002/03 have made pronounced contribution to the wellbeing of the farmers in Mount Meru area. According to records from the project office there has been steady increase of the coffee price since 2002/03 to 2009/10 (Table1).

The income obtained from coffee was useful to attend important matters in the smallholders' life. The list was very diverse from person to person and village to village in different wards. However, the following appeared common for the majority: Paying for school fees and school uniform, buying of building material and building modern houses; paying for medical services, acquisition of building plots and extra land to cultivate other

crops. The income was also used in buying: food, animals, clothes, inputs for other crops; and paying for cost for hiring a land for maize production. Generally large portion of the study population, (78%) reported that there has been improvement in their life through coffee; hence poverty reduction.

Assessment of income volumes obtained from coffee was varied greatly from village to village depending on its location and distance from Arusha town or any other potential market. In Leguruki ward (Leguruki, Nkwasenga, Maruvango, Miririn, and Shishtony villages) coffee emerge to be the major source of income followed by maize & beans then dairy production. Income from coffee range from 0.9 to 3.0 million TZS per annum while three villages (Songoro, Mulala and Kilinga) in songoro ward, dairy production becomes number one. On the other hand income from coffee is at par with income from horticultural crops-mainly carrots and Irish potatoes; with income range from 0.36 to 1.2million TZS per annum. In Ngyani, Nshupu and Nkoanekoli (Nkoaranga Ward); coffee emerge to be major source of income with income ranging from 0.72 to 1.8 Millions TZS per annum. Second source of income was from banana while dairy production was the last. The three villages in Nkoaranga ward are located in relatively lower zones as result they don't or practice very little or no production of carrots and Irish potatoes. However, they have advantage of access to market for banana which provides them good income. Income from local chicken was comparatively low throughout the sample. The findings partly supports the study conducted in Arumeru by Kimaro,(2008) which identified that dairy production is leading followed by banana, coffee, local chicken, and maize. Therefore the Mt. Meru Coffee Project is trying to revive valuable and historical cash crop which its image is overshadowed by new livelihood strategies and possibilities of diversification.



#### 4.6.5 Contribution of Mt. Meru Coffee Project on market information

The liberalization of the coffee sector has created worries and tension among the coffee producers. Thus farmers have to be well informed on the availability of profitable market before further production. Accessibility to market information was examined and results showed that, comparatively the project provides some market information to its client especially during the annual meeting. This is made clear when the farmers are receiving their second payments at the end of season. Focus Group Discussion comments that none of the private buyers disclose this information to farmers; hence this gives credibility to the project for its transparency. However, it is further urged that the project has to conduct sensitization seminars for the farmers in groups to re-allocate their efforts in the only cash crop in the area by assuring the profitable market it provides. The distribution of respondents patterning market information is shown in Table 17.

**Table 17: Market information provided by the Project (N=86)**

<b>Market information</b>	<b>Frequency</b>	<b>Percent</b>
Average	34	39.5
Poor	22	25.6
Very poor	15	17.4
Good	13	15.1
Very good	2	2.3
Total	86	100.0

#### 4.7 Challenges Facing the Mt. Meru Coffee Project

In order to discover the challenges views of the farmers were examined based on the operations of the project. The results show that 63.3% of the farmers were satisfied with the way project is operated and 36.7% were not pleased with the project performance. It was observed that the following parameters had different weights as drawback in the project implementation: Low coffee price, inadequate proper payment scheme and insufficient market information. Others were lack of accountability, lack of knowledge on

co-operative, lack of coffee production support-extension service, loans and inputs on credit.

#### 4.7.1 Price

According to Oxfarm, (2001) in the early 1990s when the price of coffee collapsed in the World market, Wameru were amongst many people who were affected. Thus it was important to see to it that Mt. Meru Coffee Project has addressed this issue properly. The result shows that 41.4% of the respondents term the price as average; 37.9% name it as good and 6.9% claim to be very good. Focus Group Discussion concluded that the price offered by the project is reasonable compared to other buyers but still remained low compared to cost of production, thus price appeared to be one of the challenges. However, statistics from Ministry of Agriculture, Food security and co-operative as reported by Bank of Tanzania (2009) indicates the producer price of Arabica coffee in crop season 2007/08 was 1 850 USD/Ton; while Mt. Meru Coffee Project paid 4 400 USD/Ton, (Table 3 and 1 respectively). From these data the price offered by project has been above the average price offered in auction at Moshi.

**Table 18: Price offered by the Project (N=87)**

<b>Price</b>	<b>Frequency</b>	<b>Percent</b>
Average	36	41.4
Good	33	37.9
Poor	8	9.2
Very good	6	6.9
Very poor	4	4.6
Total	87	100.0

#### 4.7.2 Payment scheme

The Mt. Meru Coffee Project uses a multi-payment system, while private buyers normally adopt a single, fixed-cash payment system upon the delivery of coffee at the buying

centers. Thus, in this case timely payment and second payment for coffee were analysed and show different effect to the smallholder farmers. The strength of the project on timely payment was investigated and discovered that the project is neither performing very poor nor very good in this parameter, its timely payment was rated average by 36.8% of the respondents. In FGDs it was discovered that timely payment was very poor in Mulala factory where some of the farmers were paid their money after six months. Thus, the timely payment emerges as another challenge for the project. Informal discussion with project manager revealed that the Mulala factory case was exceptional due to existing administration. However, the project management had resolved the observed situation by changing the factory administration.

**Table 19: Timely payment by the Project (N=87)**

<b>Timely payment</b>	<b>Frequency</b>	<b>Percent</b>
Average	32	36.8
Good	22	25.3
Poor	14	16.1
Very good	12	13.8
Very poor	7	8.0
Total	87	100.0

The Mt. Meru Coffee Project paid her clients second payment after closing of the buying season. The amount to be paid is subject to the price obtained in the Auction at Moshi. The provision of these payments was examined and revealed the results shown in Table19. Hundred percent of the population confess that the project pay second payment after each season. On the other hand in terms of the amount paid was average (35.7%).

In Focus Group Discussion participant it was learned that the small amount of the second payment is result of coffee price auction that can not be controlled by the project. However, farmers are not satisfied with the amount paid therefore it was also identified as a challenge. Participants in FGDs urge that Mt. Meru Coffee Project has made changes in

the area to the extent that other companies buying coffee they are forced by the situation to pay second payments and provide some inputs in the sake of maintaining their customers. Thus the project is helping farmers indirectly by becoming a mile stone for other coffee buyers.

**Table 20: Second payment paid by the Project (N=84)**

<b>Second payment</b>	<b>Frequency</b>	<b>Percent</b>
Average	30	35.7
Good	29	34.5
Poor	15	17.9
Very good	5	6.0
Very poor	5	6.0
Total	84	100.0

#### **4.7.4 Accountability of the leaders at factory level**

The term accountability refers to the requirements that the organisation members to whom responsibility and authority are delegated be held answerable for results. Accountability, in any firm however small or large it may be, has an effect on the goal attainment. While Accountability may be evaluated differently by specialists in Management, normal person can evaluate in terms of service provided by the leaders. Thus accountability of factory leaders and the Farmers' Association in the project was examined from that concept. The results found that their level of accountability is average. However, Focus Group Discussion has different opinion that the leaders at Mulala factory were not accountable to the farmers. Furthermore, they urge that failure of the project to buy the crop in the season 2009/10 was due to administration problems and not the project itself. Higher level of accountability was recommended by respondents at Makumira factory while in Leguruki it was reported fairly well. Generally the study found that farmers groups and administration of the factories need to abide to the constitution.

**Table 21: Accountability of the leaders at factory level (N=87)**

<b>Accountability</b>	<b>Frequency</b>	<b>Percent</b>
Average	27	31.0
Good	26	29.9
Poor	17	19.5
Very poor	11	12.6
Very good	6	6.9
<b>Total</b>	<b>87</b>	<b>100.0</b>

#### **4.7.5 Co-operative knowledge of the leaders at factory level**

Mount coffee project is performing similar function like former Co-operatives in buying, processing and marketing coffee. Thus, knowledge of the leaders on how to keep both sales and financial records is inevitable. The study discovered that, the leaders were given their position through election, and the co-operative knowledge was not a factor. However, most of the leaders were having some positions in the former Arusha Co-operative (ACU), thus their experience was added advantage. On the other hand focus group discussion had negative opinion patterning this experience that it will harm their project.

**Table 22: Co-operative knowledge at factory level (N=87)**

<b>Co-operative knowledge</b>	<b>Frequency</b>	<b>Percent</b>
Average	32	36.8
Poor	32	36.8
Very poor	18	20.7
Good	5	5.7
Very good	0	0.0
<b>Total</b>	<b>87</b>	<b>100.0</b>

#### **4.7.6 Coffee production support**

Extension service, loans and provision of inputs on credit are among the important services and support for any agricultural production. Extension service can have wide range of explanation; one of them is when considered as communication: Extension is a series of embedded communicative interventions that are meant, among others, to develop and/or

induce innovations which supposedly help to resolve (usually multi-actor) problematic situations (Leeuwis, 2006).

Extension service entails proper use of agronomic practices, markets, marketing and market information, processing, acquisition of inputs and training of the farmers. Provision of extension service by the project was examined and results show that 95% of the respondents vividly urge that the project does not provide extension service. The FGD has the opinion that for the farmers to have good quality coffee commodity based extension service should be employed.

On the other hand provision of loans by the project results shows that 96.6% of the respondents said that there is no loans provided to support farmers in the production costs. Another area was provision of inputs on credits. A similar result was observed that 95.3% of the respondents said that the project does not have such package. Discussion with Project Management at DME office agreed that the three components: extension service, loans and inputs on credits, currently are not provided but they are in their future plans of the project. The observed condition suggest that coffee buyers: co-operatives and private companies including Mt. Meru Coffee Project are much concern on buying coffee and none of them is looking on production support.

#### **4.8 Strategies to Overcome the Challenges**

Respondents were asked to propose strategies to overcome the challenges identified in the project. Strategies identified by participants in group discussion and household interview were analysed and summarized. The following emerge to be major ones: increase coffee price, adopting proper payment scheme, observe accountability, seminars for farmers

groups and factory leaders; finally provision of production support such as: extension service, provision of inputs on credit and establishing SACCOS to obtain loans.

#### **4.8.1 Increase coffee price**

On the price of coffee the study found that the price offered by the project is higher than other coffee buyers. However, the price does not match with the cost of production. Project Management declare that this is beyond the control of the project. The trend shown by World market 2007/2008 shown in Table 3 is promising the improvement in the price of the crop. For example, the producer price for Arabica coffee has increased from 400 USD/Ton in 2001/02 to 1 850 USD/Ton in 2007/08 (BoT, 2009). For the project to address this challenge it is suggested to extend its market beyond Milwaukee Synod in USA and start processing and packaging/ blending of coffee in the country.

#### **4.8.2 Adopting proper payment scheme**

The study found that the project doesn't have their own printed money receipts and the farmers are aware that they deserve receipts indicating quantity sold and money paid. The study also found that farmers are ready to wait for the promised day(s) for payment provided that the promise is kept. Delaying in payment for one or two weeks discourage the farmers to be active members of the project. Thus it is proposed that the project print their own ledger and receipts to facilitate record keeping for both the factories and farmers. The proper record keeping will also enhance financial auditing. Another strategy for payment is to have a specified day(s) for payments and be known by farmers prior to selling delivery of the crop in the factory.

**Table 23: Strategies to overcome the Challenges (N=98)**

	<b>Strategies</b>	<b>Frequency</b>	<b>Percent</b>
Provide	Provision of production support	61	62.2
	Leaders observing accountability	25	25.5
	Increase price of coffee	6	6.1
	Adopt proper payment scheme	6	6.1
	<b>Total</b>	<b>98</b>	<b>100.0</b>

#### **4.8.3 Leaders to observe accountability**

The study found that leaders in the farmers associations are elected following the procedure and regulations in the constitution (Appendix 5). Democracy is used in leaders' election and they are expected to be accountable in their respective positions. Table 20 shows the levels of the accountability of the leaders in the factory. It was observed that the responsibilities are clearly stipulated in section 12 of the MMSCGA constitution. However, the study indicates that 31% had opinion that accountability of leaders is average. The figure is below average hence call for attention of the project management to address the challenge. Focus Group Discussion suggested that education level, being a potential coffee farmer be included in the criteria for one to be eligible candidate for leadership positions. It is also argued that project management conduct routine auditing to avoid misappropriation of funds. It further suggested that the newly elected factory leaders as well as farmers' groups' leaders to be given a seminar related to their activities in the project.

#### **4.8.4 Provision of coffee production support**

The study comment that provision of production support such as extension service, provision of inputs on credit and establishing SACCOS; be in the action plan of the Mt. Meru Coffee Project.



#### **4.8.4.1 Provision of extension service**

It suggested that Mt. Meru Coffee Project provides extension service to her farmers. Farmers in group discussion mention that other projects which operate in the area have their own extension service or contracted from Government. They suggest to the project to look for the appropriate ways of having extension service for better harvest of the good quality coffee.

#### **4.8.4.2 Provision of inputs on credit**

The major concern of the farmers was provision of inputs on credit. Farmers strongly urge that coffee is doing well in the area and will keep on doing so if they can obtain necessary inputs on credit. The challenge that the farmers are not consistency in selling their produce through the project, they suggested that each factory have to work with farmers' groups and not individuals. This will be possible for the Project through factory to provide inputs to the groups; and finally groups distribute to the producer. In doing so the farmers know each other and they can collect the payback of the debt in mutual understanding --even in the situation where farmer may fail to sell coffee through the project.

#### **4.8.4.3 Establishment of SACCOS**

Farmers also are eager to have cash credit from the project. They proposed that each factory can be a centre for Farmers SACCOS from which they can save money and obtained cash credit when needed. The discussion with the project management show that they are aware of the need for SAACCOS and plans will be implemented after necessary logistics.

### **4.9 Chapter Summary**

The chapter dealt with results and discussion of the study. Discussion is built on the objectives of the study started earlier. It started with demographic data of the respondents,

identification of the livelihood projects owned by ELCT-DME, their importance and quality of the service provided. Pre-effect of the Mt. Meru Coffee Project on production and marketing of coffee was analysed. Impact of the Mt. Meru Coffee Project was determined by using analysis of beneficiaries. Lastly the study identified challenges to the projects as well as proposed strategies to overcome the challenges identified in the study. The study interviewed coffee growers, males and females of different age categories; different levels of literacy; different religious affiliations and denomination. Results show that there were male dominance and level of literacy is slightly higher (82%) as compared to National data 72.5 % (URT, 2007).

On religious affiliations and denomination, Christians dominated by 99% while on denomination Lutherans led by 58% of the population. The study found that ELCT-DME owned livelihood projects which are well maintained. Ninety nine percent of the respondents acknowledge the quality of service provided by the diocese for being free from any kind of discrimination. Diocese of Meru owned and run various projects to improve livelihood of the people in the area agricultural project inclusively. Importance of these projects has different weights; agricultural projects fall behind education and health services. However, in ranking agricultural projects coffee scored 81.1% of the respondents, hence importance of Mt. Meru Coffee Project.

The study found that that there has been no change in production in terms of number of coffee trees while 50% of respondents reported increased quantity of coffee produced annually. Coffee Project has made pronounced contribution to the wellbeing of the farmers in Mount Meru area; 78% confess that there has been improvement in their life through coffee. The income obtained from coffee was useful to attend important matters in the people's life like buying food, paying school fees, attending medical services and building

houses. The project has reduced magnitude of both income, and non-income poverty. In the same chapter the following challenges were identified: Failure to provide extension service, loans and inputs on credit. To overcome the challenges it suggested that the project can hire or employ extension agent and finally establish SACCOS to resolve the problems of loans and input credits. It is also suggested that farmers and project management have to elect honest people to handle their produce. Generally, participatory project management, other factors remain constant, will yield everlasting fruits of success; otherwise the project will be for good intention but few results.

## CHAPTER FIVE

### 5.0 CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Conclusions

The study examined role played by ELCT-DME in poverty alleviation using Mt. Meru Coffee project as a case study. The study identifies livelihood projects owned by ELCT-DME; importance of the projects and quality of the service provided by these projects. The study also tries to assess effects of Mt. Meru Coffee Project in coffee production. Furthermore, contribution of Mt. Meru Coffee Project on poverty alleviation in terms of income was analysed. Finally, challenges facing ELCT-DME on implementation of Mt. Meru Coffee Project were identified and strategies to overcome the challenges were proposed.

Based on the results of this study, the following are key conclusions:

- a) The study found that ELCT-DME owns livelihood projects and are well maintained. Ninety nine percent of the respondents acknowledge the quality of service provided by the diocese for being free from any kind of discrimination. Importance of these projects has different weights; agricultural projects fall behind education and health services. However, in ranking agricultural projects coffee scored 81.1% of the respondents, hence importance of Mt. Meru Coffee Project.
- b) The study found that there has been a positive change in production (50% of respondents), while in terms of number of coffee trees there is no change caused by the Mt.Meru Coffee Project.

- c) The project has reduced magnitude of both income, and non-income poverty. Seventy eight percent of the respondents reported that there has been improvement in their wellbeing through income obtained from coffee.
- d) Provision of extension services, loans and inputs on credit were identified as major challenges facing ELCT-DME on implementation of the Mt.Meru Project.
- e) The project in one of the factories is using premises and employees of the former Rural Co-operative Societies which creates a conflict of interest hence poor service delivery.
- f) The Mt. Meru Coffee Project has expected that coffee production will revive the Meru economy. Partly it is agreed that coffee is still an important income source and should be revived. However, declines in coffee production must also be understood as coping strategies by farmers in response to the poor coffee economy. These coping strategies are not limited to the coffee sub-sector even agriculture in general.

## **5.2 Recommendations**

On the basis of conclusions provided the study offers the following recommendations:

- a) The contribution of Mt. Meru Coffee Project and other non governmental organisations needs to be appreciated by the government and integrated into the government strategies to improve agriculture in the country.

- b) In collaboration with government the project has a role to play in providing extension service for quantity and quality assurance of coffee.
- c) Finalizing the SACCOS formation logistics in each factory. This will help farmers to save and obtain both cash and input credit.
- d) Mount Meru Coffee Project in collaboration with financial institutions can expand the market more than Great Milwaukee Synod. In connection to that there is need for the project to have small processing industry for roasting and packing/blending so as to add value instead of exporting green coffee.
- e) It is recommended that the project occupies own factories or have a specified contract to avoid unnecessary shortcoming. In managing factories all necessary financial principles including auditing has to be adhered.

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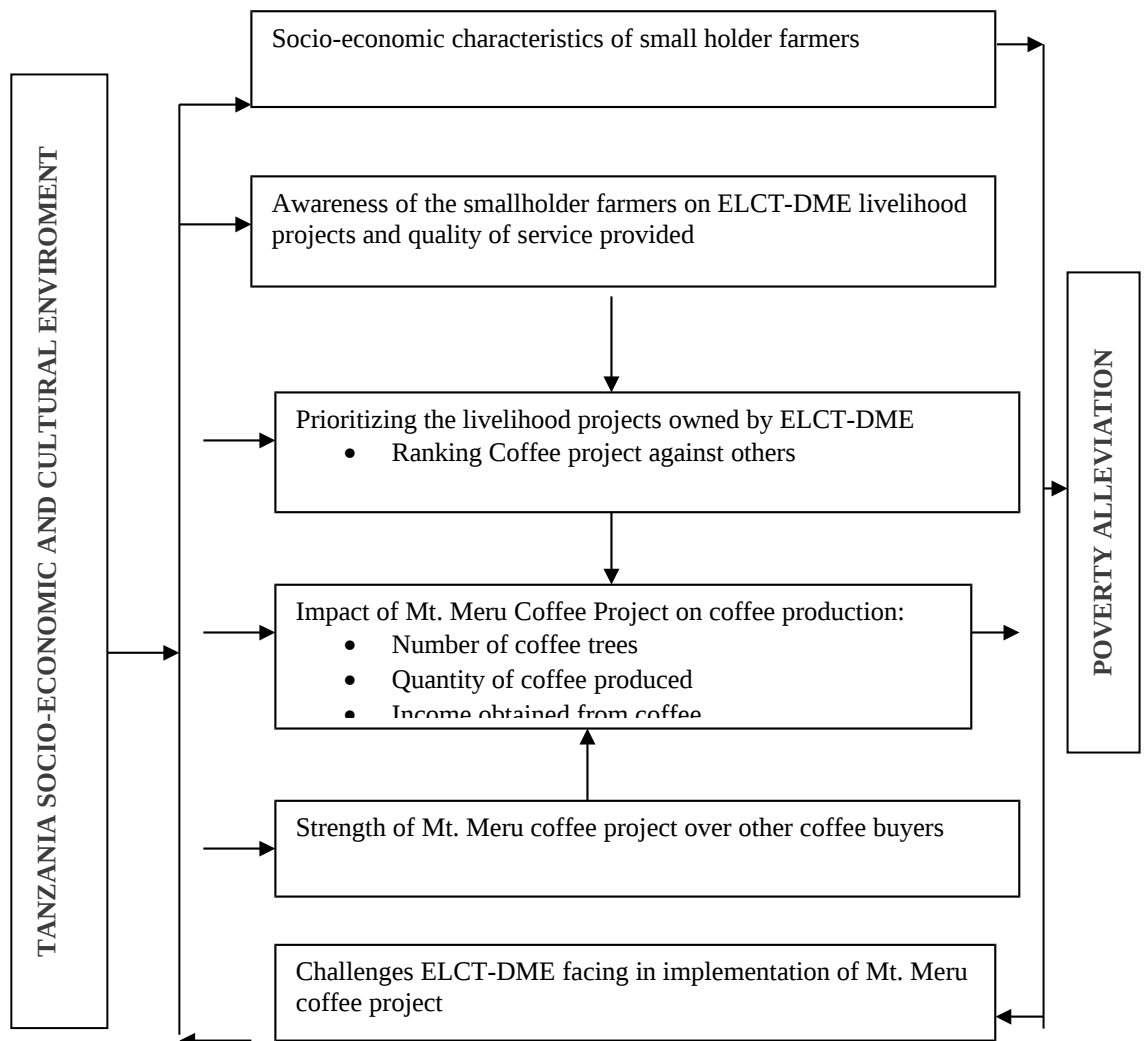
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APPENDICES

Appendix 1: Conceptual frame work

Figure 1: Conceptual frame work



**Appendix 2: Definition of key variables**

<b>Variable</b>	<b>Operational definition</b>	<b>Indicator(s)</b>
Age	Ranges in years of birth	Number of years
Sex	Being female or male in biological sense.	Male and female
Religion	Respondents' belief that they belong to.	Christianity, Islam, African religion (traditionalist), other
Denomination	Sub-group of Religion	Lutherans, PCEA, AMEC, Pentecostal, etc.
Education	Level of literacy	Non-formal, primary school, secondary school, post-secondary education.
Poverty	State of deficiency	Less income, food, poor housing, education, etc.
Alleviation	Reducing magnitude of deficiency	Improvement on income, food, housing, education, etc
Income	Acquisition of amounts of money	Monetary units: Shillings, dollars, etc.
Challenges	Problems facing DME in implementing Mt. Meru coffee project.	Peoples' negative attitude's to towards Mt. Meru coffee project.

**Appendix 3: Questionnaires for household interview**

**QUESTIONNAIRE FOR COFFEE FARMERS IN DIOCESE OF MERU UNDER MOUNT MERU COFFEE PROJECT**

**Introduction**

Dear respondent,

You have been selected randomly to provide some information about contribution of Evangelical Lutheran Church in Tanzania-Dioocese of Meru in Poverty alleviation through Mt. Meru coffee project.

It will be very much appreciated if you could share with us your experiences on the subject by answering the following questions freely and honestly. The information is important for the candidate doing Masters Degree at Sokoine University of Agriculture. Furthermore it will be useful for the Mount Meru coffee Project in carrying out its activities in the future.

You are assured that your responses will be treated with strict confidential.

**Identification**

Questionnaire number.....

Date of interview (Date/Month/Year) .....

Name of village.....

Name of Ward.....



### A. Background information of respondents

**Instructions to the interviewer:** *Circle the applicable number/slot in the appropriate questions/phrases.*

A1. Sex of the respondent: 1. Male 2. Female

A2. Age of the respondent in complete years: \_\_\_\_\_ (years)

A3. Marital status of the respondent: 1. Single 2. Married 3. Widow/Widower 4. Divorced  
5. Co-habitant 6. Separated

A4. Education level: 1. No formal education  
2. Primary school education  
3. Secondary school education  
4. Post-secondary school education

A5. Religious affiliation: \_\_\_\_\_

A6. Denomination: \_\_\_\_\_

### B. Objective one

Livelihood projects owned by Evangelical Lutheran Church in Tanzania- Diocese of Meru  
Introduction: *Projects will refer to schools, hospitals/dispensaries, orphanage centres, disabled centres, SACCOS, marketing of crops, fishery keeping, dairy goats and cows for the needy people etc. Agricultural projects refer to those projects related to food and cash crops and animal keeping.*

B1. Are you aware of any projects owned by ELCT diocese of Meru? 1. Yes 2. No

B2. If "Yes"; mention them according to their order of importance:

1. ....
2. ....
3. ....
4. ....
5. ....

B3. Are you aware of any agricultural based projects owned by ELCT diocese of Meru? 1. Yes 2. No

B4. If "Yes", mention them according to their order of importance.

1. ....
2. ....
3. ....

4. ....

5. ....

B5. Does the service provided by the ELCT-diocese of Meru discriminate against non-Christians? 1. Yes 2.No.

B6.Does the service provided by ELCT-diocese of Meru favour Lutherans? 1. Yes 2.No.

B7. Do the projects (e.g. Schools, hospitals) own by ELCT-diocese of Meru employ non-Lutherans? 1. Yes 2.No

B8. Apart from academic qualification, who own the leadership posts in the Meru diocese projects?

1. Lutherans
2. Non Lutherans
3. Lutherans with strong participation in the church
4. "Born-again" (*waliokoka*) Lutherans
5. People with good relationship with pastors and church leaders
6. Any member of Christian council of Tanzania (CCT)

### ***C. Objective two and three***

#### **I. Respondent's Coffee production data**

C1.What is estimated total size of shamba in acres.....

C2.What is the size of shamba set aside for coffee in acres.....

C3. How many coffee trees do you have in your shamba .....

***When Mount Meru Coffee project started to operate, coffee growers were encouraged to form groups. These groups together formed an association called Mount Meru Speciality Coffee Growers Association (MMSGGA).***

C4. Do you belong in one of the farmers' group under Mount Meru Speciality Coffee Growers Association (MMSGGA)? 1. Yes 2.No

C5. After introduction of Mount Meru Coffee Project is there a change in coffee production in your shamba? 1. Yes 2.No

C6. What is the status of number of coffee trees in your shamba after introduction of Mount meru coffee Project?

1. Remained the same
2. Increased
3. decreased

C7. What is the situation of coffee harvested in your shamba after introduction of Mount Meru coffee project?

1. Remained the same
2. Increased
3. Decreased

## II. Availability of agricultural inputs in coffee production

*(Agricultural inputs refer to equipments, fertilizers, improved coffee varieties, insecticides, herbicides, machinery, etc.)*

C8. Where do you obtain inputs for coffee production?

1. Mount Meru Coffee Project
2. Other coffee buyers
3. From input shops.

*(If obtained from input shops go to C10)*

C9. If you are obtaining inputs from coffee buyers *(including Mount Meru coffee Project)* do they provide on:

1. Credit
2. Credit and subsidized price
3. Subsidized price
4. Normal market price
5. Free

## III. Effects of Mount Meru Coffee Project on coffee market

C10. Is there any other *(apart from Mount Meru coffee project)* private or Government coffee buyer in your village? 1. Yes 2.No

C11. If yes in C10 above, mention them:

1. ....
2. ....

C12. Do you also sell your coffee to these buyers? 1. Yes 2.No

***(If yes, in C12 go to question C13; if not go to question C14)***

C13. Why did you choose other coffee buyers and NOT Mount Meru Coffee Project?

***(Circle the applicable)***

- 1. Good price
- 2. Payment is done on time
- 3. Second payments *(After closing the season)*
- 4. Distance from the cooperative
- 5. They can buy coffee even with low quality
- 6. Is the only available one
- 7. To maintain membership

C.14. Why did you choose Mount Meru Coffee Project and NOT other coffee buyers?

***(Circle the applicable)***

- 1. Good price
- 2. Payment is done on time
- 3. Second payments*(After closing the season)*
- 4. Distance from the cooperative
- 5. They can buy coffee even with low quality
- 6. Is the only available one
- 7. To maintain membership

C15. Are you still selling your coffee through Mount Meru Coffee project in the season-2009/10? 1. Yes 2.No.

C16.If the answer is “No” in C15, give brief explanation:

.....  
.....

**IV. Effects of Mount Meru coffee project on the respondents' income**

***You have been selected in this study because you grow coffee. However, you have other Agricultural sources of income apart from coffee. These include all other crops and livestock***

C17. In the Table below rank the agricultural sources of income (*including coffee*) according to their order of importance (at least three)

S/No	Source of Income	Average Income / year (TZS)
1		
2		
3		
4		
5		
<b>Total</b>		

C18. Do you have other sources of income (*e.g. Salary, Business, etc?*) 1. Yes 2.No.

***(If “Yes”, answer both questions C19 &C20; if “No”, go to question C20)***

C19. In the Table below enter/ list other sources of income according to their order of importance.

S/No	Sources of income	Average earning/month	Average earning/annum
1			
2			
3			
4			
5			

#### **IV. Effects of Mount Meru coffee Project on the wellbeing of the people**

C20. In your wellbeing, is there any special contribution made through coffee since introduction of Mount Meru coffee project? 1. Yes 2.No. ***(If “Yes” answer question C21; if “No” go to question D1)***

C21. List contribution of coffee (*after introduction of Mount Meru coffee project*) in different areas (*such as school fees, buying cows, buying food, etc*) for the past two years:

- i. ....
- ii. ....
- iii. ....

#### **D Objective Four**

**VI. Challenges facing ELCT-DME on implementing Mount Meru coffee project.**

D1. Are you satisfied with the Mount Meru coffee Project in buying your coffee? 1. Yes  
2.No.

D2. What is strength of Mount Meru Coffee Project over other buyers in terms of service provided?

Type of service provided and level of skills needed	Quality of service provided by Mount Meru Coffee Project					
	1.Very good	2.Good	3.Averag e	4.Poo r	5.Very poor	6.Not available
1.Price						
2.Payment is done on time						
3.Second payments						
4.Market information accessibility						
5.Accountability of the employee						
6.Trustfulness of the employee						
7.Level of Co-operative knowledge for the employee						
8.Provision of extension service						
9.Provision of loans						
10.Provision of inputs on credit						

D3. On your views briefly mention what should be done to improve Mount coffee project:

- i. ....
- ii. ....
- iii. ....
- iv. ....
- v. ....

*Thank you for participating in this study*

#### **Appendix 4: Interview guide for Focus Group Discussion (FGD)**

The FGD comprised of Coffee Farmers' groups under Mount Meru Speciality coffee Growers Association (MMSCGA)

**Identification**

Date of interview (Date/Month/Year) .....

Name of Farmer's Group /Factory.....

Village.....

Ward.....

**Research Questions**

- i. What are the livelihood projects owned by ELCT-DME?
- ii. What are effects of Mt. Meru coffee project on coffee production in the study area?
- iii. What are contributions of Mt. Meru coffee project on inputs supply for coffee production in the study area?
- iv. What are the effects of Mt. Meru coffee project in coffee price?
- v. What are the effects of Mt. Meru coffee project on farmers' income in the study area?
- vi. What are special contributions made by Mt. Meru coffee project in wellbeing of the people in the study area?
- vii. What are challenges facing ELCT-DME in implementing Mt. Meru coffee project?
- viii. What are the possible solutions for the above challenges?

***Thank you for participating in this study.***



**Appendix 5: Mt. Meru Speciality Coffee Growers Association constitution**

Appendix 6: Registration certificate for Export of Premium Coffee

No.TCB/DE/03/054

**TANZANIA COFFEE BOARD**  
(Established by Act No. 23 of 2001)

**REGISTRATION CERTIFICATE FOR EXPORT OF PREMIUM COFFEE**


**M/S** ..... MERU SPECIALITY COFFEE GROWERS ASSOCIATION......  
.....  
P.O. BOX 96  
.....  
USA - RIVER  
.....

Is hereby registered to Export Premium Coffee  
Subject to the conditions attached to issuance of this certificate

Issued on.....12TH DECEMBER, 2007.....  
Expires on .....30TH JUNE, 2008.....

Designation.....by DIRECTOR GENERAL.....Signature.....*[Signature]*.....  
Date.....12 Dec 2007.....

Registration No.....TCB/DE/03/054.....

  
**OFFICIAL SEAL**

**Appendix 7: Coffee importation contract for Mt. Meru Speciality Coffee Growers Association**

<b>To</b>	<b>: Mt. Meru Specialty Coffee Growers Association P. O. Box 96 Usa River, Tanzania</b>	<b>March 25, 2008</b>
		<b>Ref# A-32508</b>
		<b>Page(s) 1 of 2</b>
<b>PURCHASE CONTRACT</b>		
<b>BUYER</b>	Mount Meru Coffee Project, Inc. (MMCP) Jerry K. Schmidt Pres. David Hammer VP. 208 Kisdon Hill Court Waukesha, Wisconsin 53188 USA.	
<b>REFERENCE</b>	2007/08 purchase	
<b>SELLER</b>	Mt. Meru Specialty Coffee Growers Association (MMSCGA)	
<b>SHIPPING AGENT</b>	Rombo Millers Co. Ltd. (for FDA compliance) Acting on behalf of the Mt. Meru Coffee Project, Inc.	
<b>RECEIVING AGENT</b>	Mt. Meru coffee project, Inc. Avanti Enterprises, LTD 6789 Industrial Loop Greendale, WI. 53129 USA	
<b>QUALITY / QUANTITY:</b>	Tanzania Washed Arabica coffees,	
	24 bags	1440 kgs PB
	82 bags	4920 kgs AA
	84 bags	5040 kgs A
	<b>TOTAL</b>	<b>190 bags 11400 Kgs</b>
<b>SHIPMENT</b>	April 2008	
<b>CROP YEAR</b>	2007 / 08	
<b>PRICE</b>	USD \$1.655 per Pound - FOB Dar Es Salaam	
<b>DESTINATION PORT:</b>	Norfolk Virginia, USA with the ultimate destination of Greendale, Wisconsin, via Chicago Illinois.	
<b>PAYMENT TERMS</b>	All payments have been made in full in advance.	

**"The buyer has agreed prior to the time of this contract to pay in full for all coffee being supplied by the seller as the coffee was being picked and processed. The Seller warrants that all coffees supplied to fulfill this contract will meet the quality requirements of direct export rules and will bear responsibility for documentation necessary to meet FDA or Public Health & Bioterrorism Preparedness & Response Act of 2002 with timely submission of all such documentation involved in the supply chain related to fulfillment of this contract in its entirety. Any consequences due to non-compliance which would prevent goods from entering the U.S., e.g. re-export or destruction of goods, delay in customs entry, or demurrage will be the full financial responsibility of the seller. Additionally, for Cash Against Document payment terms the buyer is entitled to full reimbursement as well as costs associated with import including, but not limited to freight, insurance and customs entry in the event that the seller is non-compliant with FDA regulations. "**

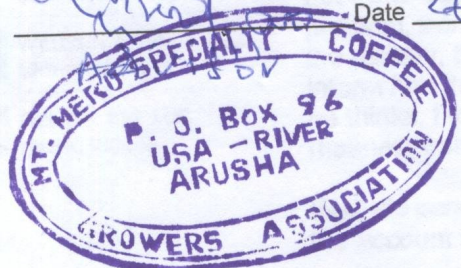
**"Any and all disagreements that may arise in the process of this agreement shall be submitted to arbitration. An arbitration panel consisting of no less than three persons shall be selected by and agreed upon by the parties to this contract. If an agreement can not be reached the matter will be referred to the International Coffee Organization for review and or arbitration. "**

THIS EMAIL PURCHASE CONTRACT AND CONFIRMATION THEREOF WILL BE THE ONLY CONTRACT PROVIDED- KINDLY PRINT, SIGN AND RETURN BY FAX/EMAIL. SHOULD YOU WISH A HARDCOPY BY MAIL, PLEASE LET US KNOW.


For the Mount Meru Coffee Project, Inc. (MMCP)

*[Signature]* Date March 25, 2008  
President

Accepted by: For MT. Meru Specialty Coffee Grower Association (MMSCGA)

*[Signature]* Date 26-3-2008  


**Appendix 8: Permit of direct coffee export**

	<h1 style="margin: 0;">TANZANIA COFFEE BOARD</h1> <p style="margin: 0;"><i>Telegram COBOT MOSHI</i></p>	<p style="margin: 0;"><i>Tel (027)27 52324 Fax (027)27 53033</i></p>
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REF.NO. M-2-1/DE/MT.MERU	TCB/DE/04/083
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22<sup>nd</sup> February, 2007

**M/S Mount Meru Specialty Coffee Growers Association,  
P.O. Box 96,  
USA – River,  
ARUSHA.**

Dear Sirs,

**RE: PERMIT OF DIRECT COFFEE EXPORT**

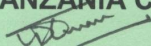
This is to confirm that your company has been permitted to export premium coffee. The following are the details of the consignment.

DATE	CONTR. NO	QUANTITY (BAGS)	GRADE	PRICE	TERMS	SHIPMENT
19.01.2007	A-11907	150	AA/PB FAQ.	USD 165.35 PER 50 KGS.	FoB DAR-ES- SALAAM	MARCH 2007

You are required to pay Export Permit Fee at the rate of USD 0.005 per Kg. as under:

Total weight:	9,000 Kgs.
Rate USD 0.005	45.00 USD
Amount due USD	45.00 USD

Yours faithfully,  
**TANZANIA COFFEE BOARD**

  
L.D. Omari  
**DIRECTOR GENERAL**

**DHM/LDO/jm**

## Appendix 9: Export quality certificate

TCB/QC/0555



**TANZANIA COFFEE BOARD**  
P.O. BOX 732 MOSHI  
TEL: 2752324 FAX 2752026

**THE TANZANIA COFFEE INDUSTRY REGULATIONS, 2003**

S/No...TCB/DE/06/0555.....  
Date...04.04.2008.....

**EXPORT QUALITY CERTIFICATE**

Exporter. .... M/S MT. MERU SPECIALTY COFFEE GROWERS ASSOCIATION .....

Number of bags.....<sup>190</sup>.....Contract No.....<sup>A-32508</sup>.....

Type.....TANZANIA MILD ARABICA COFFEE.....

Grade.....AA/A/PB/FAQ (2007/2008 - CROP).....

Remarks

Tanzania Coffee Board hereby confirms that the coffee mentioned above has attained premium quality standards as defined by the Chief Liquorer of Tanzania Coffee Board.

Signed:..........  
**CHIEF LIQUORER**  
**FOR DIRECTOR GENERAL**