

**THE CONTRIBUTIONS OF SOUTHERN HIGHLAND REGIONS IN
AGRICULTURE DEVELOPMENT IN NJOMBE.
A CASE OF SAGCOT-NJOMBE DISTRICT.**

**By
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**A Research Proposal Submitted in Partial Fulfillment of the Requirements for
the Degree of Master of Science in Applied Economics and Business (MAEB) of
Mzumbe University**

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CERTIFICATION

We, the signatories, certify that we have read and indorse for acceptance by the Mzumbe University, a thesis titled; **“The contributions of southern highland regions in agriculture development in Njombe”**, in partial fulfillment of the requirements for the award of the degree of **Master of Science in Applied Economics and Business (MAEB)** of Mzumbe University.

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DEDICATION

I dedicate this research to my lovely kids and parents for giving me the inspiration to pursue further studies; also, much thanks to my brothers, sisters, teachers, and colleagues for the support they offered directly or indirectly.

LIST OF ABBREVIATIONS

AEB	Applied Economics and Business
AFDB	African Development Bank
DSA	Descriptive Statistical Analysis
EMM	Economy wide Multimarket Model
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
GNI	Gross National Income
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
ITOA	Igominyi Tea Out growers Association
MOU	Memorandum of Understanding
MSc	Master of Science
MUDCC	Mzumbe University Dar es Salaam Campus College
NGO	Non-Profit Organization
NMB	National Microfinance Bank
NOSC	Njombe Out growers Service Company
NSDP	National State Domestic Product.
OECD	Organization for Economic Cooperation and Development.
PFP	Private Forestry Program
PhD	Philosophiae Doctor
PMA	Plan of Modernization of Agriculture
SACCOS	Saving and Credit Cooperation Society
SAGCOT	Southern Agricultural Growth Corridor of Tanzania
URT	United Republic of Tanzania
USA	United States of America
USD	United States Dollars
VICOBA	Village Community Bank

ABSTRACT

The study was examining the contribution of southern Highland regions to the sustainable agriculture development in Njombe. Agriculture is the backbone of Tanzania economy hence it accounts about 30% of export revenues and it employs about 70% of Tanzania population. The Objective of the study was to analyze the role played by southern highland regions through agricultural activities in promoting sustainable agriculture development in Njombe district. The focus of the research was to analyze the role played by Southern highlands regions through agricultural activities in promoting sustainable agriculture development in Njombe district. Specifically focusing on the role of southern highlands cooperative societies, the government, private sector, and financial institutions in southern highlands agriculture development. The field survey approach was used to collect data of variables. A Likert scale analysis was used in study because most of the information collected was based on obtaining respondent's attitude toward different role played by the cooperative societies, the government, private sector and financial institutions in agriculture development and economic development in Southern highland regions Njombe district being our case study. sample of 188 respondents were drawn from the total farmers which are practicing small scale and medium scale including SAGCOT & NOSC officials in Njombe district. The attitude was measured in five Likert scale which are strongly agree, agree, neutral, disagree, and strongly disagree. The study reveals, that major players in Njombe region Tanzania are not playing their part in agricultural development in the desired mannered spite of high number of respondents accepting on the role played by financial institutions in making sure agriculture development is in place in southern highlands regions, as compared to low number of respondents who agreed on the role of cooperative societies, the Government and Private sector. It was recommended that, Agricultural Cooperatives, Government and Private sector and Financial Institutions should be given most economical and organizational freedom for them to be less dependent on the central cooperatives, especially in obtaining and distributing the production inputs and assuring the market for the output

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CHAPTER ONE

BACKGROUND AND INTRODUCTION

1.1 Introduction

Agriculture is an activity constructed by science and practical of producing crops, livestock keeping and fisheries from natural resources (encyclopedia, 2013). Agriculture is the backbone of Tanzania economy accounting more than 30 percent of export revenues and employs 67% of Tanzanian citizens (URT, 2016). The rural population economy is directly interlinked to the Agriculture practices hence it is urged that agriculture is the mainstay of many developing countries and is the source of food, employment and all economical earnings (source of revenue).

Agriculture is vital in promoting adequate food supply and economic development of Any community. Perhaps, many people in the world especially in rural inhabitants their lives are directly linked to the agriculture practices for as a food dependency and major economic activity. As we have witnessed in recent years most of youth are migrating from rural to cities/ towns the number of people involved directly in agriculture practices will decline and number of people depending on agriculture outputs but not producing will grow. As the trend of people in urban areas growing, in the next 10 years food and raw materials producers will be few while the demand will go up. In this context sustainable agriculture investment is vital.

According to Nwachukwu (2015), agriculture development is a multi-function activity which encourages optimistic change in the rural and urban areas. However, Agriculture development plays vital roles in contribution of materials and people's health. The livelihood of any human being depends on the food supply hence food security is vital .hence, the development of rural are directly interlinked to agricultural development .Rural development depends directly in agriculture development; you cannot separate the rural development with agriculture development due to the fact that more than 90% of rural community are farmers.

Several researchers have found the influence of Agriculture sector to several countries Economy i.e. Asia, America, Latin America, and Sub Saharan African

countries, including Tanzania. These research include: World Bank (2010) worked on food security and livestock development for poverty decrease in Latin America, Asia and Sub Saharan Africa they found that, even if the sector is contributing less to the Gross National Income (GNI) or Gross Domestic Product (GDP) big population of people are engaged in agriculture activities with their economy depends on it. Anyanwu *et al.* (2010) forecasted that agriculture share of the gross domestic product and its implications for rural development in Nigeria using aggregate GDP model, they argued that For non-oil sector, Agriculture contributes heavily to providing employment to around 70% percent of the population which is said to be 55% of the population are directly engaged on Agriculture practices while 15% are employed in the value chain such as transportation, buying and selling agriculture products, farm equip inputs and fertilizers supply as well as direct service to the value chain while contributes 88%of foreign exchange earnings for Nigeria case which resembles in most cases in Africa context.

Mellor and Dorosh (2010) studied on agriculture and the economic revolution of Ethiopia using GDP growth multiplier model, they claimed that agriculture donates 43% to national income and hires 50% of the labor force in Ethiopia. Chanyalew *et al.* (2010) studied on Ethiopia's Agriculture Sector Strategy and Investment Structure, Ten Year Roadmap (2010-2020); they debated that the agricultural sector significantly effects economic performance in Ethiopia. Xinshen *et al*, (2010) worked on economic significance of agriculture for sustainable development and poverty diminishing in Ethiopia using Economy – wide Multimarket Model (EMM), and Semi- Input- Output (SIO) model; they exposed that with 85% of the population living in the areas depend on agriculture for their living.

URT (2009) studied on fast-tracking pro-poor evolution within the context of Kilimo Kwanza in Tanzania, they reasoned that agriculture sector contributes 95 % of the food spent within the country whereas the specified level for food self-direction is 120 percent. what is more, Agriculture contributes 26.7 % of the Country's value, 30% of exports; and 65% of raw materials for Tanzanian factories. It offers employment prospects to about 75% of Tanzanians.

MAFS (2009) studied on potential investment opportunities in agriculture crop sub-sector in Tanzania they identified that agriculture is the backbone of Tanzania economy; it contributes about 26.5% of value and 30% of total exports earnings.

MAAIF (2009) worked on what will a CAADP Compact officers Uganda; explicit that agricultural production created up to 50% of total gross domestic product (monetary and non- monetary) within the early Nineties. Agriculture is that the supply of employment of about 70% of the labor in Uganda. OECD (2006) worked on stimulating pro-poor agriculture growth as a key leader and supply of value and export earnings. Shaban (2005) studied on regional structure, growth and convergence of financial gain in geographical area, he declared that, regarding two-third of the Maharashtra's population depends on agriculture sector nonetheless the world account for regarding 1/6 of the National State Domestic (NSDP).

Explicitly, Tanzania which was originally a centrally planned economy, in 1986 established the major economic reforms initiatives. As the economic reforms program began, full employment of the agriculture sector kicked off in 1991 and intended to advance a sustainable, efficient, and effective financial system (Rubambey, 2005). Government focused on regulatory and public support part with several measures of regional pricing were stopped. Pan- regional pricing was eradicated, which meant that producer costs varied in numerous places in keeping with transport and alternative handling prices and native market conditions. Farmers were not strained to one supply for his or her fertilizers and alternative vital inputs; they need many channels through that they will acquire them (Agriculture and Livestock policy, 1997). The involvement of public sector in producing and supplying fertilizers and other farm inputs didn't only make the government refrain from focusing on pricing and strict controls but it has also contributed to enabling many factories / industries to be established in the country which has brought competition and stabilizes the market prices of fertilizers, produced employment and added value to the whole supply chain and logistic sector which in return it benefits farmers.

Nevertheless, the withdrawal of the Government and its parastatals from the supply of agricultural services to farmers haven't kept the speed with the progress of the non-public sector contribution in terms of its capability to effectively take over agricultural development and value chain addition. the world has been left in somewhat a unfriendly territory during which farmers see fertilizers and alternative inputs, however lack of credit facilities blocks their access to those inputs (Agriculture and livestock policy, 1997).

This caused the establishment of Agriculture institutions and placental of livestock policy in 1997, and government still finance agriculture although its revenue and donor support. personal sector continues to grow and the joint initiatives between government and private sector under SAGCOT becomes mandatory to enhance the sector through policy formation, market availability, farm inputs support, industries which adds value for agriculture outputs etc, the government was the primary supporter (Agriculture and Livestock policy, 1997). The establishment of MKUKUTA, MKURABITA under kilimo kwanza policy which drove to the establishment of economic blocks hence the establishment of SAGCOT were to support the agriculture development trough linking the government and farmers by enhancing cooperative societies to function to the level where farmers are operating by ensuring the regulations on inputs and crops are in order, there is assured market and fair stabilized prices all to protect farmers interest, due to the fact that the government and its parastatals did not meet the needs of farmers directly in recent years, however, policy formulation and establishment of legit parastatals saw the establishment of the likes of Tanzania development Bank, special Economic zones the likes of SAGCOT for the purpose of enhancing Agriculture development in particular, and agriculture development as witnessed in recent years shows increasing trend despite of many challenges affecting the sector. Despite of the government effort on agriculture empowering the financial sector to reach out to farmers, farmers in Njombe are limited to the options of agriculture financing thus leads them to the expensive options with high risk to the sustainability of agriculture growth in the region. Stakabadhi ghalani, one-acre fund, commercial banks and other micro finance entities does not answer the long-awaited solution to the needs of farmers in

the region. The withdrawal of most of local and international stakeholders on exporting some food crops the likes of beans, mbaazi, choroko has seen the decline in demand which led to the huge drop of pricing of farmers crops hence the downward of the agriculture sector and minimalization of the sector at large with little assessment on other cash crops

1.2 Problem Statement

In Tanzania Agriculture is still a fundamental sector that accelerates growth and development of other sectors that accelerate economic development. Cultivating various crops like as a case of Njombe region where they mostly cultivate paddy, Maize, tea, soybeans, timber trees, avocados, peaches and potatoes named as African's Potato paradise due to its full potential that realized in production of potato because of one of SAGCOT key product on focus. Three-year implementation a pilot programmer district such as Kilolo, Mufindi Njombe on potato seeds development funded by alliance for a green Revolution in Africa (AGRA). That led to massive production of Potatoes that influence Exportation to various part of a country such as East African member states like Kenya, Uganda, and Rwanda.

For the case of Tea, effort by Njombe Out growers Service Company (NOSC) to benefit 4,000 farmers, Chai project in partnership with Unilever and Igominyi Tea Out growers Association (ITOA) from 2014 have ambitious to enhance 3,800 Hectors of smallholder's tea and a 2-3-line tea processing factory that is majority smallholders supply which leads to assured market for tea leaves while getting support of farm equip, farm inputs and extended service with 10 years contracts. The efforts contributed by cross sectors that's both government and public stakeholders to uplift and assure sustainable growth is dented by couple of limitations related to climate change, appropriate use of land and water for irrigations, credit as capital, market for the produced etc.

Despite the importance of Agriculture activities in Njombe. The contribution of cooperative societies, government and private sectors and financial institutions basically for the output produced by the farmers has remained unquantified in accelerating economic development in the region and Tanzania as a whole because it

happens in sometime the agriculture produce more and they need reliable market to allocate what they produce in order to generate some income that further invested in other activities but due to unconducive market structure such agriculture product that are in surplus are not fully utilized hence at the end farmers and livestock keepers always incur losses either due to poor storage of their output, hence perish and leads farmers to incur losses. Other small-scale farmers probably need fund to improve their farming methodologies. Efforts to form cooperative society unions have been increased in recent years in which there is special representation at regional level but in comparison with the geographical size of the area of representation the resources are not enough on providing education, promoting groups formation and serving the already established cooperative society groups.

Therefore, a researcher in this study intends in analyzing how the cooperative societies, government and private sectors and financial institutions under SAGCOT initiatives helps farmers in Njombe with such agricultural surplus produced in the market place (case of maize, potatoes, fruits) to curb the myth started to develop among farmers who thinks continue involvement in Agriculture is not good practice and instead motivate farmers and keep their long term market assurance of their produce in high expectation in order to do more as well as motivating them in terms of financial assistance towards improving farming methodologies for higher productivity.

The case of tea out growers having 10 years contracts with NOSC and Unilever, is painting the darkness in the future of beneficiaries after 10 years as it pops questions of what will happen after 10 years of supply contracts as assured market? The involvement of SAGCOT in Njombe is not clear on how in the agriculture development process in assuring long term and sustainable Agriculture. The presence of tea factories i.e. Kabambe, Kibena, Luponde, Mufindi and Lupembe gives the light on how the future is bright, however, the limitations comes based on the nature of the market. In Est Africa, the biggest and worldwide known Tea market is in Kenya. By having the biggest tea market in Kenya positions the country as the largest producer of tea in which they are not producing by 100% and benefits Kenya

country in terms of foreign exchange earnings than Tanzania. Tanzania needs to establish tea market in Tanzania to benefit largely with foreign exchange earnings. By having the international tea market in country, the country will benefit in many ways among them being better price, direct foreign exchange earnings, transportation, and end to end logistics services employment etc. Tea auction market can guarantee long term market and cement the position of the country on the competence of producing. Not only tea, the government is losing multi-million dollars in avocado and hot culture products in general by not having official market even board which is directly dealing with market search, horticulture policy formulation and governance so Tanzanians and government can benefit from economic gains in terms of income to farmers and tax for the government.

1.3 Research Objective

The general objective of the study was to analyze the role played by Southern highlands regions through agricultural Activities in promoting sustainable agriculture development in Njombe district.

1.3.1 Specifically the study aimed.

- i. To determine how Cooperative societies under SAGCOT facilitate sustainable Agricultural development in Njombe region by assuring farmers market of their crops.
- ii. To examine the role played by Government and Private Sector in enhancing sustainable Agriculture development in Njombe Region.
- iii. To analyze the role played by financial institutions in promoting sustainable Agriculture development in Njombe region.

1.4 Research questions

- i. How do Cooperative societies of southern Highlands facilitate sustainable Agriculture development in Njombe region?
- ii. What are the roles played by the Government and private sector in enhancing sustainable Agriculture development in Njombe region through SAGCOT?

- iii. What are the roles played by financial institutions particularly Agriculture Development Bank under SAGCOT initiatives in promoting sustainable Agriculture development in Njombe region?

1.4 Significance of the study

The conclusions from the study will provide an overview about agriculture contribution to the economic development. It provides new insights, and fills the unknown knowledge of individual farmers, government, and private stakeholders on contribution toward agriculture economic development gap. Regarding the main query underlying the research, the research will provide an answer whether cooperative society's government and research institutions can pave the way for farmers for agriculture economic development gap. And therefore, prove whether cooperative societies, government and research institutions are the noble substitute of economic development in the country. Also, the study gives the means towards meeting agricultural value chain improvement in the region.

To the student, this research is part of the fulfillment of the academic requirement for the award of Master of Science in applied economics and business (MSc.AEB).

More than 70% of population in developing countries are employed by agriculture sector while 55% are directly engaged/ involved in agriculture practices and 15% are benefiting in the value chain i.e. fertilizers and, farm equip suppliers, transportation etc. therefore poor performance of the sector, is the primary cause of poverty, hunger and malnutrition.

FAO (2004), in developing countries around 20% of the total population are frequently weak because of inadequate government support mainly caused by small proportion of budget available to finance or subsidize the agriculture sector which leaves the room for private sector to fill. With the increasing world population, the present figure of \$5.7 billion agriculture fund is predictable to rise to \$ 8.3 billion in 2025. Knowing the fact that the well-being population of the world depend on the food security, agriculture development should complement any community development in proportion to the growth of the entire population to avoid inadequate

supply of food. More investments are projected to be channeled to the agriculture sector to combat the primary cause of poverty i.e. hunger and malnutrition.

That being the situation development partners and governments has increased its effort in funding agriculture to guarantee food security and to eradicate poverty. However, the effort reached is not enough to cover costs, hence it leaves the gap which geared private sector to intervene and in some scenarios to partner with government in order to fill the investment gap good example is SAGCOT initiatives and NOSC arrangement for tea farmers in Njombe.

Thus why, this study considers analyzing the involvement of SAGCOT to the economic development in the region as an instrument for enhancing production increase, capital formulation and well-established reliable market. In short, it examines whether agriculture economic development be a dependable to fill up contributions made to Southern Highlands Regions.

And the fact that, Tanzania is the middle economic country as it is recently ranked it will be a good to present of other countries in similar or lower rank but with same economic background.

1.6 Organization of the study

The research is organized into six chapters and each chapter contribute a building block to the next one. Chapter one involves the introduction of the research. Chapter two delivers an overview of agriculture development in Tanzania, the stakeholders of agriculture improvement, Agriculture in Developing countries, Agriculture in southern Highland of Tanzania and Literature Review. Chapter three presents methodology of the study. It gives the short-term description of the research area, elucidates the way the research was conducted, the methods and techniques adopted. Chapter four contains the findings of the study data analysis and the discussion of the results. Chapter five presents the findings of the study and chapter six summarizes the study, provides policy implications, limitations encountered, conclusion and recommended areas for more studies.

CHAPTER TWO

LITERATURE REVIEWS

2.0 Introduction

This chapter explains, discusses, and analyzes the classifications of numerous concepts. It further gives an overview on numerous theoretical and empirical proof on the study to identify the outcomes obtained by completely different researchers and dealing papers printed the crucial area of the study at hand. Furthermore, this chapter elaborates the conceptual framework, which direct to the formulation of the model.

2.1 Definition and concept

Agriculture: Generally, farming is the procedure of product development and creature keeping. Tanzania farming and animals' arrangement, (1997) characterized horticulture as that regions of human action including all parts of yields and domesticated animals. As indicated by Rubenstein, (2003) farming is ponder push to change the bit of Earth's surface through the development of yields and animals ascending for sustenance or financial pick up.

Be that as it may, this review covers on the commitments of Southern Highland Regions Agriculture on Economic Development. Because of outcomes that farthest point openness of individuals efforts, government and other stakeholders are probably not going to influence creatures, as is referred to be brought on by erratic climate.

SAGCOT: Stands for Southern Agricultural Growth Corridor of Tanzania, is a public-private partnership which pursues to catalyze liable agribusiness investments in the country's southern corridor of Tanzania. The SAGCOT Center Ltd. functions as a information center and partnership agent among SAGCOT partners to enable socially inclusive and environmentally sustainable value chain investments.

SAGCOT is the cross-sectional institution which includes partner organizations from across private sector companies, government agencies and other stakeholders (such

as research institute, foundations, trusts and farmers associations), SAGCOT partners have a scope of expertise across the whole agricultural value chain, and brings a fortune of experiences in research, technology, finance, and business (SAGCOT, n.d.). SAGCOT is synchronized initiatives to increase agricultural output in Tanzania through public and private investment with goal to increase food security, decrease Rural poverty and sustain the environment.

Economic Development Activities: Economic development is a concurrently a concept of an action and a professional practice. Is an activity for which there are high opportunities and substantial investment of public, private individual money (Feldman, 2014). The so-called economic activities under SAGCOT are precisely narrowed per specific geographical area so that the government and private sectors can focus on improving the wellbeing of society related to the production, hence maximizing output.

Agriculture in Southern Highland of Tanzania: The southern Highlands Zone of Tanzania is located between 70 to 90 South and 300 to 380 East. It includes Nine of the administrative regions, which are Iringa, Mbeya, Rukwa, Ruvuma, and three recently established regions, Njombe and Katavi from former Iringa, Songwe and Rukwa, respectively (Figure 1). These administrative regions are now composed of 26-administrative districts, which together occupy an area of 245,000 km² (28.5 % of mainland Tanzania). The region is well known for Agriculture as the main economic activity and is the main contributor to the national food reserve. The region is endowed with fertile land able to produce many types of food and cash crops i.e. Soybeans, maize, round potato, rice, flowers, fruits, soft timber trees, tea, cocoa, coffee etc. apart from farming crops the region is involved with livestock keeping and dairying as well.

The area Significant in terms of livestock productivity is the traditional herd, crossbred animals, and pure-bred cows (E.T, 2016). The zone has mixed of Large-scale farmers i.e. Usangu valley, Mufindi tea, Kibena tea, Luponde tea, SAO Hill etc.

as well as small scale farmers whose they are the largest population of the citizens in the region.

The most challenging factors before 2012 were modern farming techniques which can conserve the environment, extension services and market for the produced. The reliance of Public, private sectors and partnerships was key to bring life and make agriculture for the future possible hence with the intervention of government on formulating different policies towards sustainable agriculture, water rights and water conservation policies. Also, the reliance with the likes of SAGCOT was key to finding the markets for produced and improving the productivity to increase wealth while in the blocks and in the most controlled manner.

Recently and for future the main challenges are how to accelerate the growth of individual farmers and cooperative societies to transform from one rank to another. How to grow the smallholder's farmers to medium scale, medium to large and maintain large scale investments so they cannot churn or go and invest somewhere else or get bankruptcy. Capital formation, Agriculture financing and credit schemes by banks are the common limitations especially for lower tire segment. Cooperative societies if promoted well can play a vital role on pulling common resources and sharing to create wealth while benefiting with collective efforts on getting the market for produced in a peaceful way and sometime dictate prices of the produced in the market. Is easy to get funding and credit while in groups than individual small-scale farmer.

Financial knowledge to many farmers is limited, the financial market requires well informed and a bit well analytical individual. Thus, why organizations such as PASS is partnering with different institutions and helps layman's on project and investment evaluation, projects and proposal writing for disadvantaged people with financial market due to knowledge gap. Despite of the availability of organizations like PASS, the facts shows that PASS are not everywhere, and they are not well known with people as a result people they don't know where they can go and have financial proposition understating. The region needs more support from both financial

institutions and supporting firms like Private agriculture sector support (PASS) close to the farmers, so they can easily get help to get credits propositions write-ups to present to financial institutions. Financial Assets and collaterals guarantee are limiting big percent of individuals from accessing loans and grants.

SAGCOT catalyst fund was the major catalyst for change as it was providing support to the projects with multiplier effect to the community. Lack of budget and special focus by the government, the number of projects sponsored by SAGCOT catalyst fund has been reduced in recent years which cast doubt for the future.

SAGCOT catalyzes the increased production of crops and livestock keeping which can benefit many especially with international treats in place. The likes of AGOA and the increase of China Africa influence, attracting big investment in Agriculture can catalyze economic development at high pace (researcher field information).

2.1.1 Agriculture in developing countries

Agriculture is the essential financial part in developing nations that utilizes high segment of the populace. Aside from the generation of oil, gold, jewel, in the vicinity of 60 and 90% of the number of inhabitants in the creating nations lives straightforwardly on the farming. The national item is picked up to a substantial part from horticulture division and remote trade livelihoods start to an expansive degree from the fare of agrarian items, especially from money Crops (FAO, 2011).

Notwithstanding of being the principally subordinate part in the economy of all creating nations, destitution, appetite and hunger are commonplace issues in creating nations. The reason for such circumstance lies in the way that, horticulture is not ready to supply the quickly developing populace with an adequately high amount of sustenance.

Additionally, farming generation is accounted for to be underutilized in the greater part of the creating nations. As per FAO (2004), around 20% of the aggregate populaces in creating nations are constantly undernourished.

2.1.2 The Increasing of Agriculture Investment in the region.

The Southern Agricultural Growth Corridor of Tanzania (SAGCOT), with the increasing of the investment in agriculture from public sources and government in last 6 years have witnessed the undeniable evidence of the stimulation in agriculture economy for the region. The platform built by different stakeholders like NDC (Njombe Development Center) under catholic church on cash crops, food crops and livestock keeping, NOSC (Njombe out growers services company on tea plantation and other initiatives on promoting timber tree plantations, avocado farming etc all have enhanced the agricultural growth., however, the limitations in terms of water usage rights, land ownership and other factor inputs still dents the progressive effort toward the sustainable agriculture development. As a result, communities and wildlife remain threatened. The communities still face declining water resources, the expansion of inefficient irrigation, and increased soil erosion increased seasonal droughts. Indeed, water scarcity creates a cruel cycle for sidelined communities (Casey Harrison, 2016). The scarcity of labor resources in rural areas mainly due to the increased shift of Economic activities from farming and livestock keeping for many youths to Bodaboda, mama ntilie and general town street vendors remain unaddressed and may have long term impact to the way agriculture investment is done.

The government established Kilimo kwanza scheme in 2009, the strategy ‘Kilimo Kwanza’, meaning ‘Agriculture first’ was Established. The scheme was to foster the real revolution of agriculture in the country whereby private sector was enhances. The broad term of end to end agriculture value chain creation gave pace and bolstered and administered policies to ensure food security and raw materials are available for local consumptions and export. It underlined the thoughtful importance of the private sector in agricultural production, to provide agricultural inputs and facilitate crop marketing and in the agriculture value chain. It is in this framework that the SAGCOT initiative was initiated in 2010.

The southern part of Tanzania is primarily wealthy with resources and excessive potential. It includes some of the country’s most fertile lands, intensive forests and

wildlife and access to water. whereas the region is served by a network of infrastructure of paved highways, rail networks, and electrical transmission lines, it suffers from low productivity, poor economic condition, poor road infrastructure, growing draught in some areas of the region, unequal distribution of national budget issue and environmental degradation.

The Southern Agriculture Growth Corridor of Tanzania (SAGCOT) scheme was established in 2010 to quickly develop the region's agricultural potential from hand to mouth agriculture to medium and large scale. The August 2012 SAGCOT Green print is a green growth plan, attached to the Investment Draft, to guide the "greening" of the agricultural investments. It reasons that investments should incorporate economic gain, environmental sustainability, and social equity (SNAPP, 2016).

The increasing investment in the region is primarily governed under the following Matrix to enable the initiative and enhance projects successfulness. Partnership Principle: Allies sign up to principles committing to property and comprehensive investment. Compact Agreement: Cluster level agreement between government, farmers, and corporations to create comprehensive value chains. Green Reference Group: Multi-stakeholder informatory group to guide the SAGCOT Partners on inexperienced and comprehensive Growth.

Partnership Accountability Committee: National strategy between the government, farmers, companies, and donors to monitor policy and investment commitments. Investment specific engagements: MOU's, Steering Committee is and working groups to facilitate individual investments.

The transformation of Agriculture sector in the country provides plenty opportunities which accelerates the growth of Agriculture, creates more job and it reduces poverty. However more steps are yet to be taken to improve policies and regulation pertaining investments in the sector, environment concerns which drives leads to negatively

climate change and direct field support. Agriculture does not only offer poverty reduction but rather it offers inclusive development and inclusive poverty reduction.

2.1.3 Agriculture Financing in the region:

In partnership with different stakeholders PASS is one of the NGO which helps with credit ranking/ evaluation and assists farmers with write-up in line with banks terms and conditions. In 2016 PASS said to reach out to 345,000 agricultural entrepreneurs with TZS 114Billion guaranteed loans. PASS is partnering with different stakeholders like WFP and Banks to simplify credit ranking and bank guarantee aspect. In the most cases the region is characterized with small scale farmers and out growers who needs support and education on how to secure projects financing (FASDT, 2012).

The individuals and groups they do not have to suffer anymore with the commercial bank's segregations because of lack of reliable cash flows and fixed asset collaterals as the access to financial institution bridge is no longer wide. NMB under the Agribusiness department they are playing huge role in enabling individuals and groups with farming financing. Tanzania Agriculture Development Bank was established in a view to support the agriculture sector financing, however there is no footsteps in Njombe yet (FASDT, 2012).

Apart from financial institutions, donors like Wood foundation through NOSC are in the region working with tea out growers supporting the sector by subsidizing farming inputs, extension services and finding the market for tea products while improving the crops pricing.

Since 206 financing of the farming segment has been generally been for the most part through the ASDP structure. (Financing agribusiness area improvement in Tanzania (FASDT), 2012).

The ASDP is funded through the General Budget Support (GBS), a Basket Fund, remain solitary undertakings and the private area. in the context, there are five Development Partners in the Basket Fund that finance farming this include the World

Bank, International Fund for Agricultural Development, Government of Spain, Irish Aid, (IFAD) and African Development Bank (AFDB) (FASDT, 2012).

At the country level funding is completed through the MTEF framework as spending rules. The alone tasks incorporate PADEP, DASIP and ASP in Zanzibar. At the nearby level, financing is done through an assortment of exchange modalities that depend on the Local Government Development Grant execution conditions and furthermore adjusted to ASDP destinations (FASDT, 2012).

2.1.5 Trend of Agricultural financing and current development in Tanzania

The trend in farming financing in Tanzania from 2001/02 to 2010/2011 demonstrate that, in ostensible terms the aggregate horticultural asset assignment has been expanding after some time.

For instance, amid money related years 2001/02 and 2004/05 the aggregate spending plan assigned to horticultural division was Tshs 52,072 million and Tshs 3,347,539 million which were equal to 3% and 4.7% of the aggregate government spending plan separately. Amid budgetary between year 2009/10 and 2010/11 the comparing figures were Tshs 517.611 billion and Tshs 903 billion which can be converted into 7.6% and 7.7% of the aggregate government consumption individually (FASDT,2012).

Be that as it may, despite expanding government bolster, from Tshs. 52,072 million in 2001/2002 with expanding proportion up to 1,326,714,603,233 Tshs in 2012/2013 the monetarily emergency in horticulture was yet prevalent tested. The emergency is not another marvel in creating nation, but rather its hidden exertion has been expanded parallel with the populace and now it is named as advancement test.

Expressing gratitude toward the case of current circumstance, For the year 2010/2011 to the finish of the present period of ASDP in 2012/2013 the financing hole as shown in Table 1 beneath demonstrates a combined crevice of Tshs 1,348.31 billion (US\$ 1,037 million). This is a normal of Tshs 450 billion (USD 345.6

million) every year throughout the following three years. Forecasts to 2014/2015 demonstrate the total financing gap will be Tshs 8,257 million (US\$ 6.35 billion) (FASDT, 2012).

Despite the increasing investment or financing in agriculture sector the main challenges which remain unaddressed among few are growing the number of medium scale individuals dealing with agriculture and upgrading medium scale farmers to large scale farmers. National censor on farmers and their potential to grow can support many individuals as once the database is available will be easy for the government and private financiers to direct their investments to specific groups with clear objectives and milestone to achieve the acceleration initiatives.

The availability of medium scale farmers and movement of medium scale farmers to upper ranking is building and promotes market of agriculture inputs and agriculture outputs as it enhances demand which promotes suppliers as the result lower ranked farmers can use better seeds and fertilizers, increasing the size of their farms and access better extension services and loans by the ride of upper ranked farmers (Medium scale and large scale farmers).

Around 55% of the population livelihood are directly engaged and depends on agriculture and other 15% are dealing in the value chain activities like buyers, sellers, transportation, processors etc. the importance of the sector by its inclusive dealings is vital and hence more efforts and investments priorities are promoted and encouraged. Commercial banks offer different Agriculture loans packages e.g. NMB through Agribusiness segment, access bank offering loan between 5Million to 50Million. The limitations on grace period and exchange rates as most of crops are for more than 3 months to be ready to be sold but commercial banks credit window period is one month. TADB (Tanzania development Bank catalyzes all the challenges exposed by commercial Banks, but the problem remains the whereabouts of the Bank which is at zonal and national level hence difficulties for farmers to travel from region to zonal or national level to apply loan/ agriculture credit.

2.1.6 The role of the government on shared action

The government role on Agriculture is to create environment for private sector to flourish and enhance the sustainable economic development with more functions in the managerial, monitoring process will be shortened; though, new functions are compulsory to perform (Franks, 2011; Tjitske, 2014). Nevertheless, the government should have the eyes on to ensure the legal framework and fair ground is practiced and if possible intervene when the market fails as they should be the none stop government functions after cost benefit analysis to avoid being bias or killing the sector (good example is Korosho intervention by government in 2018). (Tjitske, 2014). Also, the government must provide support to farmers by providing education in several areas in value chain which may facilitate them to have sustainable growth, change attitudes and insights which in the long term can improve the transmission of innovations and also the implementation method (Franks, 2011).

Also, the government's role is to improve the participation rates among the farmers solving the hold-up, assurance, and incomplete contracts problems (Prager, 2015; Franks, 2011). The hold-up problem refers when the members of a farmer group obtain less profits from their individual Agri-goods and services provision due to the contract's benefits have to be dispersed among an increasing number of members (Prager, 2015; Franks, 2011). The assurance problem refers to ensuring obedience concerning the essential number of farmers to apply certain actions to ensure the provision of the public good or service and spread the AES goal through a communal action solution (Prager, 2015; Franks, 2011). The partial contract problem requires that the government builds trust among farmers' groups to improve the contracts to fill the gaps of the AES (Ibidem). Finally, government will need to launch the conditions and institutional environment through policies for the collective action to take place, persuade collaboration among the farmers and in this way improve the Agri-goods and eco-service provision (Tjitske, 2014).

Government additional role is on imposing policies and regulations which intends to motivate Agriculture sector for individuals to deploy and invest in Technology and

skills which can attract commercial support that can deliver the ground of agribusiness which earns Tax revenues.

2.2 Literature Review

2.2.1 Theoretical literature review

Various concepts related to nature of the study

Agriculture, Is the practice that involve cultivation of crops and animal keeping, agriculture comprises various aspects such as fisheries and forestry it is important to human development and sustaining livelihood for majority of the people mostly in sub- Saharan African countries whom most of them depend much on agriculture it does not rely only to indigenous people but also for most Government of Sub Saharan African countries Agriculture have more emphasize as a major sector in accelerating Economic development.

According to Oxford dictionaries, defined agriculture as a science or practice of farming including tilling of the soil for the growing of crops and rearing of animals to provide food, wool and other product.

Southern highland regions are the regions that located in the Southern eastern part of Tanzania which consists of regions like Rukwa, Mbeya, Iringa, Njombe and Ruvuma. According to 2012 census, the Southern highlands region has 6.030.078. Inhabitants in total with the most populated Iringa. According to private forestry programmer (PFP), it is estimated that Mafinga town is the major hub for wood processing value chain employees between 20.246- 30. 967 people.

Economic development. Is a term used to describe the improvement of economic, political and social wellbeing of the people, The term is wide because it involve both quantitative and Qualitative welfare of the people, normally economic development accompanied by economic growth, it involve improvement of social quality of life of the people such as life expectancy, literacy rate, low level of Poverty, Political stability and further more a few to mention.

There are various writers Authors that define economic development according to their level of viewpoints and according to Joseph Schumpeter (1961). Define economic development as a process which involves absorbing capital from established approaches of production to new, Innovative and Productivity enhancing means. His definition focused on grasp understanding the Structures of business cycle and the conditions that gave growth to new Opportunities that pushed the economy forward to higher economic course.

2.2.2 Theories review

Theories are the set of principles on which the practice of an activity is based, it is normally used to justify a course of action. According to Cambridge dictionary, they define theories as a recognized statement of the guidelines on which a subject of study is based or of ideas that are suggested to explain a fact or event or more generally, a view or description.

Mostly important are eminent economists such as Johnston and Mellor (1990) They identified two important relations which distinguish the agricultural sector in economic development, they further indicate the usefulness on transformation of labor and capital requirements necessary to develop modern industrial sector place a great burden on agriculture.

They list five categories of contributions of agriculture in economic development including

- i. Farm goods for domestic consumption
- ii. The export of farm harvests and subsequent earning of foreign exchange
- iii. The transmission of manpower to industrial sector.
- iv. The flow of money into capital formation,
- v. Increase in income in agriculture as a market for industrial goods.

The main objective of agriculture development is to Improve materials and well-being of people in rural communities directly or indirectly. Thus, it is regularly seen as combined approach to improving the environment and wellbeing of the people of the public (Nwachukwu, 2015).

In order to enhance the fast pace of agriculture development, the 1st step is to change the mindset of small scale and traditional practice which is highly limited/ restricted to individual approach which for many years have caused the sector to remain stagnant. The revolution of agriculture sector it should base on fast-tracking the sustainable growth of agricultural outputs as other sectors of economy transforms and not on transforming the static sector to dynamic and modernization. Hence, a theory of agricultural development should propose insights into the dynamics of agricultural growth, either into the shifting sources of progress, in economies ranging from those in which output is growing at a rate of 1.0% or less to those in which agricultural productivity is growing at an annual rate of 4.0% or more (Ruttan,2010).

Wollni & Andersson, (2013) and Ngwira *et al*, (2014) adoption of sustainable agriculture practices has the potential to increase flexibility to climate change, discourse soil degradation and increase agricultural earning in an effective, fruitful and profitable manner; breaking the vicious cycle of poverty and natural resources degradation. Scholars have tried to understand and discover the factors that impact the implementation of new agricultural practices among farmers since the 1950's; though, farmer behavior is very complex to forecast and the adoption rates remain very low (Haghjou *et al*, 2014; Teklewold *et al*,2012; Roufahi, 2015). The adoption of sustainable agriculture practices is an interdependent and multivariable process due to various factors determining the decision to use them and the decisions differ from individual farmer to individual farmer (Long, 2003). to have a better understanding of the variables which influence the farmers' adoption process, a summary of main adoption theories is presented.

The development of different theories helps to understand farmers' adoption process that is essential to focus on. There are already some strategies that surround the basic process and elements related with the adoption of these practices, and we can categorize them as distinctive and constructivist theories (Ngwira *et al*, 2014). The distinctive approaches are aligned with neo-classical economy theories and assume that farmers are balanced individuals with economic, personal, and environmental goals to accomplish(Tosakana *et al*, 2010) and are associated with a set of personal

preferences, utility maximization and with complete access to information (Ngwira *et al*, 2014). The person will adopt a novel action only if the new practice is seeming superior to its forerunner, it is easy to get information about it and it is easy to test it (Ibidem). On the other side, the constructivist theory is based on the indication that farmers are members of a society and the way that they understand and behave in the world is mainly influenced by primary and secondary social relations contacts where all the morals and principles shared in a society are jointly built (Mequaninte *et al*, 2015; Ngwira *et al*, 2014).

The sociological distribution model is an individualistic adoption approach and states that farmers must identify a problem and know how to solve it to adopt a specific practice (Long, 2003). This theory follows a linear process: information, influence, decision, application, and validation (Ngwira *et al*, 2014). Under this model, the key factor for the adoption decision is based on access to information, where the extension services play important role for the knowledge distribution (Long, 2003). This theory concluded that the farmer would take a decision of adoption only when he/she realizes and learn a new practice that will be useful in the short and long term to solve the problem. Time later he/she will decide to implement it and test it; finally, he/she will adjust it or reject it, depending on the results (Prokopy, 2014; Napier, 2001). The second individualistic theory is the adopter-perception perspective model and defines that the perception of change is important for the adoption of a new technique (Ngwira *et al*, 2014). The farmer's perception is explained by personal features such as: educational level, age, farm experience, and so forth; and physical factors such as: organizational factors and land features (Long, 2003). The outcome of the adoption decision will depend on the combination of these characteristics.

The social learning theory is based on constructivist approach, and essentially says that people learn from social networks and try to act in ways that comply with the society's rules and standards (Mequaninte *et al*, 2015). Hence, the only actions that will triumph on individuals will be inevitably only be the ones that ensure rewards and evade penalties (Ibidem). In addition, the adoption of a new individual exercise must reflect better personal benefits than the previous practice (Long, 2003;

Mequaninte *et al*, 2015; Napier, 2001). In this model, the formal and informal social networks are vital to learn from past experiences and reinforce the social norms, values, beliefs, and the individual and social preferences. The learning procedure is based on the interaction with friends, neighbors, relatives, and organizations relationships. (Ngwira *et al*, 2014; Mequaninte *et al*, 2015). Recently, the development of new models such as the structural theory, which focuses on the barriers for the adoption process; and the holistic adoption model, that groups both constructivist and individualistic theories with structural theories, helped to highlight more factors that are essential to understand the adoption process (Long, 2003).

The presentation of the most important theoretical models for the adoption process suggest that access to information, personal preferences, personal characteristics,, problem perception, social relations, networks, a trial phase and the learning process are basic attributes that are necessary to take into consideration when a researchers want to make various studies regarding the adoption of a new technology or practice.

2.2.3 Empirical literature review

In this part a Researcher intends to show how authors worldwide describe the contribution of agriculture to economic development.

Timmer (1988) has observed that research of now days restating to the different view about agriculture in course of development he suggests same policies toward agriculture if the goal is to speed up overall growth.

The first path grows out of the markets, that if left alone will function properly and that economic decision makers are rational and respond efficiently to economic growth. The second path related with Mellor and Johnston (1984), is the interconnected rural development strategy, it advocates a unimodal broad based, pattern of economic development that improves income, nutrition and income distribution, and these authors addressed more substantial of Government innervations to promote extension and study aimed primarily at rural smallholders.

The third approach to agricultural development realizes the significant relations of agriculture and the macro- economy, as well as the significance of market indications and incentive. Generally, all these approaches recognize the significance of government investment in infrastructure and agriculture research to fasten economic development.

A research done by Ibekwe and adesope (2010) using correlation matrix in Nigeria and that product of major staples in Nigeria concluded expressively to cross domestic product growth between 1990 and 2001. Also, as witnessed by Timmer (1995). Claim that agriculture sector donates to economic development through providing of better caloric in lake and food obtain ability, this supported also by the FAO (2005) claim that the role of agriculture can facilitate the attainment of all 8 millennium development goals through the direct or indirect connections to food availability and poverty lessening.

The sector also is a position of making surplus labor available to factories, as productivity in agriculture sector rises surplus labor and capital is made and directed to increase in industrial sector resulting in economic growth hence accelerates economic development (Ike, 1982).

Uganda context: the country which the economic size resembles of Tanzania.

The republic of Uganda is in East-Africa and is estimated to have population of 34 million people. Uganda is one of the most dynamic and factor endowed country richest of natural resource (Musimami, 2012). According to the International Monetary Fund (IMF, 2005), Ugandan livelihoods largely depend on Agriculture and service sectors because national government plans to use the country's environmental and natural resources endowments to reach economic and social growth. The World Development Report made by the World Bank (2006) recommended that agricultural growth has a much more impact on hunger than general economic growth does and also is two to four times more effective than the non-agricultural sector in increasing the bottom third of the income distribution. Thus, is mainly contributed by the combined number of labor force the sector

employs. Agriculture in Uganda employs around 75% of the population while employs about 80% of the household population, giving 50% of total exports and 26% of the GDP.(Akullo et al, 2007; World Bank, 2011; Sanginga et al, 2007 and FAO, 2013).

Uganda has a significant surface and groundwater source; nevertheless, environmental disturbance is affecting the quality and quantity of water bodies. Water sources and wetland degradation contribute to the drop of water level of Lake Victoria (MTIC, 2011). Water degradation is the result of three important factors: lack of effective watershed management planning, population growth, and the effects of climate change and global warming (Saito, 2007; Teklewold et al, 2012). The population growth leads to improvement of proper watershed management, environmental sanitation, and better solid and liquid waste management. The unproductive implementation of policies that promote a basic plan for conservation practices such as retention channels, terraces, drip irrigation systems and check dams that can reduce the soil erosion and decrease the water consumption in agriculture is one of the reasons for the reduced water quality and quantity in Uganda (FAO, 2013). Still the lack of an adaptation plan against climate change means that weather conditions that reduces the quantity of surface and groundwater are not properly dealt by the government at the national and local level. It is considered that only 6 percent of land in sub Saharan Africa has suitable climate conditions for agriculture potential (Ehui & Pender, 2003; GOU, 2012). The degradation of water and soil resources together with climate change is having outstanding impact in Uganda and the livelihoods of millions of households. In this context better, agricultural practices can move out the resource degradation poverty trap (Wollni& Andersson, 2013).

Despite the important efforts of Uganda government to work on a sustainable resource management strategy, the conditions are not refining. After 1986, the national resistance movement, Uganda became one of the most important supporters of decentralization in Africa and several schemes and organizations were put in place, forming a framework of environmental control, management and conservation legislations (GOU, 1997; Saito, 2007). During that time the government started to

collaborate with international organizations (NGOs) and community constructed organizations resulting in the creation of different cooperative action initiatives such as protected areas that created and took care of national protected parks around 13% of the national area, cooperative management for the extraction of resources integrating communitarian monitoring and decision making procedure, community based organizations that provided control to the communities for the management of their natural resources and finally application of conservation practices (Saito, 2007; FAO, 2013). In 1997, the governments shaped the Plan of Upgrading of Agriculture (PMA), using the agriculture sector to reduce poverty in rural areas, focused on sustainable food production, improving agricultural practices, the effective use of land and water and promoting high-value supplies moving from subsistence farming to commercial farming (GOU, 1997; GOU, 2012). To implement it, the government focused on emphasizing the research system of the country, improving the quality of the extension services, promoting the sustainable use and management of natural resources especially soil and water, restoring rural infrastructure, improving access to markets, strengthening producer organizations and setting the appropriate standards of production and quality control (Saito, 2007).

Though, all these efforts were insufficient, particularly because of inadequate investments and the high dependency of natural resources and their extraction by the poor sector of the population (FAO, 2013). The inadequate implementation of sustainable environmental policies is destroying the foundation upon which the country development is based on (Amanigaruhanga&Manyindo, 2010). One of the significant challenges for many rural developers is to find ways to reverse the lack of interest and increase the implementation rates of sustainable practices, especially in agriculture.

In conclusion, the impacts of environmental degradation in the country is contributing to the increment of droughts, floods and landslides which affect straight the Agriculture produce and FAOs activities and the Uganda's economy (MTIC, 2011). The county has in its hands the solution to create environmental conditions that can improve the national sustainable development. Unless the vicious cycle that

increases poverty, diminishing agriculture productivity and growing resource degradation is reversed, Uganda will continue struggling with inequality, resource exploitation and food insecurity (FAO, 2013; Saito, 2007; Ehui& Pender, 2003). The requirement to solve the farmer adoption problems of SAPs is important. The self-help organizations are an important substitute tool to stop this vicious cycle. Meanwhile, the pearl of Africa will remain degraded.

African cooperatives

The History of cooperative society starts from mid-1700s to the early 1800 during industrial Revolution which resulted from job losses with the main objectives to answer questions pertaining on whether the economy supposed to serve the people of people supposed to serve the economy. So cooperative society formed to carry farmers interests towards creation of economic fairness and alleviate poverty and wealth creation using Cooperative societies.

Cooperatives union became main platforms in promoting gender equality, health improvement and uplift of living standards of the members and entire community. It has again used as an instrument of meeting the millennium Development goals hence the community lives while working and creating wealth peacefully.

Agriculture has been practiced since the early stone age and it has very long History with Human being History and the development and transformation of different societies. Since early stages of human History communities in different areas has been involved and associated directly and indirectly in agriculture. It is narrated in different studies the importance and benefits of forming traditional groups and working together into agriculture activities. Informal traditional groups have transformed from its originality to formal cooperative societies with written rules, policies and laws governing them. This understanding generates a shift from nomadic to sedentary societies (Ahmed, 2014). In developing countries, cooperatives have passed through different challenging moments since their formation and a lot of concerns connected to the improvement of their health and effectiveness remain unknown (Ostrom, 2004). In Africa, the life expectancy of cooperative societies is on

average around 7 years (Francesconi, 2016). All Africa continent passed through same cooperation background which set the continent into real circumstances (Schwettmann, 2015). Before 1910, African self-help organizations faced a pre-colonial phase, where the collective productions were community driven. During this stage, the main objectives were the members' common support and to ensure the production of food according to the community requirements (Schwettmann, 2015; Francesconi, 2016). Between, 1910-1960 a second cooperative era started with the colonialism period which was basically categorized by adaptation to foreign models and state and church authoritarian intervention (Schwettmann, 2015). The third period started in the early 1960's after the independence where the cooperatives were used to promote African socialism. This period was characterized by corporatization; market and supply monopolies; and state support, control, and intervention (Ibidem). In 1985, after the Washington agreement and the downfall of several state-sponsored cooperatives, governments started the market liberalization policies which led to the competition of cooperative societies in the globalized market (Schwettmann, 2015; Francesconi, 2016). The African cooperatives were not ready for such a change and required donors and external funding to continue. According to Schwettmann (2015) this cooperative condition created triple catastrophe which affect the identity, the environment and effectiveness of the cooperative undertaking in Africa. The identity crisis was generated by the formation of cooperatives by name, not by nature (Ibidem). The environment crisis was an effect of the institutional setting with which the cooperatives had to deal (Ibidem).

In the same African context for the case of Njombe, most of cooperative society members are facing another yet to be addressed problem which is age and gender-based gap. Most of the members of cooperative societies are elder people leaving the vacuum for youth whose in most cases don't need to be involved in any means in agriculture practices as the shift from rural to urban areas is strengthened with retail and vending business and Gender gap drives more women to remain as the most employed farm labors but not farm owners and hence are not fully involved in decision making as they don't own the agriculture resources i.e. land, water sources and agriculture inputs. Farming scale is another issue which should be addressed in

order the development of agriculture and the well-being of society to be inclusive. Out growers' models are established, and small farm holders are encouraged to form.

2.2.4 Conceptual framework

Conceptual framework of this study will be used to show the interdependence between dependent variable which is Agricultural development and independent variables which are Cooperative societies, Government and Private sector, and Financial institutions.

The dependent variable which is Agriculture development is main theme of this thesis because a researcher intends to understand how Agriculture development of Tanzania are accelerated by Southern highland Regions through Agriculture product that are produced such as tea, Timber trees, Cocoa, Coffee, Soybeans Maize, Millet and Milk.

Cooperative societies: According to international Cooperative Alliance (ICA, 1995) a cooperative is an independent association of persons united voluntarily to meet their social, economic, political and cultural needs and aspiration through a Cooperatively- Owned and democratically- controlled Enterprise. Therefore, for that case it will be very lute testing. Theme to acquire knowledge of Cooperative societies such as NOSC as in accelerations of sustainable Agriculture development in Njombe. Cooperative society benefits the members of the union in terms of pulling common resources to achieve common goals. Market factor, credit access, extension services, labor power sources and knowledge / skills can be easily transformed in cooperative societies. In other part of the content case of Kenya it is said to be 7 people out of 100 are members of cooperative society. In Tanzania there is increasing trend of cooperative society formation even if is not at the reasonable pace. More efforts and more investments are said to be channeled to the cooperative societies with limitations of town influx and reduced manpower in rural areas due to the emerging bodaboda economy and other retail activities (machinga, mama mboga, mama ntilie, mama/ baba matunda – genge etc.

Government and Private Sector: Researcher intended to understand the role played by government and private sectors of Southern highland Regions. In Accelerating sustainable Agriculture development of Tanzania such as subsidizing farmers product, Reduction of tax for agricultural inputs, assured market, grants and agriculture incentives and products as well promoting conducive environment for investors to prosper in agricultural activities in Njombe region.

Financial Institutions: These are institutions which are funding agriculture activities and directly or indirectly involved in agri-business value chain. The roles the financial institutions in enhancing economic development in the region under SAGCOT are to support the effort of farmers in scaling up the farming investment which is the fundamental role in capital formation. Therefore, depending on all the variable that included in this past, therefore a concerted framework will be like follows.

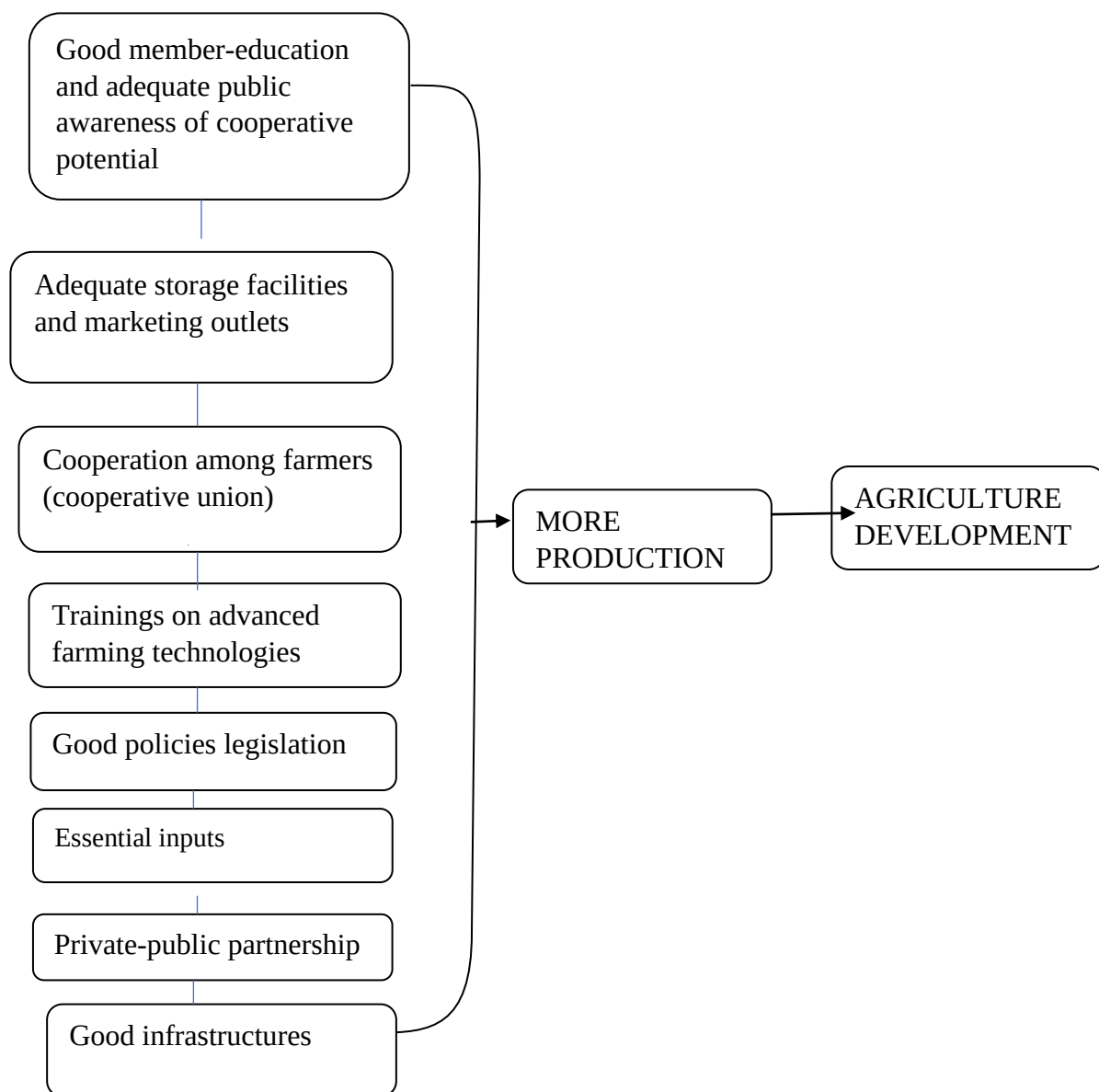


Figure 2.1 Conceptual Framework

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The purpose of this study was to find out the contributions of Southern Highland Regions to the Agriculture Development in Njombe, specifically in Njombe region. This chapter represents the blueprint or design of the research study. It entails the research design, sample size and selection techniques, data collection methods and analysis for obtaining the results.

3.1 Study Area

The study was conducted in Njombe rural district. Njombe is preferred because is among the biggest district in Njombe region in the country that specialize in farming activities, was my preferred area because is the region where the researcher practice the most of Agriculture activities and moderate involved with Agriculture investment thus it is easy to get sufficient and reliable data. Also, the region of Njombe forms part of the southern highland zone of Tanzania, characterized by pleasant climate and high rainfall, therefore is presumed to be the highest contributor to national food stock as well as contributes to industries raw materials from Agriculture. For exploring the underlying effect of types of crops farming toward the possibility of agriculture development gap. Also, the researcher is a farmer in Njombe district and familiar with the environment.

3.2 Description of the study area

Njombe district is the largest of the four-district forming the Njombe region. The district is located north- west of the region boarder by Mbeya region in the north, Iringa in the east, to the south it borders Ruvuma Region and encircles Njombe region urban district, to the southwest by the Mbeya Region.

It is located between latitudes $6^{\circ} 55^1$ and $10^{\circ} 30^1$ south of the Equator and between longitudes $33^{\circ} 45^1$ and $36^{\circ} 55^1$ east of Greenwich. The district's total surface area is 20,576 sq. meters. The total land area is made up of 19.897.5 sq.kms. The total land area is made up of 19.897.5 sq.kms making Njombe rural district the largest district

in the region. The region's water area is 678.5 sq. kms. In general land area makes up appropriately 96.6% of the total surface area and the water area is 3.4%. Njombe region rural have 6 divisions, 20 wards and 119 villages.

According to 2012 Tanzania national census, population of Njombe was 702,097. The region is indigenous dominated by Bena, the tribe, which is long described as hard working, independent and rich in culture. It reveals from history when the colonizing Germany set about to dominate and subjugate Tanzania, they met the most serious resistance in the country from the people in Njombe region, led by their chief, Mkwawa the Great. The aggressive and independent nature of the people of Njombe region nowadays finds its expression in hard and enterprising work which has resulted in giving the region the highest income per capita in Tanzania Mainland except for Dar es Salaam.

Irrespective to the ethnicity, people are more engaged in agriculture, followed by livestock keeping then fishing, industrial activities and finally the wildlife. Agriculture roughly employs more than 70% of the population in the district. The average area (hectares) cultivated under food and a cash crop annually per household is 148,110 and 17,730 respectively.

However, the types of crops grown differ from one area to another depending on climatic condition. For stance Njombe South, such as Kifanya, Uwemba, Iwungilo Igoma the favored crops are tea, maize, beans, sweet potatoes, cowpeas fruits, vegetables, and Timber trees. While areas like Makete Crops farming are limited to maize, potatoes, Timber trees and vegetables,

The financial services available in the form of banks and microfinance organizations are PRIDE, FAIDIKA, BRAC, BLUE FINANCE, SACCOs NGOs and VIKOBA, NMB and other agriculture stakeholders like SAGCOT catalyst fund and WOOD foundation via NOSC.

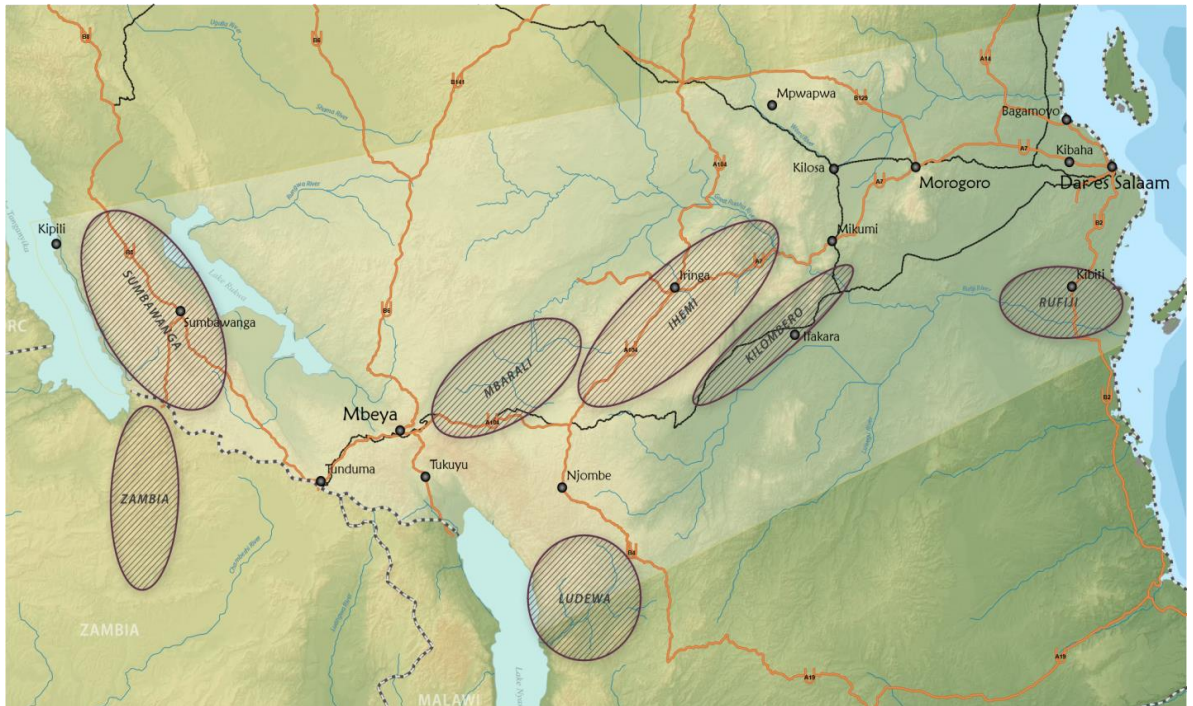


Figure 3.1 The Southern Agricultural Growth Corridor of Tanzania

Source: SAGCOT, (2013)

3.3 Research design

Research design is a roadmap indicating how the research was carried out. It is a comprehensive outline of how an assessment was conducted. Msabila and Nalaila (2013) suggested that a research design state surroundings and optimal study procedures required in performing a research study self-reliance.

In this study the descriptive approach and a case study design were used. The main function of descriptive research is to show the state of affairs as they exist as highlighted by Kothari (2004). In a descriptive study a researcher focused on illustrating or describing the subject, always by generating a profile of a group of problems, people, or event (Cooper and Schindler, 2003). Therefore, a descriptive design was adopted on attempt to determine the contributions of southern highland regions agriculture in sustainable Agriculture development in Tanzania basing at SAGCOT in Njombe district.

On the other side a case study design allowed the researcher to use more than one method of data collection such as interview, questionnaire, and documentary review. Case studies research design is most significant in interpretation the causal associations in real life interference which are more difficult for the survey and they can also describe the real-life context that the phenomena occur (Yin, 2003). The data from the survey was used in informing the qualitative inquiry to triangulate it with the case study approach.

3.4 Sample size and sampling techniques

3.4.1 Sample size

The specific target population underlying the sampling technique is farmers in Njombe rural district. The total number of people who practice agriculture are 178,019 (Population census, 2002). Because of limited time and financial resources, it was very unlikely to survey all farmers in the area. Therefore, the sample was selected from the total farmers in the district.

The study was employed the Kothari formula of calculating the sample size from the population

$$n = \frac{Z^2 \cdot p \cdot q \cdot N}{(N - 1)e^2 + Z^2 \cdot p \cdot q}$$

Whereby

N size of population

n= size of sample

e= acceptable error (the precision)

p= sample proportion, q=1-p

Z standard variety at a given confidence level

z= 1.96 (area of normal curve for the given confidence level of 95%)

e= 0.02 (by assumption; estimate should be within 2% of true value)

Therefore P= 0.02 and q= 1-P = 0.98

The total numbers of farmers are 178019

$$n = \frac{(1.96)^2(0.02)(0.98)(178019)}{(178019 - 1)(0.02)^2 + (1.96)^2(0.02)(0.98)}$$

$$n = \frac{13404}{71.2825}$$

$$n = 188.0406 \cong 188.$$

From the above formula, 188 respondents were drawn from the total farmers which are practicing small scale, other larger scale, other medium scale and SAGCOT&NOSC officials in the district.

Table 3.1 Proportional of sample size

Respondent's Category	Sample size	Sample size % of total
Small scale farmers	175	93.1
Medium scale farmers	5	2.7
Larger scale farmers	0	0
SAGCOT officials & NOSC	8	4.3
Total Sample Size	188	100

Source: Researcher's computation, 2018

3.4.2 Sampling techniques

Both purposive and simple random sampling techniques were employed in this study. According to Kothari (2004), purposive technique enables the researcher to choose respondents basing on the fact that they have desirable characteristic and variables related to the issue being studied. Therefore, this was useful to get information from SAGCOT officials in Njombe district. On the other side simple random sampling was used to get information from farmers' community. Apart from that, simple random sampling was used to avoid biasness in data collection as well as to providing equal opportunity to respondents to participate in data collection process.

3.5 Unit of analysis

According to Kothari (2004), the unit of analysis is the major entity that is being analyzed in a study. In social science research, typical units of analysis include individuals, groups, social organizations, and social artifacts.

SAGCOT in Njombe district was the unit of analysis in this study whereby small-scale farmers, medium scale farmers and SAGCOT officials formed the population under study.

3.6 Variables and their measurements

John and Johnson (1997) defined variable as any entity that can take on a variety of different values such as gender, self-esteem, managerial style as well as education. In addition to that they have identified four types of variables which are independent variables, dependent variables, moderator variables and mediator variables.

In this study dependent variable was Agricultural development. This input variable influenced by cooperative societies, government, and private sectors, as well as financial institutions as dependent variables.

These variables were measured by using ordinal scale where data was classified according to order or rank. Apart from that interval scale was used to check the most appropriate category of inquiry. Ratio scale was also used to measure variables in order to show magnitude of differences between points on scale, proportions of differences as well as all statistical techniques that are usable with this measurement method.

3.7 Validity and reliability issues

Kothari (2004) provides that, validity and reliability are two distinct criteria by which researchers evaluate their measures. Reliability is consistency across time, across items and across researchers. On the other side validity is the extent to which the scores represent the variable they are intended to. The reliability and validity of a measure is not established by any single study but by the pattern of results across multiple studies. The assessment of reliability and validity is continual process.

Validity is a judgment based on various types of evidence. The relevant evidence includes the measure's reliability, whether it covers the construct of interest, and whether the scores it produces are correlated with other variables they are expected to be correlated with (Kothari, 2004). In this study the link between economic development through agricultural activities with cooperative societies, government and private sectors as well financial institutions was established by considering factors necessary for their correlation such as access to finance and government subsidy.

3.6 Types and sources of data

Primary data were collected from individual farmers and SAGCOT officials found at Njombe district. All information about how farming activities and information on individual farm scale, government subsidy, access to microfinance and their contributions on agriculture development were primarily collected from farmers.

On the other side secondary data of this study were obtained from various reports, books, journals, articles, leaflets, related research, and electronic sources. These secondary data saved financial resource, time and data that were to be collected may be very accurate since they were obtained from reliable source like SAGCOT.

3.7 Data collection method

This study employed both primary and secondary data collection methods. For primary data collection the researcher employed interviews and questionnaires whereas for secondary data collection the researcher did reference to documentary review related with the study like reviewing reports, books, journals, articles, leaflets, related researches and electronic sources. However, the issue of sample selection and source choice was taken with great care to avoid confounding problems of bias when collecting secondary data.

The researcher used questionnaires with both open and closed questions. Open questions provided opportunity for respondents to give their own views on the asked questions whereas for closed questions the respondents were required to indicate

their answers in accordance with researcher's directives such as ticking one box only and ranking.

The researcher prepared an interview guide to track those who were interviewed. Apart from that the researcher identified the objectives of the interviews and the information needed to be found out. The interviews were conducted at the respondents' place of availability and stated the reason of the interview as well as how it was to be conducted, and how long it was to take.

3.8 Data Analysis

After collecting the data, the researcher turned to the task of analyzing them. The analysis of data requires several closely related operations such as establishment of categories, the application of these categories to raw data through coding, tabulation and then drawing statistical inference (Kothari, 2004).

Data were tabulated, then analyzed using Descriptive Statistical Analysis (DSA) technique. The descriptive statistics involved the measure of central tendency (weighted mean) and measures of dispersion. Results were also summarized in form of Tables, Charts and Graphs. Also, a 1-tailed correlation analysis model was used to measure the degree of relationship between occupation of farmers and the role cooperative societies such as NOSC and SAGCOT in enhancing agriculture for economic development.

The five-point Likert scale analysis model was used to measure the extent of agreement or disagreement by the respondents on the contribution made by government and private sectors, cooperative societies, and financial institutions towards enhancing Agricultural development in Njombe region. Data analysis enabled the researcher to make conclusions on the contributions of government and private sectors, cooperative societies and financial institutions towards accelerating Agricultural development in Tanzania basing on selected area SAGCOT-Njombe region as case study, a Likert question or item asked the respondent to select one of

five responses that were ranked in order of strength from strongly agree to strongly disagree.

CHAPTER FOUR

PRESENTATION OF FINDINGS

4.1 Introduction

This chapter was guided by the methodology part of this study (chapter three). The chapter was mainly concerned with the analysis and interpretation of the data from the field. The first part presents characteristics of the respondents in relation to demographic variables. The second section presents the findings from the collected data according to objectives of the study.

4.2 Demographic Characteristics of Respondents

This section discusses the general characteristics of the respondents. The variables which were examined in the study were sex, age, education level and occupation status, these parameters were chosen to determine their influence on agriculture development in Njombe.

4.2.1 Respondents' Gender

Results in Table 4.1 indicated that most of respondents (57.4%) were male and (42.6%) were female; this implied that there were many men who were involving in agriculture development activities in Njombe district than female. Apart from that in **SAGCOT** itself there were more male as compared to female.

Table 4.1 Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	108	57.4	57.4	57.4
Female	80	42.6	42.6	100.0
Total	188	100.0	100.0	

Source: Researcher's Field Data, 2018

4.2.2 Age of Respondents

Age was categorised into three groups. The grouping was from the age 18 years to 44 years, 45 years to 60 years and those above 60 years old. This grouping was based on the consideration that the economically vigorous and productive group in Tanzania is from the age of 15 years old to 60 years although in agriculture particular people works even when they are above 60 years.

Findings

in Table 4.2 revealed that 18-44 years accounted for 69.1% while 45-60 years accounted for 27.1% and those above 60 years old accounted for 3.7%. This implied that majority of the respondents involved in the study area were economically active and productive group as agriculture production in Tanzania require a lot of manpower.

Table 4.2 Age of respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-44 years	130	69.1	69.1	69.1
44-60 years	51	27.1	27.1	96.3
above 60 years	7	3.7	3.7	100.0
Total	188	100.0	100.0	

Source: Researcher's Field Data, 2018

4.2.3 Education level of the Respondents

Regarding education level of the respondents, 8.5% had certificate education, 5.3% had ordinary diploma education, 0.5% had either first degree or advanced diploma education and 85.6% had other education background like secondary school education, primary education, adult education, standard four education as well as those who never went to school at all. Most of the respondents had other education levels like primary school and secondary education or even never went to school at all. These results implied that majority of participants in agriculture development

activity in Njombe district have education level below certificate. These findings are summarized in Table 4.3.

Table 4.3 Education level

	Frequency	Percent	Valid Percent	Cumulative Percent
Certificate	16	8.5	8.5	8.5
Ordinary diploma	10	5.3	5.3	13.8
First degree/Advanced diploma	1	.5	.5	14.4
Others	161	85.6	85.6	100.0
Total	188	100.0	100.0	

Source: Researcher's Field Data, 2018

4.2.4 Marital status of Respondents

With regards to marital status of the respondents, results in Table 4.4 revealed that 3.2% of respondents were single, 91.5% were married, 3.2% were widows or widower and 2.1% were divorced/separated. The married group is larger implied that at least two individuals in the household are involved in agricultural activities.

Table 4.4 Marital status of respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Single	6	3.2	3.2	3.2
Married	172	91.5	91.5	94.7
widow/widower	6	3.2	3.2	97.9
divorced/separated	4	2.1	2.1	100.0
Total	188	100.0	100.0	

Source: Researcher's Field Data, 2018

4.2.5 Occupation status of the Respondents

Regarding to occupation of respondents. Out of 188 respondents, small scale farmers scored 93.1%, medium scale farmers scored 2.7%, large-scale farmers counted by 0% and SAGCOT officials & NOSC which had 20.2%. This is reasonable as the sampling methodology targeted the same amount of sample for each group, also this showed a good response by respondents although it was difficult to meet with large scale farmers because are very busy people. These results are summarized in Table 4.5.

Table 4.5 Occupation of respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Small scale farmer	175	93.1	93.1	93.1
Medium scale farmer	5	2.7	2.7	95.8
Large scale farmer	0	0	0	0
Valid SAGCOT officials & NOSC	8	4.3	4.3	100.0
Total	188	100.0	100.0	

Source: Researcher's Field Data, 2018

4.3 Factors towards agriculture development

In this part of the study the results for different rankings made by respondents on the factors that contribute to Southern Highlands Regions agriculture and Economic development in Tanzania. These factors were grouped into three groups; firstly, is the contribution of cooperative societies in this case SAGCOT& NOSC being a case study, secondly the contribution of government and private Sector in enhancing economic development through agriculture in Southern highlands regions and last but not least the role of financial institutions in promoting economic development through agriculture in Southern highlands regions.

4.3.1 Contribution of Cooperative societies of Southern highlands in Economic development in Tanzania through Agriculture.

In order to access people's attitudes toward the contribution cooperative societies of southern highlands in economic development of the region through agriculture a Likert scale was introduced on some roles of cooperative societies such provision of education to members, provision of adequate storage facilities, enhancing cooperation and provide training on agricultural technologies.

The results in Table 4.6 from the Likert scale indicated about 37.8% disagreed that cooperative societies provide good member-education and adequate public awareness of cooperative potential compare to 20.7% who agreed, these results indicate there is a lot of effort that has to be done by the cooperative societies in order to ensure adequate education to their member. When asked about cooperative society's role to provide adequate storage facilities and marketing outlets 8.5% of the respondents said they strongly agree, 19.7 % of respondents said they agree, 18.1% were neutral on this matter where as 34.6% disagreed and 19.1% said they strongly disagree, again disagree had a large score, implying a lot of investment has to be done by the cooperative societies to ensure they fulfill this role and promote agricultural development in their respective regions.

When asked about the of enhancing cooperation among them and imposes willingness to pool resources respondents in agreement emerged as the most by 30.3% of the total respondents followed by 29.3% who were neutral, then disagree by 24.5%, strongly disagree by 8.5%, strongly agree by 6.9% and lastly those who did not respond to this question at 0.5%. On the argument that cooperate societies provides trainings on advanced farming technologies where 34% agreed, 29.3 were neutral, those who disagreed were 21.3, where by 12.2 strongly agreed followed by those with strongly disagree at 2.7 while 0.5 did not respond as shown in Table 4.6

The general attitude of respondents on the role of cooperative societies was disagreement (median=4) for the role of provision of good member-education and adequate public awareness of cooperative potential, and provision of adequate

storage facilities and marketing outlets contrary to a neutral (median=3) attitude for the role of enhancing cooperation among you and imposes willingness to pool resources, and providing trainings on advanced farming technologies as show in Table 4.6.

Table 4.6 Role of cooperative societies

	provision of education		Provision of storage facilities		enhancing cooperation		Provide training on new technologies	
	Frequency	Perce nt	Frequency	Perce nt	Frequency	Perce nt	Frequency	Perce nt
No response	0	0.0%	0	0.0%	1	.5%	1	.5%
Strongly Agree	12	6.4%	16	8.5%	13	6.9%	23	12.2 %
Agree	39	20.7 %	37	19.7 %	57	30.3 %	64	34.0 %
Neutral	43	22.9 %	34	18.1 %	55	29.3 %	55	29.3 %
Disagree	71	37.8 %	65	34.6 %	46	24.5 %	40	21.3 %
Strongly Disagree	23	12.2 %	36	19.1 %	16	8.5%	5	2.7%
Total	188	100%	188	100%	188	100%	188	100%
Median	4		4		3		3	

Source: Researcher's Field Data, 2018

Also, respondents had their own opinions on the role of cooperative societies in agriculture development among the opinions are; one respondent said *“I hear a lot of projects but very few are implemented”*, another respondent said *“Only the old cooperative model were useful but not the modern one, is better the president stops or changes them”*, there is one respondent who introduced that the cooperative societies promised them they will get health insurance by saying *“they said they will provide insurance but we don’t know if it is true”*

4.3.2 Correlation analysis between occupation of farmers and the contribution of Cooperative societies of Southern highlands in Economic development in Tanzania through Agriculture.

The results in Table 4.7 indicated that the farmers ability and level of their occupation in which in the researcher’s case is used to measure agriculture development is statistically significant correlating to two roles of cooperative societies at 0.01 level of significant, providing good member-education and adequate public awareness of cooperative potential and providing adequate storage facilities and marketing outlets. These results were measured at one tailed distribution.

Table 4.7 Correlation between farmer’s occupation and the role of Cooperative societies

NO.	The independent variable	Simple correlation coefficient	Significant
1	Provision of education	-.202**	.003
2	Provision of storage facilities	-.212**	.002
3	Enhancing cooperation	-.089	.113
4	Provide training on new technologies	-.077	.148

****Correlation significant at the 0.01 level (1-tailed)**

Although the results indicated that the general attitude of the respondents on the role of cooperative societies was disagreement, but one of the NOSC officials commented on how NOSC operates that” NOSC provides tea planting services, capital agronomic advice and production logistics such as collection, weighing, transport, payment to smallholder farmers on commercial, cost recovery basis which helps smallholders to start growing at estate levels. The company which acts as the fulfilment agency and bridge between SAGCOT, farmers and government in Njombe region plays vital role on enhancing sustainable agriculture development and provides assured market for tea leaves while assuring extension services and all expertise knowledge on tea farming. NOSC helps farmers with professional advice on how to start tea farms, gives subsidies on tractors costs during cultivation phase, gives seeds and fertilizers on credit to farmers and all assistance to the level of production with a view of deducting 25% of gross revenue from produced from 3rd Year of production Also NOSC coordinates with other donors in the arena like wood foundation and other development partners on research and development of farms from individual out growers to Block farms by initiating the plans to support different schemes like Irrigation scheme, supporting out growers with extended farms equips like harvester at relatively lower hiring fees etc. On supporting the **Cooperative union**, NOSC organizes farmers and coordinates with the registrar of cooperative unions to make farmers registration to the cooperative union and certifications easier. Land Title deed (Legalizing land ownership), NOSC facilitates the process, it coordinates with municipal and pays all the costs of processing tittle deed and follow-up with government to ensure farmers have legal document which they can use to borrow money from financial institutions possible. Advice and coordinating with financial institutions – NOSC Offer financial advice to farmers and links with other institutions like PAS for Asset valuation and recommendations on credit eligibility. Offers better prices for tea leaves and assures the market of the produce by giving farmers 10years contract of sell, this is fundamental attribute for development of tea crops and assuring sustainable development in the region”.

Despite of NOSC scope on tea crops, the area NOSC covering is small as they are covering only three wards among 13 wards of Njombe town council and is in no more than 10 villages among 45 villages for the same and probably that's why some respondents are not satisfied with the contribution of cooperative societies in agricultural development and this is in line with results of correlation analysis at 0.01 significant level.

4.3.3 Role played by the Government and Private Sector in enhancing Economic development in Tanzania through Southern highlands Agriculture.

Results

in

Table 4. shows respondents had neutral (median=3) attitude on role of creating good policies legislation about Agricultural, support pricing of Agricultural products, providing subsidy, and providing various essential inputs like fertilizer, water and energy (very often at concessional rates). Respondents had strongly agreement (median=1) attitude on the increase of private-public partnership through increased private investment in agriculture, and agreed on the role of providing adequate infrastructural development and agriculture research and extension services. This indicates that most of farmers don't think that the government and private are playing enough role on agricultural development, this require extra effort to ensure agriculture sector gets enough contribution from the government and private sector.

Table 4.8 Role of government and private sector

		Frequency	Percent	Median
Creates good agriculture policies	No response	17	9.0%	
	Strongly Agree	11	5.9%	
	Agree	49	26.1%	
	Neutral	68	36.2%	
	Disagree	36	19.1%	
	Strongly Disagree	7	3.7%	
	Total	188	100%	3
Supports pricing of Agricultural products	No response	30	16.0%	
	Strongly Agree	24	12.8%	
	Agree	39	20.7%	
	Neutral	54	28.7%	
	Disagree	36	19.1%	
	Strongly Disagree	5	2.7%	
	Total	188	100%	3
Provides subsidy	No response	1	.5%	
	Strongly Agree	22	11.7%	
	Agree	36	19.1%	
	Neutral	57	30.3%	
	Disagree	56	29.8%	
	Strongly Disagree	16	8.5%	
	Total	188	100%	3
Provides various essential	No response	7	3.7%	
	Strongly Agree	21	11.2%	
	Agree	52	27.7%	
	Neutral	73	38.8%	
	Disagree	25	13.3%	
	Strongly Disagree	10	5.3%	
	Total	188	100%	3
increase private-public	No response	2	1.1%	

partnership in Agriculture	Strongly Agree	94	50.0%	
	Agree	25	13.3%	
	Neutral	57	30.3%	
	Disagree	3	1.6%	
	Strongly Disagree	7	3.7%	
	Total	188	100%	1
infrastructural development and agriculture research and extension services	No response	8	4.3%	
	Strongly Agree	83	44.1%	
	Agree	30	16.0%	
	Neutral	58	30.9%	
	Disagree	4	2.1%	
	Strongly Disagree	5	2.7%	
	Total	188	100%	2

Source: Field Data, 2018

4.3.4 Role played by the financial institutions in enhancing Economic development in Tanzania through Southern highlands Agriculture.

The role played by financial institutions respondents strongly agreed (median=1) that, Bank credit and finance facilities are made available by development bank, Policies formulation aimed at revitalizing the agricultural loans are good, the interest rates set by institutions are affordable, and provision marketing services. The respondents were neutral (median=3) argument that in financial institutions formal sources of finance are welcoming, whereby other agreed (median=2) that financial institutions Promotes Micro-finance/ Micro enterprise.

Table 4.9 Role of financial institutions

		Frequency	Percent	Median
Bank credit and finance facilities are made available by development bank	No response	19	10.1%	
	Strongly Agree	83	44.1%	
	Agree	25	13.3%	
	Neutral	49	26.1%	
	Disagree	6	3.2%	
	Strongly Disagree	6	3.2%	
	Total	188	100.0%	1
Formal sources of finance are welcoming	No response	38	20.2%	
	Strongly Agree	13	6.9%	
	Agree	9	4.8%	
	Neutral	118	62.8%	
	Disagree	8	4.3%	
	Strongly Disagree	2	1.1%	
	Total	188	100.0%	3
Policies formulation aimed at revitalizing the agricultural loans are good	No response	4	2.1%	
	Strongly Agree	102	54.3%	
	Agree	21	11.2%	
	Neutral	49	26.1%	
	Disagree	4	2.1%	
	Strongly Disagree	8	4.3%	
	Total	188	100.0%	1
The interest rates set by institutions are affordable	No response	4	2.1%	
	Strongly Agree	93	49.5%	
	Agree	27	14.4%	
	Neutral	54	28.7%	
	Disagree	3	1.6%	
	Strongly Disagree	7	3.7%	
	Total	188	100.0%	1

Promotes Micro-finance/ Micro enterprise	No response	4	2.1%	
	Strongly Agree	67	35.6%	
	Agree	26	13.8%	
	Neutral	80	42.6%	
	Disagree	5	2.7%	
	Strongly Disagree	6	3.2%	
	Total	188	100.0%	2
Provides marketing services	No response	14	7.4%	
	Strongly Agree	81	43.1%	
	Agree	26	13.8%	
	Neutral	51	27.1%	
	Disagree	10	5.3%	
	Strongly Disagree	6	3.2%	
	Total	188	100.0%	1

Source: Field Data, 2018

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.1 Introduction

This chapter gives an argument of the results in relation to the objectives of the study in comparisons to various empirical and theoretical works. This goes hand in hand with discussing both primary and secondary data obtained during the study. This discussion starts with the specific objectives of the study, which are to determine how Cooperative societies under SAGCOT of Southern highlands facilitate sustainable Agricultural development in Njombe region, to examine the role played by Government and Private Sector in enhancing sustainable Agriculture development in Njombe Region, and to analyze the role played by financial institutions in promoting sustainable Agriculture development in Njombe region. Thereafter to determine factors contributing to agriculture development and economic development through agriculture in southern highlands regions.

5.2 Contribution of Cooperative societies of Southern highlands in Economic development in Tanzania through Agriculture.

Starting with provision of education, 37.8% of respondents disagreed with this factor that cooperative societies provides good member-education and adequate public awareness of cooperative potential. This imposes a view that these cooperative societies are not effective in playing this role, some of respondents even suggested that the cooperative societies should be put into stop.

Apart from that, provides good member-education and adequate public awareness of cooperative potential role, provides adequate storage facilities and marketing outlets, in this role 34.6% of respondent disagreed. This gives implication that cooperative societies do not give adequate storage facilities.

Another contribution of cooperative societies is enhancing cooperation among farmers and imposes willingness to pool resources, 30.3% of respondent agreed meaning that they acknowledge that cooperative societies in their area play this role

but keeping in mind that about 24.5% disagreed meaning that they do not think that the cooperative societies plays this role in the way it meets their requirements.

Also providing trainings on advanced farming technologies is another role of cooperative societies toward agriculture development in Southern highlands regions. 34% of respondent agreed. This gives the general view that few farmers feel like the cooperative societies are not doing enough in ensuring that farmers are aware of new technologies.

Also, respondents had their own opinions on the role of cooperative societies in agriculture development among the opinions are; one respondent said *"I have heard that there are many projects, but I see a couple"*, another respondent said *"Cooperative were good those days, but now days they are not doing enough, I think the president should close them"*, there is one respondent who introduced that the cooperative societies promised them they will get health insurance by saying *"They said they would bring insurance I don't think it true?"*

5.3 Role played by the Government and Private Sector in enhancing Economic development in Tanzania through Southern highlands Agriculture.

Firstly, 36.2% of the respondent agreed that government creates good policies legislation about Agricultural sector. The policies legislation involves promoting agriculture output and food security, economic development and advancement through value chain produced by agriculture sector (Ministry of agriculture and food security, 2010).

Secondly, supports pricing of Agricultural products contribution of the government in agriculture development and economic development in general 20.7% of respondent agreed with this fact. Even though the government tends to ration the price of agricultural products there is the problem of middlemen who tends to deflate prices during purchase of the products this discourages the farmers.

Also, the government provide subsidies, also is another contribution toward agriculture development in Southern highlands regions. Only 19.1% of respondent

agreed with the fact that government provide subsidy, also a noticeable number (29.8%) of people disagreed, the government must do enough on this role.

The contribution of the government in providing various essential inputs like fertilizer, water and energy (very often at concessional rates). 27.7% of respondent agreed with this fact, as compared to 13.3% respondents who disagreed, the government supply different inputs to farmers at low prices through subsidy a good example is doing the kilimo kwanza incentives.

On the case of increased private-public partnership through increased private investment in Agriculture. 50% of the respondent strongly agreed that having an explicit and sustained public and private commitment will strengthen agriculture development. Government should make sure that the policies are favorable to private sector involved in agriculture sector. However, the commitment on the public and private sector in agriculture development means increase budgetary resources requirement. Providing adequate infrastructural development and agriculture research and extension services, having a well-developed and appropriate infrastructure, contribute a good Share in agriculture development. 44.1% of respondent strongly agreed with this fact.

5.4 Role played by the financial institutions in enhancing Economic development in Tanzania through Southern highlands Agriculture.

Banks provision of credit and finance facilities are made available by development bank, about 44.1% of respondent agreed banks supply credits. This is regardless of the cost of those credits; access to credits by farmer facilitates different activities such as purchase of inputs like fertilizers. Supply of finance to farmers is of paramount important because without finance farmers cannot meet the basic requirements to practice agriculture especially those with large scale farming.

Formal sources of finance are welcoming in agriculture sector, this increases the supply of funds to farmers as a lot of new sources comes with funds only 4.8% of respondent agreed. The cooperative societies and the government should do enough effort on welcoming formal sources of finance to agriculture sector.

Financial institutions policies formulation aimed at revitalizing the agricultural loans are good and assist projects to improve agriculture production and economic development. 54.3% of respondent strongly agreed with this fact, the loans provided to farmer assist them in acquiring inputs for farming activities.

CHAPTER SIX

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1 Summary

The main objective of this study was to find out the contributions of Southern Highland Regions Agriculture to Agriculture Development in Njombe. Specifically, study focused on; determining how Cooperative societies under SAGCOT of Southern highlands facilitate sustainable Agricultural development in Njombe region by assuring farmers produced market; examining the role played by Government and Private Sector in enhancing sustainable Agriculture development in Njombe Region and analyzing the role played by financial institutions in promoting sustainable agriculture development in Njombe region. This chapter provides the summary in relation to findings of the study, and then followed by the conclusion and eventually recommendations.

6.2 Conclusion based on findings

Based on the results from data analysis and findings of the research from chapter four, the researcher carefully concludes the following;

The study reveals, that Cooperative Societies under SAGCOT, Government and Private Sector and Financial Institutions in Njombe region Tanzania are not playing their full role in the agricultural development in the desired effectiveness as some of the farmers are not satisfied with the contribution given by these important players. This detail makes it necessary, that these small cooperatives need to be improved in order to form more efficient, self-dependent economical bodies, which are capable to run themselves administratively and financially. High number of farmers agreed on role of financial institutions as compared to low number of those agreed that cooperatives societies, government and private sector play their role.

6.3 Recommendations based on findings

The following recommendations are worth making to Agricultural Associations, Government and Private sector and Financial Institutions, that these organizations should be given more economical and organizational freedoms to make them less dependent on the central cooperatives, especially in obtaining and distributing the production inputs. During planning of agricultural development, the government should activate the coordination and cooperation among the agricultural cooperatives and other organizations like private cooperative in the villages, in order to enhance their abilities and the organizational effectiveness in the agriculture and rural development.

The agricultural cooperatives should be developed in order to provide activities and services which are adapted to farmers' needs. This means, that the existent cooperative laws must be modified. This modification will lead to positive consequences for the cooperative system in the whole country and subsequently incorporated positive macroeconomic effects. The formation and join and to exit from the cooperative society's membership should not be legally difficult. More education should be provided to small farmers about cooperative societies and the representation of cooperative society register should be available from ward level instead of current regional and national level.

The need of restructuring of the central cooperative society institution will bring the support close to the intended groups. Cooperative society should have representation at grassroots so that the community can be supported and educated easily than just having the representation at regional level. The role of cooperative society as well should not only be limited to registration of new groups/ members and resolving disputes, but it should be extended to educating people on the role and importance of cooperative society. Without flexibility of roles and individuals employed by the government for cooperative society development, cooperative society may not have bigger impact to the community as the level of awareness is less.

currently there are more public and private support targeting groups of farmers in rural areas and hence a lot of out growers' models are formed to support the development of agriculture in organized groups. Grants and loans are easily manageable when people are in groups rather than individual person hence the need to increase more education and bring the cooperative society services close to the intended communities.

Also, the researcher recommended that the NOSC model should be scaled up to the whole region and more crops than tea only as the model is more appealing on developing and sustaining agriculture growth in the region.

In so doing the government should pay attention to working models like NOSC for tea out growers in Njombe region under SAGCOT umbrella and replicate the model which is the catalyst of change in the way people do agriculture, catalyst for change as the model is so involving and is not letting anyone out. In the end the manufacturing industries or factories will get enough raw materials, farmers will get money from materials they sell to the factory which they can use that money to improve agriculture methods by deploying modern cultivation equipment's and afford all extension services.

Despite the effort government is putting through Agriculture Development Bank to ensure farmers have access to the credit facilities but the Bank operates from Dar Es salaam and zonal offices i.e. Mbeya for southern Highland where is not possible for out growers who owns below 5hectors to travel from Njombe to Dar Es salaam or Mbeya to apply for Agriculture loan. Bureaucracy plus the organization structure and scope of crops which the bank gives loans is the big challenges which makes agriculture loans in from Banks difficulty. Interest rates and grace period of loans remain unaddressed hence there is need to re-evaluate credit schemes based on case by case and based on the crops maturity and other market factors.

Hence the Agriculture Development Bank is owned by Government and NMB Bank which have wide coverage and many branches up to district level, the government

can empower the Agribusiness unit in NMB to perform the duties of Agriculture Development Bank which today is not performing because of its coverage. The nature of duties performed by Agriculture Development Bank requires the bank presence at district level and not at zonal and national level. The shortage of staffs (loan officers) is the biggest factor for loans issuance delays hence the number of people served exceeds the number of staffs in Agriculture Development Bank with distance from the zonal office to farmers is another roadblock. Bank products awareness as the Bank is not that known is making the bank to even as non-existing in real scenarios.

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APPENDICES

APPENDIX 1: Questionnaire

I am a postgraduate student pursuing Master of Science in Applied Economics and Business from Mzumbe University, Dar es Salaam Campus College. I am conducting research on the contributions of southern highland regions agriculture in economic development in Tanzania.

FOREWORD

- i) I guarantee the information is for academic use only, not commercial.
- ii) The name will never be revealed in any of my study.
- iii) The researcher asks for your cooperation for the success of this study.
- iv) I assure I will share the result that I get with you in the end.

INSTRUCTIONS

1. There are two sections of answering questions
 - i) Questions which require you to put tick [v] to the box provided.
 - ii) Question which required you to express yourself.
2. Please answer all questions as instructed.
3. All your answers are treated as confidential.

SECTION A: Respondents' characteristics (Please Tick [v] for the most appropriate alternative)

1. Sex
 - (a) Male []
 - (b) Female []
2. How old are you?
3. Please indicate the highest level of education you have attained
 - (a) Certificate []
 - (b) Ordinary diploma []
 - (c) First degree/ Advanced diploma []
 - (d) Post graduate qualification []
 - (e) Other []

Please specify.....
4. Marital status:
 - (a) Single []

- (b) Married []
- (c) Widow/ widower []
- (d) Divorced/ Separated []

5. Occupation status.....

6. What is the size of your farm in terms of hectares?

SECTION B: The way Cooperative societies of Southern highlands facilitate Economic development in the regions through Agriculture.

The following are the ways Cooperative societies of Southern highlands facilitate Economic development in the regions through Agriculture. Please indicate your level of agreement or disagreement for each statement below by circling the number that best describes your view on your area of specialization.

The ways Cooperative societies of Southern highlands facilitate Economic development in the regions through Agriculture.	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
Provides good member-education and adequate public awareness of cooperative potential	1	2	3	4	5
Provides adequate storage facilities and marketing outlets	1	2	3	4	5
Enhances cooperation among you and imposes willingness to pool resources	1	2	3	4	5
Provides trainings on advanced farming technologies	1	2	3	4	5

5. On your own opinion in which ways does Cooperative societies of Southern highlands facilitate Economic development in the regions through Agriculture.

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SECTION C: the role played by Government and Private Sector in enhancing economic development of Tanzania through Southern highland Regions.

The following are the roles played by Government and Private Sector in enhancing economic development of Tanzania through Southern highland Regions. Please indicate your level of agreement or disagreement for each statement below by circling the number that best describes your view on your area of specialization.

The roles played by Government and Private Sector in enhancing economic development of Tanzania through Southern highland Regions.	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
Creates good policies legislation about Agricultural sector	1	2	3	4	5
Supports pricing of Agricultural products	1	2	3	4	5
Provides subsidy	1	2	3	4	5
Provides various essential inputs like fertilizer, water and energy (very often at concessional rates)	1	2	3	4	5
There is increased private-public partnership through increased private investment in Agriculture.	1	2	3	4	5
Provides adequate infrastructural development and agriculture research and extension services	1	2	3	4	5

7. On your own opinion what are the other roles played by Government and Private Sector in enhancing economic development of Tanzania through Southern highland Regions.

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SECTION D: the role played by financial institutions in promoting economic development through Agriculture in the region.

The following are the roles played by financial institutions in promoting economic development through Agriculture in the region. Please indicate your level of agreement or disagreement for each statement below by circling the number that best describes your view on your area of specialization.

The roles played by financial institutions in promoting economic development through Agriculture in the region.	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
Bank credit and finance facilities are made available by development bank	1	2	3	4	5
Formal sources of finance are welcoming	1	2	3	4	5
Policies formulation aimed at revitalizing the agricultural loans are good	1	2	3	4	5
The interest rates set by institutions are affordable	1	2	3	4	5
Promotes Micro-finance/ Micro enterprise	1	2	3	4	5
Provides marketing services	1	2	3	4	5

7. On your own opinion what are the other roles played by financial institutions in promoting economic development through Agriculture in the region.

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APPENDIX 2: Interview Guide

Interview guide for data collection on the contributions of southern highland regions agriculture in economic development in Tanzania.

1. What do you understand about the term microfinance?
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2. How do you finance, agriculture activities?
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3. What are the financial initiatives, financing agriculture in your district?
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4. In which ways Cooperative societies of Southern highlands facilitate Economic development in the regions through Agriculture?
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5. What are the roles played by Government and Private Sector in enhancing economic development of Tanzania through Southern highland Regions?

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6. What are the roles played by financial institutions in promoting economic development through Agriculture in the region?

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Optional Information:

Name.....

Phone number.....

E-mail address.....

Occupation.....

Thank you for your valuable time, information, and cooperation

===THE END===