

FRESH FRUITS

Azori is an agricultural Region with total export amounting TZS 229,421 millions as a result of globalization where trade of agricultural products is highly increasing. However, supply chains have become more complicated accordingly leading to ineffectiveness and deficiencies. Ineffective supply chain management have made its chain risky and more vulnerable. Managing risk in the supply chain has never been as challenging as it is today. This led to decreasing of supply chain's performance. To mitigate the risks which might occur in the chain, risk management strategies play an important role for risk reduction. Among the mostly produced agriculture products in the region are organic fruits which have to be supplied freshly. As usual a fresh produce supply chain is a dynamic operation since their products are easy to perish and there are many influencing factors along the chain. The fresh produce industry in the region flows from smallholder farmers or growers who plant the varieties of products, then harvest and pack in many types of packaging and sell to the district or regional wholesale markets. Most of products are sold through middlemen or collectors and transported to wholesale markets and processing plant. Then processed products are delivered to local retail stores and overseas. Thus, the stakeholders in the regional fruit supply chain stems from upstream through downstream consisted of farmers or growers (upstream), collectors (middle stream), processors and exporters (downstream) and final delivery to consumers (domestic and overseas).

Smallholder farmers in order to have bargaining power and strengthen their collective power they formed an association (namely Azori Farmers Association (AFA)) to handle their affairs collectively. Through their association they were able to acquire inputs and pesticides, harvest, store and process as well as find better markets for their products domestically and worldwide. The association has been able to acquire its own transportation trucks in order to simplify transportation and deliveries to domestic customers in their region and neighbouring districts. The production season ending August 2016 was the most productive season ever whereby the association had to make arrangements to hire seasonal fruit pickers to assist smallholder farmers to harvest the fruits and onsite packing before the transportation and delivery to the supermarkets as well as local processors. The association normally get their fuel from DnD Petroleum Company Ltd through an integrated Fuel Management System (FMS) developed by the fuel supplier that captures and tracks stock levels of fuel as well as automatically places orders when

the re-order level is reached. The system was not well protected and unfortunately, it was hacked and the fuel supplier failed to receive orders from AFA and could not deliver diesel timely due to malfunctions. As a result AFA failed to transport the packed fruits for almost 24 hours and customers (supermarkets and processors) were not happy with late deliveries since it resulted unnecessary. Since ripe fruits can only be stored for a few hours before they begin to deteriorate, by the time the fruits were delivered customers rejected 40 % of the consignment due to poor conditions of the consignment.

Around July 2017 the shake down in the global financial sector highly affected the supply of the produce to global customers since the prices highly fluctuated to the disadvantage of the farmers due to severe exchange rates. In some parts of the Region they were hit by a volcano eruption from Mount Meru (an active volcano). The volcano eruption was powerful enough to inject ash into the winds, and the resulting cloud spread over a wide area. The ashes spread highly affected the ripen fruits since they were burnt by the carbon contained in the ashes but worse enough the means of transport were severely damaged by the volcano lava.

Thus, no commodities could be transported (supplied) to the respective customers timely and ended up getting rotten. The smallholder farmers ended up getting unimaginable losses that never happened before and blamed the Meteorologist Authority for not making accurate forecasts and informing the community about the upcoming volcano eruption. It was very unfortunate to the community and particularly to the smallholder farmers. The government at one point decided to send the Regional Commissioner to visit the community and agree on the revival strategy to compensate the smallholder farmers for their losses. The compensation programme was designed and the farmers were to be compensated progressively throughout the year through provision of subsidised inputs such as seeds, pesticides and fertilizer. Also, the government agreed to provide tax exemption to smallholder farmers with expectations of exporting their commodities.