
NEWS & FEATURES

GRIMME: Making a Difference in Potato and Vegetable Value Chains in Tanzania

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The SAGCOT Communications Team recently interviewed Frank Nordmann, the General Manager of Key Accounts and Sustainable Development at GRIMME. Renowned for its technological innovations and unwavering commitment to advancing agricultural practices, GRIMME is strategically positioned to be a driving force in transforming Tanzania's potato and vegetable value chains.

With headquarters in Damme, Germany, GRIMME Landmaschinenfabrik is one of the global leaders in agricultural machinery manufacturing, specializing in potato, beet, onion, and vegetable (carrots) cultivation. The company offers a portfolio of over 150 machines designed to cater to the entire agricultural value chain, from initial soil preparation to final harvesting and storage. GRIMME's global reach is evident through its manufacturing plants in Germany, Denmark, China, and the USA, and its robust presence in key markets facilitated by strategic subsidiaries and partnerships.

Nordmann on GRIMME's Operations and Partnerships in Tanzania

Frank Nordmann elaborated on GRIMME's operations in Tanzania, stating, "We are a comprehensive provider of potato and vegetable equipment, engaging with the entire value chain from soil preparation to storage."

GRIMME's engagement in Tanzania began in 2013 with a potato event in Njombe, organized in collaboration with the SAGCOT Centre. Later, GRIMME provided a machine used in the potato project AGRA, which was funded under USAID funding in Njombe. This project laid the foundation for potato farming as a business in Njombe. Since then, the company has broadened its involvement across the entire value chain, establishing robust partnerships with local entities like Kibaigwa and FMD. GRIMME's fundamental mission focuses on bolstering productivity and sustainability within Tanzania's agricultural sector by introducing advanced mechanization solutions. The company's strategic objectives encompass elevating mechanization levels in potato farming, empowering farmers through comprehensive training programs, and ensuring consistent access to and meticulous maintenance of premium agricultural equipment. GRIMME aims to substantially impact the farm landscape by integrating modern farming techniques and cutting-edge technologies.

Nordmann also recounted a notable project in Mbeya coordinated through the University of Wageningen involving HZPC, Agrico, Europlant, and YARA. Despite challenges leading to the project's early termination, Nordmann noted the continued use of GRIMME's machines and

potato cultivation in the region.

GRIMME's local partnerships are instrumental to its success. Nordmann highlighted its collaboration with FMD, a Kenya-based company with a dealership in Dar es Salaam, and its relationship with Silverlands, a major customer. Additionally, GRIMME engages with numerous farmer cooperatives in regions like Iringa, Njombe, and Mbeya, which collectively cultivate substantial potato acreage and seek mechanization solutions.

Nordmann emphasized their leasing concept with Kibaigwa: "This leasing concept is highly effective and includes comprehensive training for farmers on operating the machinery." He mentioned the interest from a farmers' union with over 500 hectares of potatoes in acquiring equipment, although this had not yet been realized.

As Nordmann affirmed, GRIMME's objective in Tanzania is clear: "Through training and on-the-ground support, we aim to elevate the mechanization level of potato equipment in the country," underscoring their commitment to advancing agricultural practices.

Technology Adaptation and Innovation

GRIMME is known for its technological innovations and offers a comprehensive range of technologies and products tailored for the Tanzanian market, including soil preparation equipment, planters, harvesters, and storage systems. They have implemented a leasing program with Kibaigwa to make these advanced machines accessible to smallholder farmers. This program includes hands-on training to ensure farmers can effectively use the equipment. GRIMME is also exploring the introduction of more affordable machinery manufactured in India, specifically designed to meet local farmers' financial capabilities and operational needs. This approach ensures that even small-scale farmers can benefit from modern mechanization.

Impact Assessment Over the Years

GRIMME's technology has substantially increased productivity and sustainability where it operates. Mechanical harvesting, for example, significantly reduces crop damage and loss, a common issue with manual harvesting. This leads to higher yields and better-quality produce. Introducing improved seed varieties and mechanization has transformed Tanzania into a leading potato producer in East Africa. GRIMME's technology has also facilitated more efficient farming practices, reducing the time and labor required for various farming operations, thus enabling farmers to expand their cultivation areas and improve their overall productivity.

Supporting Smallholder Farmers

GRIMME supports smallholder farmers through several initiatives. The leasing program with Kibaigwa allows farmers to rent advanced machinery, making it financially feasible for them to mechanize their operations. This program also includes training sessions to help farmers learn how to operate the equipment effectively. Additionally, GRIMME is working on producing smaller and more affordable machines suitable for smallholder farms. These efforts are complemented by partnerships with local financial institutions and organizations, such as EFTA, to provide leasing and financing options, ensuring that farmers can access and afford the necessary equipment.

Partnerships for Growth

GRIMME has established several partnerships in Tanzania, enhancing their operations and

contributing to the agricultural sector's growth. Notable partnerships include collaborations with FMD, which has dealerships in Dar es Salaam, and Kibaigwa, which operates a leasing program for agricultural machinery. They also work with major customers like Silverlands and have collaborated on projects with international organizations like the University of Wageningen. These partnerships facilitate the distribution and maintenance of GRIMME's equipment, provide training and support to local farmers, and help promote the adoption of advanced farming technologies across the country.

Challenges and Future Opportunities

GRIMME faces several challenges in the Tanzanian market, including the high cost of mechanization, limited access to financing for farmers, and logistical issues related to equipment distribution. Despite these challenges, there are significant opportunities for growth and expansion. GRIMME plans to increase the number of machines available for leasing, introduce more affordable machinery from India, and expand their training programs to reach more farmers. They also see potential in forming strategic partnerships with local banks and financial institutions to provide better financing options for farmers. Additionally, a growing demand for mechanization in regions beyond the SAGCOT corridor presents new market opportunities.

Community Engagement and CSR Initiatives

GRIMME engages with local communities in Tanzania through various initiatives to promote sustainable agricultural practices and improve farmers' livelihoods. They conduct training programs to educate farmers on modern farming equipment and techniques. One of their notable CSR initiatives is their involvement in the Stawisha project, which focuses on improving potato production and seed quality in collaboration with the Netherlands. This project has significantly impacted local communities by enhancing productivity and providing farmers with better farming tools and resources.

Vision for the Future

GRIMME's strategic plans for expanding their operations in Tanzania include increasing the number of machines available for leasing and selling, introducing more affordable equipment from India, and enhancing their training programs to ensure farmers can fully utilize the technology. They also aim to explore new market areas, such as irrigation systems, and expand their presence in other regions of Tanzania beyond the SAGCOT corridor. Additionally, GRIMME is interested in forming a consortium with local banks, financial institutions, and other stakeholders to provide comprehensive support for farmers, including financing options and training programs.

Investment Rationale and Potential Benefits

GRIMME was motivated to invest in Tanzania due to the country's high potential for potato and vegetable production and the growing demand for mechanization. Tanzania's agricultural sector presents a significant opportunity for GRIMME to introduce advanced farming technologies and increase productivity. Investing in Tanzania aligns with GRIMME's broader strategic objectives of expanding its African market presence, promoting sustainable agricultural practices, and increasing productivity through advanced farming technologies. The investment also provides an opportunity to work closely with local farmers and organizations to develop tailored solutions that meet the unique challenges of the Tanzanian agricultural sector.

GRIMME's partnership with the SAGCOT initiative and its extensive involvement in Tanzania's agricultural sector has demonstrated the profound impact of advanced mechanization on local farming practices. Through strategic collaborations, innovative leasing programs, and a commitment to training and support, GRIMME has successfully enhanced productivity and sustainability in the potato and vegetable value chains. As GRIMME continues to expand its presence and explore new opportunities in Tanzania, the future of Tanzanian agriculture looks promising, with modern mechanization driving growth and development across the sector.

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