

Borrower Overview

Kanu is a specialist in the supply of world-class agricultural equipment and holds the agency agreement for CASE in Tanzania. CASE manufactures quality agricultural machinery which is economical without compromising on power and durability. The Company aims to reduce the cost of development in Africa by providing quality machines, backed by a skilled maintenance team with spare part availability second-to-none. Kanu only distributes quality brands with the necessary original equipment manufacturer support to respond timeously to customers' needs.

Impact Focus

Agriculture remains a cornerstone of the Tanzanian economy, providing 31% to GDP and contributing 24.9% to annual export earnings. The majority of Tanzania's work force engage in farming, both in rural and urban areas. Furthermore, small family farmers dominate the agricultural sector. Despite an ongoing agricultural growth in the country, and relative changes in factor prices, the majority of farmers rely on traditional farming methods exacerbating agricultural productivity [1].

Farming in Tanzania is faced with major constraints such as unskilled labour, poor technology and dependence on unreliable weather conditions. Although crop production has increased in the last 10 years, this has been mostly due to increases in land under cultivation, rather than significant productivity increases. Farmers in Tanzania are still toiling in fields with the hand hoe and have little to show for months of back breaking work. Mechanization of the agricultural sector has the potential to increase productivity as well as the output of higher value products, which culminate to improved livelihoods for smallholder farmers [2]. This situation triggered CASE/Kanu to initiate a project to sell tractors to farmers in order to improve agricultural productivity in Tanzania.

Few smallholders in Tanzania are in a position to consider outright purchase of tractors, thus Kanu offers a tractor leasing solution to provide smallholders the opportunity to finance tractors as a more efficient, financially viable option. Restraints on mechanisation in Tanzania include: appropriate tractors, machines and implements; repair and maintenance; spare parts; trained operators; supplies of fuel, lubricants, etc.; implements for weeding and harvesting; and financial services. Kanu offers a variety of tractors with a range of horsepower to meet the specific needs of individual farmers, along with repairs, maintenance, spare parts and training. Kanu Equipment ultimately promotes the mechanization and thus productivity of agriculture in Tanzania.

References

1. Food and Agriculture Organization of the United Nations (FAO), 2018, Country factsheet on small family farms: Tanzania.
2. The Guardian, 2020, Mechanization is essential for Tanzania's agricultural development [Online]. Available: <https://www.ippmedia.com/en/business/mechanization-essential-tanzania%E2%80%99s-agricultural-development> [2020, Nov 19].



Access to Capital

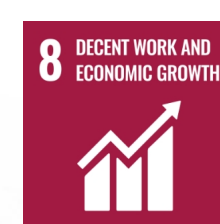


Community and Rural Development

Facility Size: USD 3mn

2 Female Smallholders Supported

26 Smallholders Supported



An initiative by

