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Implementing Electronic Traceability for Direct sales: The case for Tengeru flowers

The problem

Tengeru Flowers, a leading flower farm in Arusha Tanzania, while at a critical growth period was experiencing difficulties in forecasting its cash flow projections due to price fluctuations related to auction marketing. In addition Tengeru was finding it increasingly difficult to identify processes and locations that could be attributed to low yield and plant infections with certain batches. During low seasons the flower farm is also faced with finding markets for surplus inventory.

The Assessment

An initial supply chain assessment revealed that the production staff process while having a manual recoding of inputs and processes keeping systems, were not able to link this information to each individual green house and pack house and its processes. This made it difficult to ascertain where and how problems arose. In addition this data being in manual and excel table format was taking long to retrieve and difficult to analyze in a short period.
At the same time an assessment of the market reveled that there was demand by the market for direct sales contracts with predictable income but with stringent conditions on documentation nad traceability.

The Solution

A complete needs of assessment to study the structure of the supply chain operations and parties involved in relation to traceability requirements for both the buyers in Europe and the producer was necessary. Once the setup of the operations was clear and the flow of information defined, it became possible to design and structure traceability to meet the special needs of the Tengeru and its target market.

Areas of assessment included farming details, farm management structures, EurepGap requirements, agricultural inputs (agrochemicals and fertilizers) and respective suppliers, Harvesting activities, Pack House activities, Cold storage, transportation, delivery and existing information systems review. An analysis of the technical and human resources capacities was also documented

After the assessment, system design and development of an internal computerized production and traceability system was undertaken. The design of the system was based on the need for Integration with the Global traceability Network GTNet (a web-based, specialized *subscription based* service) enabling Tengeru to establish *electronic traceability*, both in their internal chain as well as with its trading partners upstream and downstream). The total turn around time was done inside of three months with minimal disruptions to operations and zero initial financial exposure.

The Results

Today, Tengeru have established long term direct sales contract with European buyers based on fully traceable and documented flowers with the objective of increasing volumes to 60% of total production in two years. In addition they have been able to negotiate better prices based on quality and safety not to mention the cost savings from increased efficiency.