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“Management of land use systems for enhanced food security:  
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## Electronic Smart Subsidies in Agriculture for Food Security in Tanzania

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### Abstract

One of the constraints facing agriculture in Tanzania is low land productivity caused by declining soil fertility, inadequate fertiliser application and use of traditional seeds. In 2003/04, the Government introduced the fertiliser subsidy system, spending a total of TSh 2 billion to purchase 39,387 metric tons of fertilisers. Since then Government investment into input subsidies under the voucher system has increased to TSh 60 billion in 2008/9 and reached TSh 149 billion in 2010/11. However, since the programme started it has been characterised by elite capture and other challenges making it hard for inputs to reach intended beneficiaries in the right amount. Sokoine University of Agriculture designed a research project to explore this problem and recommend an innovative alternative input distribution model. In this model that leverages on ICT, the cash component of the product value is put directly in the hands of the farmers via mobile phones. The advantage of this system is that inputs reach intended beneficiaries in the correct amount and at the right time; aggregate agricultural production will likely increase because growers will have access to adequate inputs; promotion of agro-dealer network in the area; lending to the sector will be derisked as banks will be certain on loan recovery; creation of employment as input redemption centres; billions of money that are currently fraudulently lost will be saved. Ultimately, productivity would increase and food security would be ensured. The success factors of this system include proper registration of target farmers, a strong monitoring and evaluation (M&E) mechanism to ensure that everything is executed as planned and new challenges are addressed, high commitment on the part of top government officials, and the system must be private sector-farmer driven with government playing a supportive role.

**Keywords:** Agricultural inputs, food security, mobile phones, productivity, smart subsidy