

EXECUTIVE SUMMARY

Agriculture dominates the Tanzanian economy, accounting for 40% of Gross Domestic Product (GDP) and up to 83% of total export earning. About 90% of the population lives in rural areas where it is estimated that at least 85% of them are served by co-operatives.

As in many developing countries, particularly in Africa, there continues to be an extreme shortage of foreign exchange in Tanzania. The likelihood that this will persist in the foreseeable future is great, so efficient pricing policy attention must be directed to the net foreign exchange earning or saving contribution of the different crops. That is to say those crops with the greatest net foreign exchange generating capacity should, all else being equal, be favoured.

Coffee for example, has always commanded an important place in the economy of Tanzania, first as a source of income to small holder farmers and employment to workers in coffee estates and second as a source of export earnings and revenue to the government budget. So declining coffee production trends over the past years must be critically assessed and valuable recommendations given.

This decline as one can see implies that farmer's income and export earnings are fluctuating accordingly. The cause of low production was said to be due to unattractive producer prices, inefficient control of pest and diseases and

old age of coffee trees.

In order to improve on the situation the cost of

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production obtained from a mini survey carried out in Moshi was analyzed by using an electronic spread sheet and improvement recommendations given.

Lastly, the existing manual system used by co-operative personnels in analyzing production costs and marketing functions costs apart from being inefficient and lengthy is liable to inaccuracies, and is boring and tedious. Taking into consideration the time factor we had to complete this project report, the exercise of analyzing surveyed production costs was made possible by the use of electronic spreadsheet. It is our hope that the use of the tremendous impact the computer has upon the way information is processed suggests a remedial solution if co-operatives have to improve the standards of rural population. Further, the increased accuracy, efficiency, and timeliness of reporting using the computer will, we hope, increase the decision making mechanisms made by co-operative management executives and enable the co-operative strengthen their role in the economy of Tanzania.

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