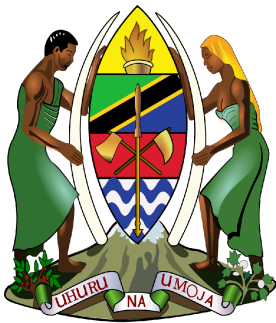




TIMBER MARKETING STRATEGY

Dr. Joseph Makero & Mr. Jasper Makala (Consultants)

MAY 2023



The United Republic of Tanzania
MINISTRY OF NATURAL RESOURCES
AND TOURISM



SUOMI
FINLAND



Ministry of Natural Resources & Tourism (MNRT)

Timber Marketing Strategy

May 2023

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ABBREVIATIONS AND ACRONYMS

CRB	Construction Registration Board
FSC	Forest Stewardship Council
LKTS	Lesser-Known Tree Species
MCDI	Mpingo Conservation & Development Initiative
NHC	National Housing Cooperation
TBA	Tanzania Building Agency
VLFRs	Village Land Forest Reserves
WHC	Watumishi Housing Cooperation

INTRODUCTION

Marketing is defined differently by different people. Some business managers think marketing means selling, advertising, packaging or distribution. All of these ideas are important to marketing, but they don't define marketing properly. Marketing can be thought of as total system of business activities designed to determine customers' needs and desires.

Then to plan and develop products and services to meet those needs and desires, and then to determine the best way to price, promote and distribute the products and services. People often confuse marketing with other terms. For example, markets and marketing of forest products are not the same. Markets are the customers or timber dealers. Also, many people think marketing and selling of timber products are the same. A short explanation is that selling focuses on the product which in this case is timber and other timber products that come from VLFRs.

In Tanzania, Dar es Salaam is the major timber market for both domestic and export. Timber traded or consumed in Dar es Salaam is commonly bought through middlemen, or directly from the licensee/saw miller in case of large-scale users.

The species most frequently traded and/or bought for domestic consumption are; Mninga (*Pterocarpus angolensis*) and Mkongo (*Afzelia Quanzensis*).

However, experience show that because the popular timber species are depleted in the forests, people go for even the LKTS. For example, the recent demand from VLFRs for Mtondoro (*Julbernardia globiflora*) and Myombo (*Brachystegia speciformis*).

According to Unique, (2015), volumes of Miombo species traded nationally are generally unknown and markets which are located close to forest resources tend to take LKTS which do not have a market (or very limited market in Dar es Salaam and other Cities). Likewise, small towns close to productive forests cannot be considered as good market for (more expensive) sustainably harvested wood products.

Not only CBFM in Tanzania does empower communities to own forests, but through CBFM, rural communities have been facilitated to generate sustainable forest-based income streams for these communities through selling hardwood timber, the most valuable forest product in local forests. It is this income and the impact it has on the wellbeing of local people that drives communities to care for their locally protected forests, using them in a way that leaves sustained benefits. In order to maximise forest product revenues for beneficiary rural communities, it is important for the communities, Government Authorities and key stakeholders involved in CBFM to continue to market and promote timber from well managed forests. A key aim will be to increase awareness that communities are *actually selling timber*, and that it presents a quality, sustainable and profitable alternative to unregulated sources of hardwoods in the country and elsewhere. To achieve this, FORVAC has developed a defined strategic market-oriented Strategy (this document) which will be shared with key stakeholders including the rural communities.

This strategy communicates the approach to marketing of timber from the FORVAC supported CBFM villages

Specifically, the Marketing Strategy identifies:

- **Goals** – What does FORVAC wants to achieve through marketing of community timber? (Goals, objectives, targets)
- **Who** – Who need to be reached, influenced and engaged with in order to achieve those goals? (Target audiences)
- **How**– How will the Audience be most effectively reached? (Tools and channels)
- **When** – When and how often will the marketing activities performed? (Work plan)
- **Monitoring and Evaluation** – How will the success marketing efforts be measured?

RATIONALE

The success of CBFM as a whole is subject to rural communities to continue sustainably managing their forests in a financially self-sufficient manner and their ability to access domestic markets as well as high value international markets for their tropical hardwood timber.

Thus, this strategy is set to progress CBFM in Tanzania from a predominantly aid-dependent model reliant from donors to subsidise forest management, to a **more business-oriented approach** where communities are covering the costs of forest management for themselves.

An important part of this strategy is to guide rural communities to create/improve the timber marketing and realization of the value of their sustainable timber.

Currently, communities are not securing adequate markets for their timber.

A key challenge is the need for key LKTS to gain sufficient recognition/traction and value in the market place, unlocking much greater value from VLFRs.

As a result, the sustainable forest business operations of VLFRS do not perform sufficiently well to provide the requisite margins for adequately reinvesting in both forest management operations as well as community benefits critically important for underpinning the social licence of community forestry.

GOALS & OBJECTIVES: *WHAT TO ACHIEVE THROUGH THE STRATEGY?*

Timber Marketing Objectives:

- This Strategy is for publicizing market opportunities for miombo timber from VLFs for the operational area of FORVAC.
- It seeks to improve lives and conserve forests in FORVAC Programme area. It uses sustainable forest management to achieve these ends, leveraging the value of timber as a means to conserve forest resources and lift the resource owners, the communities, out of poverty.

TARGET AUDIENCES: *WHO TO REACH?*

Government – National, Local Authorities and Government Agencies in Tanzania that have development Projects which use timber for construction and furnitures.

Timber buyers – Prospective and existing timber traders from FORVAC-supported community forests, including international and ‘high-end’ buyers interested in sustainability and community benefits as well as sawmills and ‘low-end’ buyers where value for money is often more important than where and how timber is sourced.

Media – National and international journalists that can be used as a tool to market community timber.

Other – Other organisations and individuals with an interest in forest conservation, sustainable timber, community development and/or any other aspects of community forestry.

STRATEGIES

1. POLICY AND ADVOCACY:

Policy and advocacy are solid pillars to the execution of timber sales in Tanzania. Here CBFM villages are looking at the local scene accepting or setting a Government procurement and or criterion for export and use in construction in Tanzania.

- This will be done through dialogue and engaging government stakeholders starting at district levels to Ministerial levels or viceversa to make this a rule of thumb so as to increase revenue for the government and rural communities as well.
- CBFM villages to be supported for arrangement with members of the Standing Parliamentary Committees for Natural Resources & Land as well as the one for Trade & Industries for a physical filed visit with media to actually feel the magnitude of revenues that can be derived from timber sales from the rural communities.

- This will impact on the decisions regarding public procurement and other related regulations so that there should be a condition to source timber from responsibly managed forests.

2. Market Visit to all potential timber buyers

- These include those identified by the study on analysis of the demand of miombo timber in FORVAC operational area.
- Potential timber buyers who once indicated interest but could not buy will be consulted. The aim being to understand why they were once interested to do Timber business with VLFRs and what discouraged or disappointed them, and hence the business failed. What can be improved to win business trust with them once again.

3. Market Visit to all companies under construction Sector

- Target markets include contractors Civil Engineering Companies, CRB, NHC, WHC and wood allied product manufacturer's. This will be done through scheduling meetings and attending forums and getting presentation slots at their annual general meetings.
- The aim being introducing CBFM villages and explain how it contribute to rural communities in Tanzania to improve local livelihood, expand tax base and achieve conservation outcomes.
- Share with them a catalogue of the timber species available from VLFRs.
- Supply them with wood samples.

4. Market Visit to all companies /Centres dealing with Furniture and Carpentry production

- These include; Furniture Centres
- Share with them a summary of how CBFM villages can deliver sustainable timber.
- Share with them a catalogue of the timber species that are available from VLFRs.
- Supply them with wood samples.

5. Market Visit to all Timber/Wood Traders companies registered/operating in Tanzania

- These include; Mamtamwe Investment Company Ltd, Ricco Holding Company Ltd, Apple Craft Ltd, e.t.c
- The aim being introducing CBFM and explain how it aims at supporting rural communities in Tanzania to improve local livelihood, expand tax base and achieve conservation outcomes.
- Share with them a summary of how CBFM villages can deliver sustainable timber.
- Share with them a catalogue of the timber species that are available from VLFRs.
- Supply them with wood samples.

6. Attending all Local and International Wood/Timber Exhibitions, Trade Shows, Workshops, Events

- Attending the International Forums like the International wood construction forum, wood circus, wood sustainability forum, International wood forums (Attending online through ZOOM is an option). Attending these forums via virtual mode -Zoom is an added advantage in terms of creating markets and awareness to the international target community. All these should be used to leverage awareness of timber from VLFRs with the aim of building relationships with an opportunity to trade at a world stage and creating internal markets.
- Attending local trades shows and exhibitions, these include; Saba Saba Exhibition, Nane Exhibition, Dar Properties Exhibitions, EXPRO Group AFRIWOOD
- The aim being showcasing CBFM work and how it aims at supporting rural communities in Tanzania to improve local livelihood, expand tax base and achieve conservation outcomes.
- Showcase how CBFM villages can deliver sustainable timber
- Distribute catalogues of the timber species available from VLFRs.
- Distribute wood samples

7. Advertising and Promoting VLFRs Timber Production and Sales both local and international level through the established Rural Timber online marketing system.

This will be done according to different clusters of the target market to create awareness of the rural community activities regarding timber sales a source of revenue.

- Additionally, general models for different clusters of the chain: Use of bulk SMS, social media - Instagram, Facebook, twitter, use of WhatsApp, LinkedIn, You Tube).
- Use of advertising Agencies (Smart Codes and Mikono Explo) and Media houses (TV/Radios
- The aim being introducing CBFM villages and explain how it aims at supporting rural communities in Tanzania to improve local livelihood, expand tax base and achieve conservation outcomes.
- Promote CBFM work and how VLFRS can deliver sustainable timber.
- Show case a catalogue of the timber species available from VLFRs.

The above will be done with a defined focus but an aligned message to suit respective audience or target markets so as to create awareness.

The online rural timber marketing system will constantly be improved by updating the contents and features in the rural scenario. It will also include advocacy regarding timber in Tanzania.

8. Conduct Sales and Marketing Calls/E-mails

- The aim being to book meetings with potential timber buyers and saw millers.
- The aim being introducing CBFM and explain how it aims at supporting rural communities in Tanzania to improve local livelihood, expand tax base and achieve conservation outcomes.
- Share with them a summary of how CBFM villages can deliver sustainable timber.
- Share with them a catalogue of the timber species available from VLFRs.

9. PRICING:

- CBFM Technical facilitators, District Authorities and CBFM villages should discuss about the pricing chain of sawn timber and see where costs can be reduced to balance with competition. Also to reduce margins so as to target volume-based business in the value chain of distribution.

10. INTERNATIONAL REGISTRATIONS AND PARTNERSHIPS:

- Create partnerships for sourcing of international markets as well as organizers of timber and wood forums. Forums will include betimber.com, bnsmsg.com, weforum.org, swst.org, Lesprom.com, iufro.org, fao.org wood energy etc
- This will be done through registration and e-mail shots with details of the type of timber available and the type of partnerships. The expected results will include an increase in enquiries or traffic with an opportunity to sale timber.

MONITORING AND EVALUATION

CBFM villages will monitor and evaluate the success of their timber marketing to achieve targets. This will help to identify what is working and what is not, and to adapt future marketing strategy based on the outcomes.

MCDI already has a number of systems in place to monitor and evaluate the success of rural communities to generate revenues from timber sales. CBFM should leverage use of existing the systems for monitoring and evaluation. These include:

- A *Quota Management Spread sheet* which records all sales from community forests, including the species, value and volume of transactions.
- A *Timber Buyer Questionnaire* to determine how buyers found out about VLFRs and why they decided to buy sustainable timber from community managed forests. The purpose of the questionnaire is to help CBFM villages develop effective marketing and communications materials for potential and existing timber buyers, and to critically assess timber trade to improve services to timber buyers in the future. Similar set of questions for other key stakeholders should be developed.
- Through the hits (Online marketing site traffic), enquiries, level of understanding of the stakeholders through Q& A sessions, at forums, social media feedback, target clients to ascertain growth and awareness which at the end will be subjective to

different agreements and executions to be agreed with rural communities to sell timber.

FCG.