AGRICA

26 May 2015

Ms. Anuradha Mittal
Oakland Institute

Mr. Glen Tyler
Greenpeace Africa

Dear Ms. Mittal and Mr. Tyler,

I hope your report will note the overall positive impact that KPL has brought the area over the past seven years, all while the Company was (and is) loss-making:

- $639,000 a year in net local salaries and benefits
- $150,000 through the Community Development Fund for school rooms and clean water systems and other projects chosen by the villages that border the farm
- KPL Health Centre that provides $60,000 annually in subsidised health services to the community that used to have to walk 10 to 15 km to the nearest clinic. In 2014, the Health Centre received 11,062 non-staff visits and 714 non-staff admissions

I have pasted portions of your letter below, commented and answered questions.

> In general, respondents interviewed for this study expressed great negativity when describing their experiences with KPL and the compensation process.
>
> Several villagers reported that after losing land to KPL, they were forced to accept a compensation that left them with less land than they had before.

Farm No. 411, Kilombero District has a title deed for 5,818 ha, first registered to the Rufiji Basin Development Authority (RUBADA) on 17 October 2003. The farm itself dates back to a Presidential allocation of a much larger area to a joint venture between the governments of North Korea and Tanzania in the mid-1980s, the Korea Tanzania Agricultural Company (KOTACO), in which RUBADA represented the government of Tanzania.

KPL purchased the farm in September 2008 and immediately commissioned an external consultant to conduct a participatory mapping survey of Mngeta Farm. A first survey was conducted in October 2008.

In collaboration with members of Village Land Committees and farmers' representatives, the external consultant conducted a follow-up participatory mapping survey from 13 July to 8 August and 06 to 20 October 2009. The intention of the survey was to enumerate and identify:

- Every area of PAP (Project Affected Person) cultivation
- The origin of each PAP cultivator or inhabitant

- The date they claimed to have occupied shamba (farm) plots
- The method used to acquire shamba plots
- The crops and trees planted on each shamba
- The individual PAP's plan for relocation or plan to resist relocation

One output of the survey was a farm block map illustrating the distribution of PAP shambas and structures. Household questionnaires, informal interviews, and field observations were the main methods employed during the survey. GPS coordinates were taken for each PAP shamba and structure.

Highlights of the survey include:

Place of origin	**Sample**	**Percentage**
Surrounding village	108	29.0
Within Kilombero District	12	3.2
Within Morogoro region	10	2.7
Other parts of Tanzania	179	48.0
Unknown	64	17.2
Total	373	100.0

Mode of shamba acquisition	**Sample**	**Percentage**
Purchased	12	3.2
Inherited	2	.5
Village allocation	144	38.6
Personal Appropriation	185	49.6
Unknown	30	8.0
Total	373	100.0

Cultivated Shamba size	**Sample**	**Percentage**
0 to 1 acre	113	30.3
2 acres	133	35.7
3 acres	27	7.2
4 acres	13	3.5
5 acres	16	4.3
above 5 acres	7	1.9
None	64	17.2
Total	373	100.0

Given the history of the KOTACO project going back to the mid 1980s when the valley was sparsely populated, the continued presence/ownership of RUBADA on Mngeta Farm as well as the presence of a series of commercial tenants to whom RUBADA had leased the farm, and the formal registration of the title deed in 2003, the Village governments were aware that Farm No. 411, Kilombero District, was government property—not village land. The three villages bordering the farm did not have the legal authority to allocate land to anyone on Farm No. 411, Kilombero District.

By Equator Principles/IFC standards, if a farmer is occupying an area when a project commences, even if he or she has no legal right to occupy the area, he or she should be compensated for the area that he/she was using to maintain his/her livelihood.

Maintenance/improvement of livelihoods was the principle that KPL followed. Please note:

- 30.3% were farming under 1 acre
- 35.7% were farming two acres
- 17% were not farming

In order for the farmers to maintain their livelihoods, KPL endeavored to make sure each family had 3 new acres cleared, plowed and prepared to plant. For 80.2% of the PAPs this was more land than they were cultivating.

Claims of land ownership beyond 3 acres were difficult to substantiate if they were not under cultivation and had no paper trail. Anyone could point at an area of bush and call it his own. In the case of either village allocation or purchase from another farmer of uncultivated land, the origin of the ownership claim was illegitimate as no one but RUBADA had the right to allocate an area on Farm No. 411. Nevertheless, KPL paid an additional TZS 10,000/acre for the hardship the person may have experienced by paying a local official or someone who claimed they owned land that in reality was not theirs to allocate.

Under Equator Principles/IFC standards, KPL was not bound to make this extra compensation for an area not under cultivation. KPL was trying to be a good neighbor. KPL also did not/does not have limitless resources available for gratuitous payments for unverifiable claims, some of which may have been a ruse to receive extra compensation.

It would be helpful to know more about any specific claims of families that “lost land to KPL” and “were forced to accept compensation that left them with less land than they had before.”

As explained above, perhaps these families may have been fraudulently allocated more than 3 acres of land by the village government which had no authority to allocate land; or perhaps they purchased an area from someone who had no right to sell the land; if there was no evidence of cultivation of an area beyond 3 acres, they received 3 acres ready to plant and TZS 10,000/acre for any additional area claimed.

All farmers were offered 3 acres each at Njage Village or to find land themselves, which KPL would purchase, clear, plow and prepare to plant. The majority—343 PAPs, 90%—found their own 3 acres. Mngeta Village government promised to source 180 acres of land at TZS 20,000/acre for 60 PAPs but managed to source only 75 acres. KPL purchased the deficit of 105 acres at TZS 30,000/acre.

At a cost of TZS 30,000/acre, KPL paid for each new family plot to be plowed and prepared to plant. KPL also mapped and photographed each new farm. The average cost to KPL per ha was therefore TZS 60,000/acre.

The participatory survey and Grievance Committee, which was chaired by the Village Government and included farmers’ representatives, helped ensure that PAPS were fairly compensated.

> Villagers also claim that in some cases they were told that land was not available as it had been acquired by KPL, and were therefore directed to accept monetary compensation for their lost assets and advised to go and find a new place for farming activities themselves.

As explained above, the participatory survey identified everyone cultivating on Farm No. 411 and all the PAPs were compensated with a minimum of 3 acres of new land ready to cultivate, which in most cases was a larger area than they were previously cultivating.

> The compensation amount they were offered for their farms did not reflect the value of land in the area. The RAP points out that for the "Mngeta Farm project the Valuer adopted Tsh 30,000 per acre based on the current market price at Mkangawalo" (one of the adjacent villages) as a reference for land compensation payments. However, villagers report that the compensation they were offered amounted to only Tsh 10,000 ($6) per acre, without receiving any clarification about how the value/company arrived at this amount.

As discussed above, after receiving a new area to cultivate at a cost to KPL of TZS 60,000/acre, including plowing, PAPs received an additional TZS 10,000/acre ($8.30) for unverifiable claims for acreage beyond 3 acres.

> Some villagers report that they were compensated with land in an area that is frequently flooded and impossible to farm. Villagers also reported that the new houses constructed by KPL are located in an area that is frequently flooded. Although the KPL management allegedly has been aware of this issue for several years, they had, as of November 2014, failed to deal with the issue.

Villagers were given a choice of land at Njage Village or finding land for themselves. 90% chose the land themselves. Most of the Kilombero Valley floods in years of high rainfall. Farm No. 411 itself floods and some areas of the farm are in some years impossible to farm.

The new houses at Kichangani did experience a heavy flooding incident in 2009/10, and KPL immediately dug a 6.5 km long drain in addition to 1.5km drains on either side of the housing that had been built.

It is important to note that no villages in the vicinity of the farm are immune to flooding.

> Although the RAP promises to "find good individual solutions" so that none "are forced to accept uniform standard solutions that they are unsatisfied with," villagers wondered why KPL did not build the new houses in areas wished for by the individual households.

The participatory mapping survey found: "Houses of very poor quality are the common main structures owned by people."

KPL built a total of 82 houses (at a total cost of TZS 257,457,308) more durable than the mud-walled, thatched roof houses that were on the farm. The houses have raised concrete floors and tin roofs and separate outhouses as well as an area to allow for the families to build more rooms. In addition KPL installed 3 boreholes in an area where villagers had been getting drinking water from dirty, shallow wells. The company could not practically build to-spec houses for individual families.

> Respondents claimed that no villagers have, as of November 2014, received titles to the land or have any proof of ownership to the new houses. Hence, it is pertinent to ask whether these villagers have received any compensation at all considering they may not be the de-facto owners of the new houses or have ownership rights to the land on which the houses have been built. According to your recent communication with us, villagers have received land titles. Please let us know if you are able to verify your claims.

Please share a copy of the "recent communication that said Project Affected Persons received land titles" as we do not believe that such a statement was made.

In an email on 10 Feb 2015 I wrote Anuradha:

"The Project Affected Persons (PAPs) own the land and the houses. One area of the PAP houses is off the titled area of the farm. A smaller group are in the 389 ha cut off from the farm in an agreement with one village. I understand that a number of the PAPs have sold their houses and moved on. Last week there was a World Bank/UNCTAD team on the farm doing research on responsible agricultural investment and one of the PAPs told them that they were not allowed to rent their houses. This is certainly not true and needs to be followed up."

As I wrote previously, there are two areas of PAP houses. One area is off the titled area of the farm, on village land, and customary land rights apply. The other area is on the 389 ha that is within the titled boundary of the farm that, through a formal agreement with the village, is now village land.

Therefore, the two groups of PAPs own their land and houses on the same basis as all of the local villagers in the District, without title deeds through customary ownership. KPL recognizes their ownership and would be happy to provide letters to individual PAPs attesting to this fact.

> Not all households dispossessed of their houses and land were provided with alternatives (houses and/or land) as promised in the RAP, causing adverse impacts on household food security, as without land they are not able to grow food.

As discussed above, a Participatory Mapping Survey identified all structures and cultivated areas on the farm. Everyone identified, or added to the list through the Grievance Committee, was compensated according to IFC standards. The Grievance Committee identified some few PAPs who had been missed by the survey and dismissed some claims that the Committee judged to be inauthentic.

While it is possible that someone—who had once farmed a few acres of land on the Farm No. 411 but who had left the area and the land had gone back to bush—was missed by the survey (some of these were identified by the Grievance Committee and respected as there was village paperwork indicating they were authentic), it is difficult to see how a housing structure or recently cultivated area was missed by the survey. Therefore, it is extremely unlikely that anyone was dispossessed of their house and not provided with an alternative. KPL would be happy to examine any specific claim with the Grievance Committee.

> Some villagers are also critical about the lack of information and transparency during the

> compensation process. They allege that KPL mostly dealt with the village government, while little information trickled down to the villagers themselves about how their properties had been valued.

Numerous public meetings were held. The PAPs had representatives they chose themselves to represent them in all discussions. PAP representatives participated in the Participatory Survey, discussions with KPL and the Grievance Committee.

As written in the RAP, TZS 30,000/acre was the prevailing rate for uncultivated land at the time.

> Land is scarce in communities around KPLs plantation. Villagers report that renting land has become much more expensive with the arrival of KPL. Prices per acre have experienced a fivefold increase.

The main driver of land pressure in the area is likely the ongoing migration of immigrants from elsewhere in Tanzania. Please note in the table above in 2008 only 29% of the PAPs were from the local area. When KPL commenced farming in 2008 there were very few farmers or villagers living southeast of the farm. The area is now heavily populated by immigrants who were not Farm No. 411 PAPs.

> Villagers report difficulties in accessing the compensation they were entitled to.
> Questions:
>
> Are you able to explain why villagers received this lower compensation of TZH 10,000 instead of 30,000?

As discussed above, KPL never compensated cultivated land for cash. KPL compensated cultivated land with 3 acres of land ready for cultivation. This cost KPL a total of total of TZS 31,620,000 to purchase 1,029 acres, and TZS 30,870,000 more after plowing and harrowing.

As discussed above, for claims for uncultivated land larger than 3 acres, KPL paid TZS10,000/acre.

> Is there evidence that villagers have been consulted about where the new houses should be located and had a say in how they should be constructed?

The two areas of PAP houses were chosen in consultation with village governments and PAP representatives. Mbasa village allocated one area, Mngeta Village the second area. A much larger village, including a school and church, has grown up around Kichangani, the larger PAP housing area.

> Are you able to provide evidence that villagers have received land titles, as their claims contradict your previous statement on this?

Please quote where I said that KPL had provided titles from the Ministry of Land for the PAPS. I wrote they own their land. They do, in the customary, village-recognized fashion that everyone in every village in the area owns their houses and their land.

> In general, respondents appear content with training in SRI. They report improved

> yields as a result of the new knowledge. However, respondents involved as outgrowers express great dissatisfaction with the scheme.
>
> Although many farmers were able to increase their production with the new techniques, they explain most of the gains have disappeared in debt repayments. Struggling with debt repayments, some report being forced into distress sales of their belongings.

KPL and smallholders in the Kilombero Valley have been struggling to breakeven on their production since the Government flooded the market with duty-free rice in early 2013 which resulted in the EAC partner states shutting out Tanzanian rice, bottling up surplus production in the country. The market is only now beginning to recover.

> When outgrowers signed the contracts, they were told that the price for the repayment of paddy was to be fixed based on the market value of paddy at the time. However, on reaching the harvesting period, farmers complain that the actual price they received from KPL had decreased. Villagers were told that the price had changed due to changed market conditions (i.e. rice imports causing a downfall in rice prices in 2013). KPL asserts that despite this downfall in prices (the local paddy price was claimed to be at Tsh 4,000 per debe (20 kg)), and in adherence of its contractual promises, they still paid outgrowersTsh 6,000 per debe. However, testimonies from farmers depict that they paid the price for the changed market conditions.

KPL continues working hard to re-establish a loan program that works for the farmers, a bank and KPL. Credit is crucial to lifting the smallholders out of poverty; otherwise, when desperate for cash in the growing season, they will pre-sell part (even most or all) of their crop before harvest to a local buyer at a fraction of its value at harvest.

KPL paid at or above market prices during the two years that it participated in the loan program (repaying the bank or microfinance institution that lent to the farmer after the farmer delivered their paddy, un-milled rice):

Crop Year	Micro Finance Institute	Loans Disbursed	Avg. Market Price 12 months prior to loan	Agreed Purchase Price Debe	Purchase Price Paid	Market Price @ Harvest (Jun/Aug)	Note:
2011-12	YOSEFO	148	5,000 (est.)	5,000	10,000	9,400	
2012-13	NMB	189					
	YOSEFO	416	7,000	6,000	6,000	4,500	**a) 46% default**
2013-14	YOSEFO	50	5,100	3,500	**b)**	4,100	**Plus 2nd Harvest Payment**
2014-15	NMB	0	4,500	4,000	-	-	

In 2011/12, before KPL began systematically tracking the local paddy price in the 10 villages where it has introduced SRI, the farmers expected the paddy price to be TZS 5,000/debe. Please note a debe equals 13.5 kg. KPL agreed with farmers to pay 5,000/debe. The price at the start of harvest was 10,000 so KPL paid 10,000—100% above the agreed price—though the local price dropped over the course of the harvest period before all the paddy was delivered.

In 2012/13, KPL agreed to pay TZS 6,000/debe, which it paid though the local paddy price averaged TZS 4,500/ debe through the harvest period.

Note that in 2012/13, 46% of the 416 farmers defaulted to YOSEFO even though KPL was paying 33% above the local price at the time. It is important to note that YOSEFO structures their loans on the standard microfinance model, including bi-weekly repayments, which is not ideal for farmers (who end up using the loan to make the repayments). Lump sum repayment, used by NMB, is more appropriate for a farmer. Still, neither the paddy price nor the bi-weekly repayment caused the defaults. Rather, it appears that some individual advised a number of farmers not to to repay their loans. This is unfortunate as it has set back the possibility of credit for all the farmers.

In the 2013/14 season, following the widespread default, NMB pulled out of the program and YOSEFO only issued 50 loans. After the market crash following the government intervention, KPL had agreed to pay TZS 3,500 per debe and to make a "Second Harvest Payment" to the farmers if the average price between the June start of harvest and the November disbursement of new loans was higher than the base price. KPL was attempting to structure a commercially sustainable relationship that was fair to both the farmer and KPL. Per b) in the table above, KPL did not buy any paddy as YOSEFO later instructed the farmers to repay directly in cash rather than repay their loans in paddy to KPL.

In the 2014/15 season both YOSEFO and NMB refused to lend to farmers given the credit history in the area and the volatile market. KPL is working to bring NMB back to lend to credit-worthy farmers in the 2015/16 season.

> Some respondents suggest that the structure of the agreement that outgrowers entered into with the KPL tended to disproportionately benefit the better-off segments of the community who are able to absorb the costs involved with the contract.

We are trying to devise a loan product that works for the poorest of the poor and helps them to escape preselling at a great loss. It is a work in progress, and we would welcome any input from the Oakland Institute and Greenpeace Africa if you or your partners might connect us with a successful rice smallholder crop finance model.

> Some involved as outgrowers complain that their autonomy as farmers was reduced due to the debt relation with KPL as they had to accept technologies that they didn't need and that all decisions about farming were now made by KPL.

The KPL SRI program is voluntary. Numerous studies conducted by KPL and USAID's NAFAKA show that SRI with improved seeds will increase yields and productivity. It is true that if they want to participate in the KPL loan program they must grow Saro 5 seeds (which yield 3 to 9 times higher than the local varieties) and plant on a SRI grid because these practices allow the productivity needed to produce surpluses, repay a loan and escape poverty. The banks insist on a specific package in order to lend to the farmers.

> Though KPL asserts paying about 20% and 5% above the minimum wage for permanent workers and casual laborers respectively, anecdotal evidence alleges that KPL underpays some of its casual laborers. On several occasions, respondents report salaries for casual workers ranging between Tsh 2,000 ($1.15) and Tsh 3,500 ($2) per day.

From 2009 through 2012, KPL paid 33% above minimum wage, but as the company has struggled with large losses since the government intervention, KPL now pays the minimum wage announced by the government, currently TZS 100,000/ per month or 3846.14 per day for casual laborers. Permanent employees, all above minimum wage, are given annual incremental increases and an annual bonus. See below table of historical comparison of casual daily minimum rates paid by KPL relative to Government rates:

MINIMUM WAGES

YEAR	GOVERNMENT	RATE	KPL	RATE/DAY
2008	65,000.00	2,500.00	65,000.00	2,500.00
2009	65,000.00	2,500.00	85,800.00	3,300.00
2010	70,200.00	2,500.00	85,800.00	3,300.00
2011	70,200.00	2,500.00	85,800.00	3,300.00
2012	70,200.00	2,500.00	85,800.00	3,300.00
2013	100,000.00	3,850.00	100,000.00	3,850.00
2014	100,000.00	3,850.00	100,000.00	3,850.00
2015	100,000.00	3,850.00	100,000.00	3,850.00

We will certainly investigate any specific instances that you can bring to our attention of sub-minimum wages being paid as we have no evidence of this occurring.

> Casual workers also report lack of proper protective working gear such as gum boots, overalls, gloves, and hats. Some workers complained about skin rashes and body itching–with no access to medical checkups/treatment–due to exposure to various forms of in-field threats (e.g. snake bites) and hazardous agrochemicals.

KPL employs an Occupational Health & Safety Officer (OHSO) whose job is to ensure that Personal Protective Equipment is available and worn at all times. Workers also have access to the KPL Health Centre. Casuals working on a daily basis have access to free treatment at the KPL Health Centre if they are injured or fall ill while working. A well-trained first aid responder is available to the field teams in the event of accidents such as snakebites. KPL also has an ambulance available should an incident like this occur.

Employees involved with chemicals have strict rules for wearing protective equipment and undergo annual independent medical checkups in the District seat of Ifakara 80 km north as per law.

No known cases of employees suffering from skin rashes or body itching from field operations have been reported to the OHSO, the KPL Health Centre, the

Government Health Centre or the field supervisors. KPL keeps records of all permanent and casual employees medical complaints.

> There is frustration among the local villagers that KPL gives preference to outsiders instead of local people for permanent positions.

If a local person has the skills needed for a specific job, he or she would be hired in preference to an "Outsider" for the simple economic reason that KPL would not need to provide him/her housing, as well as sensitivity to the fact that this is a common complaint from communities across Africa. If the skillset cannot be met by a local hire, KPL has no choice but to go further afield to fill the position. Note that presently immigrants from other parts of Tanzania outnumber the original inhabitants of the area.

According to our staff records the following statistics apply at present:

Total permanent employees: 271

Region	Staff
Tanga	14
Arusha	12
Dar es Salaam	16
Morogoro	6
Kilimanjaro	1
Mbeya	2
Surrounding villages	220

> KPL has been allocated water permits from the Rufiji Basin Water Board to divert up to 50% of the Mngeta River dry season flow for irrigation, which would allow irrigation of about 3,000 ha while keeping the river flow within sustainable levels. This allocation is in clear contradiction with the Strategic Environmental and Social Impact assessment for the SAGCOT initiative, which recommends that all large-scale irrigation developments in the Kilombero Valley be postponed until there is a better understanding of both water availability and the water requirements of the complex floodplain ecosystem and downstream users. Moreover, it warns that amidst absence of accurate and reliable data on water flows in the valley's river systems, long-term yield is relatively low, especially during dry season. As for the Mngeta River specifically, irrigation experts claim that the river is already experiencing effects of climate change.

KPL is not aware of a SAGCOT recommendation for the postponement of large-scale irrigation developments. In addition to the historical flow data available from 1960 to 1989, KPL has installed gauging stations and has been gathering data since 2010 on the Mngeta River. Note the river supplies less than 1% of the water resources of the Kilombero Valley. KPL's irrigation expansion will have a minimal effect on the complex ecosystem of the Kilombero Valley. Despite the RBWB permit, The Environmental Flow Assessment, attached, details:

KPL water abstraction for 8 months of the year will be below 7% of mean monthly flows and never more than 20% at any one time.

KPL water abstraction for 8 months will be below 12% of the minimum monthly flows, and never more than 34% at any one time.

This implies that the water extracted from the river under a worst case scenario ranges monthly from 0 to 34%, effectively always leaving at least 66% of the flows in the river.

> KPL's irrigation ESIA acknowledges several of these concerns, but concludes that the potential negative impacts of the irrigation project would be negligible if closely monitored and properly managed via various mitigation measures. How has this been accomplished and what are the conclusions?

Please see the Environmental Flow Assessment attached, and follow with any questions. The cropping plan and efficient irrigation allow minimal water abstraction.

KPL is also developing a Payments for Ecosytem Services project with the Tanzania Forest Conservation Group to introduce participatory forest management, grass-roots livelihood support and afforestation in the 4 villages in the area of the Udzungwa Mountains which is the water catchment of the Mngeta River. This should both benefit the upstream communities and insure the long-term viability of the Mngeta River.

> The construction of the new irrigation infrastructure has reportedly stirred some additional conflict between KPL and villages located in proximity to the plantation. The construction work requires KPL to block one of the roads crossing through the plantation, which connects two villages on either side, forcing villagers to take a detour when travelling between the villages. Some villagers have responded to this by digging a ditch across the main road leading to KPL's farm to prevent KPL cars from reaching and leaving the farm. You claim that a public meeting held with the villagers contributed to cool down the conflict. The villagers interviewed, however, are of a different view and report that the conflict over the road remains alive.

As I wrote to Anuradha on 10 Feb 2010, KPL's view is that a group of youths, stirred up by a politician in an election campaign for local village leadership, dug a ditch across a public road, blocking both company vehicles and village vehicles. KPL is rerouting public access on a private road to cross the farm from Mkangwalo village to Mgudeni Village. KPL has an agreement with the villages to upgrade the "new" road prior to re-routing.

Our Community Relations officer reports that the village as a whole understands the necessity of re-routing the road. The atmosphere calmed down after the elections and the new village government was appointed. Village government leaders visited the farm in February and again in March and have been shown the irrigation and road plan. He reports that the matter has been settled.

> Local communities surrounding the plantation allege having experienced several negative effects from KPL's agro-chemical application regime due to drifting and surface run-off. While some were compensated for the damages made to their crops, others were not. Despite adjustments to KPL's spraying regime, some respondents still complain of crop damage from KPL's spraying activities.

The KPL Environmental Officer reports:

There was one incident in 2010/2011. KPL immediately called in the Tanzania Pesticide Research Institute (TPRI) to assess farmers' claims. Together with TPRI experts, there were Pesticides Management Officers from the Ministry of Agriculture, Food Security and Co-operatives, District Plant Protection Officer and Mngeta Village Agricultural Extension Officer to assess the strength of local community claims and recommend best practices for both Aerial and Ground Spray of pesticides. The assessment team developed questionnaires for KPL team, farmers and village government leaders and medical staff in the Government Health Centre.

Prior to the TPRI assessment, a pre-Assessment team, which involved the Government Agricultural Extension Officer, KPL Environmental Officer, Village leaders, and affected farmers through on-site observation identified 381.5 acres (154.39Ha) of farm plots, and 500 farmers that *may* have been affected in 2 villages. All affected farm plots were recorded by using GPS.

TPRI Findings and Recommendations:

It was found that there was a possibility of some neighborhood farms that lie 250m - 400m from KPL farm might have been affected by glyphosate aerial application from KPL farm.

However, the survey team found that some farmers who complained to be victims of chemical drift used the herbicide 2-4-D in their farm plots without considering paddy growth stage. As a result, some plots were affected by traditional herbicide application techniques, not chemical drift from KPL.

It was noted that KPL's buffer zone for aerial application was 250m, and the team recommended the buffer zone to be expanded to 500m to avoid the recurrence of chemical drift.

In response to this chemical drift:

- KPL compensated all possibly affected farmers who were recorded with the pre-Assessment team – a total of TZS 50 million which was agreed by KPL, Village leaders, farmers and District leaders (including the District Commissioner) . This included farmers who were a number of kilometers from the spray zone which were recognized by TPRI, the District Commissioner and Village Government as bogus claims
- KPL expanded the buffer zone for aerial application of herbicides from 250m to 500m. KPL, however, has completely stopped aerial application of herbicides since then
- Ground application of herbicides by boom sprayers is done in compliance with FAO's Guidelines on Good Practices for Ground Application of Herbicides

Since the first incident, no other cases of chemical drift have been reported to KPL by Village agricultural extension officers, Village government leaders or individual farmers.

On the issue of surface run off – KPL has been closely monitoring water quality both in the farm and outside the farm (open wells & streams) with the aim of ensuring that pesticides, herbicides, nitrates, or other potential agricultural contaminant concentrations should not exceed national drinking water quality standards or, in their absence, internationally recognized guidelines.

No cases of pollution or water borne diseases or crop damage caused by run-off have been reported to KPL by Village agricultural extension officers, Village government officials or individual farmers.

We appreciate the opportunity to respond to your questions. It would be helpful for us to understand your survey parameters and sampling sizes.

We invite you to visit the project. In our quest to make KPL a model, sustainable commercial agribusiness we welcome any input. We would be happy to host a smallholder ecological farming project alongside our SRI program.

KPL has worked hard to be a responsible company, brought many benefits to the local communities and increased staple crop production and food security for Tanzania and the East African Community.

Yours sincerely,

Carter Coleman
CEO