

FELISA: ITS ESTABLISHMENT AND PROGRESS JUNE 2008

**COMPETE CONFERENCE ON BIOFUEL
SUSTAINABILITY SCHEMES – AN AFRICAN
PERSPECTIVE.**

ARUSHA 16 – 19TH JUNE 2008

BY

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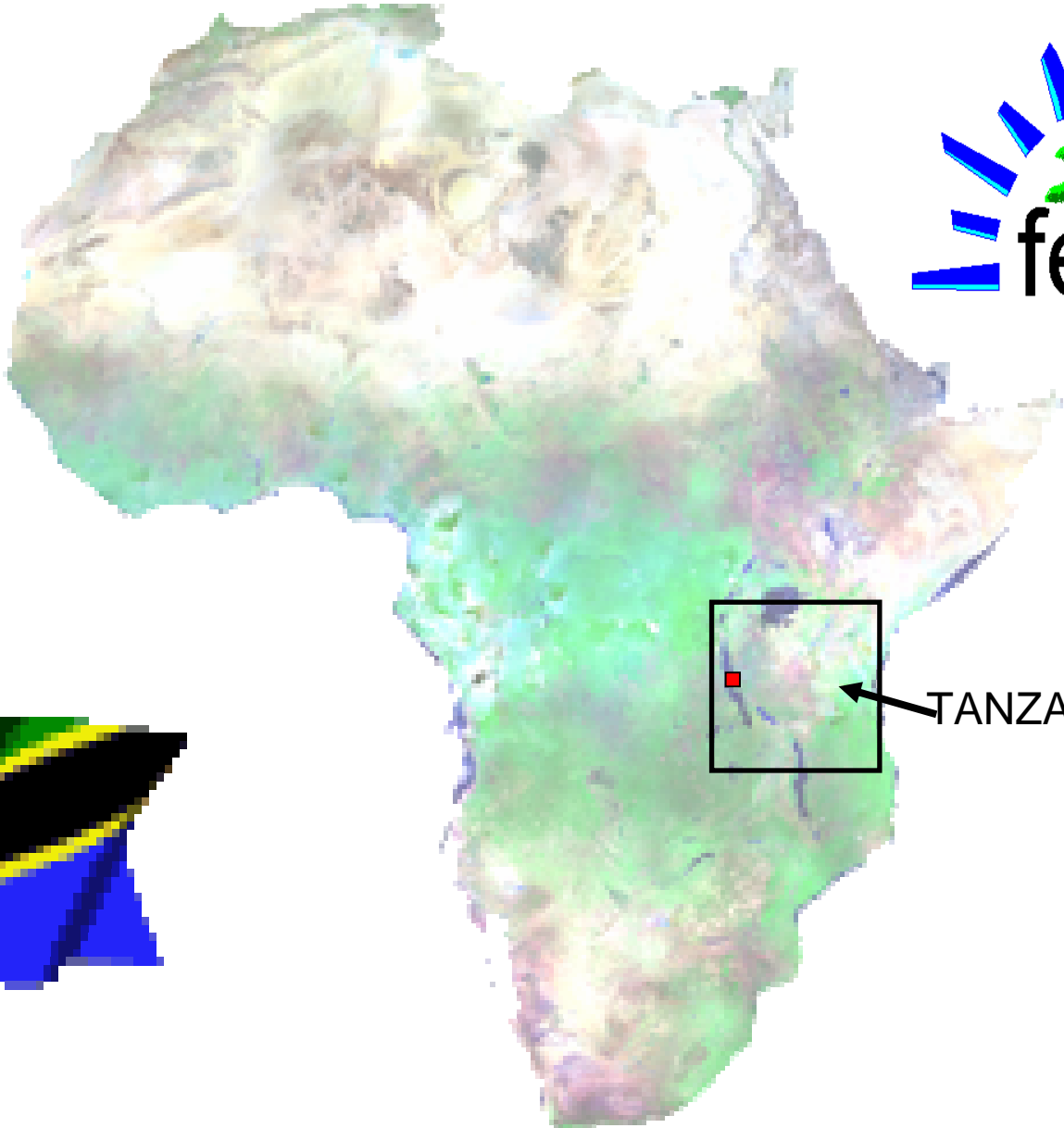
FELISA COMPANY LTD

P. O. BOX 1349, KIGOMA, TANZANIA

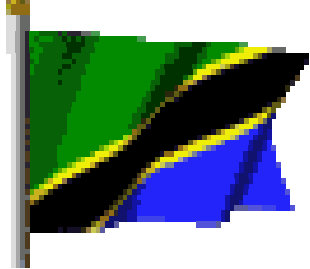
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LOCATION OF TANZANIA IN AFRICA



TANZANIA



INTRODUCTION



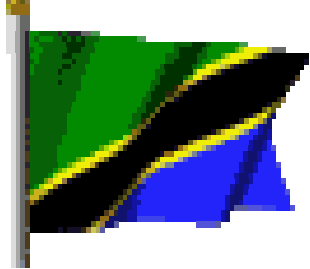
- Due to the escalating price of petroleum, the world is facing a growing challenge of energy supply.
- The transport sector is the most vulnerable as it relies almost exclusively on liquid fuels.



INTRODUCTION CONT.



- Fortunately, alternative energy sources exist.
- Liquid fuels for transport can be produced in an environmentally friendly way using energy crops such as Jatropha, oil palm and sugar cane.



INTRODUCTION cont



- Millions of African smallholder farmers are living in extreme poverty as they have limited or no access to both inputs and markets.
- Huge transport costs make their competitiveness an illusion even in the assumption that policies on trade would be fair.
- If farmers can produce fuels themselves they kill two birds with one stone: transport costs go down and the market is ensured.



INTRODUCTION cont



- African governments have to prepare policies that target the smallholders as major beneficiaries in the development of this new economic sub-sector.
- Biofuel holds enormous potential for the African agriculture and for its economies in general.
- It should be treated by the authorities as an absolute priority, so that the African energy sector will be less dependent on external vagaries, exchange rates, and will produce clean energy, which in turn will yield Kyoto-bonuses.



INTRODUCTION cont.



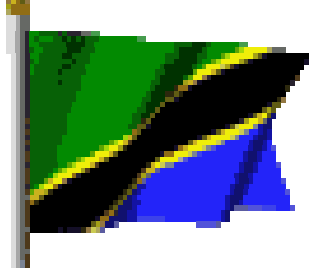
- Fluctuations in oil prices have thwarted development plans in Tanzania and Africa in general and has forced many countries to review development and services plans, overall expenditure and external trade relations.



INTRODUCTION cont.

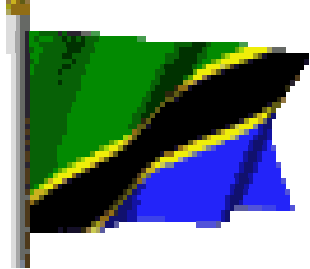


- Recently most African countries like Tanzania has started thinking about alternatives to fossil oil.
- The following benefits which can be accrued from biofuels production may be used as drivers for biofuel programmes in Tanzania:
- Creation of jobs, Reduction of oil imports (foreign savings), Reduction of GHG emissions, giving opportunities for CDM and Carbon trading and Reduction of air pollution.



REASONS FOR SETTING UP FELISA COMPANY

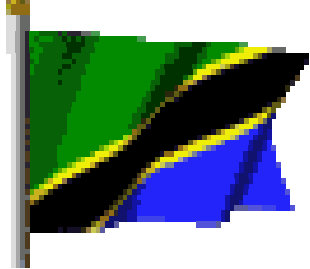
- It was noted that most countries in SADC in particular, was not paying great attention on agriculture particularly when there was a food surplus.
- So farmers were demoralized during surplus years as most governments were sensitive only when there was food shortage.
- The Founders of FELISA thought that its now high time to start farming for energy as energy has now came to be a big problem in most member states.



OBJECTIVES OF FELISA.

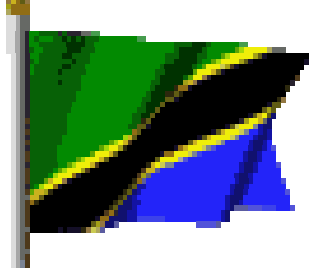


- An oil palm plantation of 5000 hectares,
 - An out-growers scheme of 5000 ha
 - A palm oil press for the production of Palm Oil (CPO),
 - A biodiesel production unit, and
 - A biogas driven electricity plant.



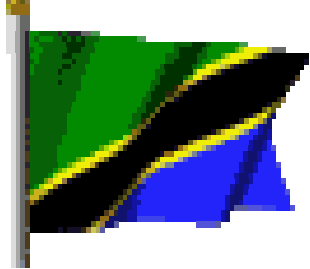
ACHIEVEMENTS MADE SO FAR

- FELISA has acquired land totaling 4,258 ha. The land is surveyed and title deed is at its final stage.
- About 29 farmer groups have been registered and assisted by FELISA.
- As of December 2007; 10,000 hybrid seedlings have been given to farmers.
- And about 160 farmers from different villages have been trained on good palm husbandry.



ACHIEVEMENTS CONT

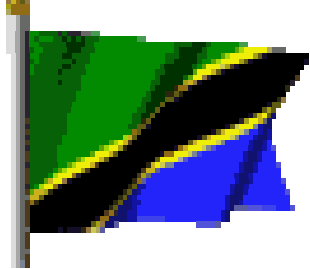
- The company has installed the oil press and is functioning, also the biodiesel reactor has been purchased but not installed.
- At least 70 ha is under palm which by end of next year we expect to get our first harvest.
- Nursery has been expanded from 30,000 to 60,000 seedlings (ready to be planted by December 2008).



Constraints:



- It is not easy to get Bank loans as most of the Banks in Tanzania do not have loan facilities for perennial crops.
- Political will is very minimal although theoretically they show very cooperating.
- So far Biofuel laws on blending and other incentives are not yet operational in the country, most of these things are on draft formats



OBSERVATIONS



- Farmers were very reluctant to start with as they were not certain with what is going on.
- The Policy of FELISA to allow farmers to use their land for both food and energy crops production was a leap forward to farmers, as now they were very certain that they still own their land and very likely that they will also own the crops produced as FELISA was just training and supplying the farmers with high yielding seedlings, the rest in the production chain was done by farmers themselves.



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LISTENING

