

**The contribution of horticultural production under contract farming to people's livelihoods in Tanzania: a case study of Arusha Region**

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This study has examined and analyzed the way contract farming was undertaken for the contribution to people's livelihood specifically in horticultural production in Arusha region. To accomplish that, the study aimed first to examine the arrangement of contract farming and how it works for undertaking horticultural production in Arusha, second to investigate the levels at which horticultural production undertaken under contract farming had contributed to people's livelihoods and investors and third to explore the factors that hinder the people from benefiting from these investments. The study employed Political Economy approach to elucidate the capitalist relations in agrarian societies where contract farming is viewed as a means through which capital could extract surplus value from the smallholders through exploitative terms. Both quantitative and qualitative research methodologies were adopted with the reason of producing accurate and quality results. For this case, triangulation was applied including interviews, focus group discussions, questionnaires and observation for data collection. Documents were also reviewed so as to supplement some information. The study found that there has been increase in contractual arrangement especially in horticultural production but its contribution to improvement of smallholders' livelihoods is very low. The contributing factors for this hindrance were the nature of the contracts and the problems encountered in the contracts, poor participation of smallholders in preparation of contracts, nature of arrangements, poor institutional and regulatory frameworks and poor local government participation. All these were found to be under the influence of capitalist relations where the dominant class always seems to exploit the working class. Therefore, the study recommends that smallholders should be fully involved in contractual arrangement and the government should play its role so as to protect smallholders. In addition, further studies should be conducted on contract farming to explore more about the system.