

Agricultural Sector Transformation for Food Security, Jobs Creation and Poverty Reduction



February, 23-25, 2016

Serena Hotel, Dar-es-Salaam

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BACKGROUND AND CONTEXT

The 2nd Annual Agricultural Policy Conference was organized by the Policy Analysis Group (PAG) under a theme “*Agricultural Sector Transformation for Food Security, Jobs Creation and Poverty Reduction*”. The theme was selected to reflect priorities of ASDP II, a 10-year program to bring Tanzania to its 2025 Development Vision of achieving the middle-income country status. The event was held from the **23rd to 25th February 2016** at the **Serena Hotel, Dar es Salaam**.

The 2016 Agricultural Policy Conference aimed at reaching a common understanding among the agriculture stakeholders on the following overarching issues:

- ✓ The way forward in the agricultural sector transformation to achieve the objectives of the Vision 2025, on food security, employment and poverty reduction.
- ✓ To remind stakeholders about the policy promises made by the Government to the private sector in 2011 and what is happening on the ground concerning agriculture transformation in Tanzania.
- ✓ To underscore the importance of the main pillars set up by Kilimo Kwanza in 2009, which laid the roadmap for further initiatives in the transformation process including the SAGCOT, BRN and the stake they have in the ASDP-2.



The conference enrolled 145, 130 and 111 participants in days 1, 2 and 3 respectively. They came from public and private sectors, development partners, research institutions and academia and from projects and programs.

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The summary of key themes, deliberations made, and issues raised are as follows:

| | Thematic Area | Key Issues and Potential Research/ Intervention Recommendation |
|---|---|--|
| 1 | Innovation and Technology in Agriculture: Mobile technology | <p>Due to the large number of mobile phone applications being developed for agriculture, but also charging different rates, the following key issues emerged from the session</p> <ul style="list-style-type: none"> i. The need to explore the possibility of harmonizing and aggregating the initiatives to ensure effective coordination in terms of operation and pricing ii. Looking for mechanisms on how the potential of mobile phone applications can be incorporated in the ASDP-2; iii. Sustainability: There is a need to ensure that mobile applications support agriculture after the end of the donor support |
| 2 | Agricultural Sector Policy | <ul style="list-style-type: none"> i. The infamous export bans have been removed but the current export permits suffocate trade despite decentralization. Export oriented policies are necessary to promote farmers production and access to regional markets; ii. NFRA—stock size - trading off food shortage risk versus opportunity cost of holding large stock – pose a fiscal burden. There is a need to encourage policies that promote market forces iii. NFRA pricing policy – its stabilization policy is not effective and causes market distortions. NFRA’s mandate versus that of the Disaster Management Unit needs to be defined; iv. What is needed is a sustainable solution that would lead to production of surplus at levels that would establish Tanzania as a consistent regional exporter of maize <p>Potential Interventions/Research Recommendation</p> <ul style="list-style-type: none"> i. Institutionalization of free trade by encouraging policies that promote market forces e.g., through legislation; ii. PAG should engage in a dialogue with MALF regarding the NFRA stocking and anticipated expansion; iii. There is a need to undertake complete research regarding NFRA pricing policy; iv. There is a need to undertake CGE modeling on returns to public investments focusing on NFRA, NAIVS, COWABAMAS etc. |

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| 3 | Agriculture Markets and Trade Policy | <p>Key issues</p> <ul style="list-style-type: none"> i. Threats from commodity importation through parallel markets, partly due to lack of rule-based import policy and inefficient market intelligence ii. Differences in tariffs between Zanzibar and Mainland iii. The implication of the food system transformation on SHFs, women and youth employment, food safety, agro-processing and agriculture sector transformation iv. The challenge faced by producers to meet multiple standards imposed for agriculture produce by various regulatory bodies. <p>Potential Intervention/ Research Recommendation</p> <ul style="list-style-type: none"> i. Instituting the rule-based import policy ii. Establishment of the Market Intelligence Unit to monitor imports through parallel markets iii. Make export data available – including mobile and e- payment for local taxes iv. Implementing comprehensive research on food systems transformation v. Promoting transparency in the market through commodity exchange |
| 4 | Enabling Policy for Private Sector Investment | <p>Key Issues</p> <ul style="list-style-type: none"> i. High produce cess ii. High VAT for agricultural produce iii. High Corporate Tax – this necessitates a tax review iv. Unfavorable land tenure policy v. WB/ EBA report validation – e.g. input sector rated as performing well <p>Potential Intervention/ Research Recommendations</p> <ul style="list-style-type: none"> i. Review of Local Government Finance Act, 1982 to improve cess ii. Need for VAT bill review iii. Need for corporate tax review iv. Land tenure issues pertaining to SHFs should form incentive to agriculture bill v. Need for research on fertilizer marketing and transport cost |

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| 5 | Land Tenure Policy | <p>Key Issues</p> <ul style="list-style-type: none"> i. Emerging medium size farms threatening the fate of SHFs ii. The need for a definition of medium size farms in the Tanzanian context iii. Ongoing conflicts between farmers and livestock keepers. iv. Scaling up land surveying, land use management and titling v. The need to institutionalize and enhance protection of the country's farm land <p>Potential Intervention/ Research Recommendation</p> <ul style="list-style-type: none"> i. Need to carryout complete research on the access to land; ii. Need to carryout research on land/ resource conflicts. iii. Need for preparation of Protection of Farmland Bill |
| 6 | Access to Finance and Technology | <ul style="list-style-type: none"> i. Lack of appropriate credit products for small holder farmers <p>Potential Intervention/ Research Recommendation</p> <ul style="list-style-type: none"> i. Need for secured transaction reforms ii. Research on agricultural finance – emphasizing on value chain finance particularly for food crops and the likely potential risks facing financial institutions iii. Research on warehouse management systems – the need to address negative trends such as the substantial money loss reported for sunflower; |
| 7 | Agricultural Input Policy | <p>Key Issues</p> <ul style="list-style-type: none"> i. Low fertilizer response and the need to package NAIVS with other interventions ii. Challenges in targeting beneficiaries and system abuse by agro dealers iii. Fiscal burden in implementing the NAIVS <p>Potential Intervention/ Research Recommendation</p> <ul style="list-style-type: none"> i. Dialogue with MALF as NAIVS are being reviewed ii. Carrying out a pilot e-voucher system iii. Applying CGE modeling to guide rationalization of resource use patterns; iv. Reducing subsidy rate by the government; |

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Other issues/feedback from the conference included:

- ✓ The need for consistency and anchoring the current efforts into the pillars of Kilimo Kwanza
- ✓ More representation and feedback from Private Sector is needed - This could be the best way to get ideas e.g. *industrialization policy challenges*
- ✓ Fisheries and livestock received relatively less attention in the meeting
- ✓ Environment and climate change as a crosscutting issue in agriculture did not expressly feature in the meeting
- ✓ Better coordination and cross-feeding of information across initiatives is underscored even within the sector interrelationships: Land–Finance–Mechanization–Inputs etc. Silos of Initiatives might not work

For more effective policies in the agricultural sector, common approaches and way forward require the following:

- ✓ Continuous and proactive engagement with government decision making and use “windows of opportunity” in the political process
- ✓ Provision of technical assistance to build cases to inform government decision making and influence approval of reforms
- ✓ Increased consultations and involvement of the private sector for better results

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