



The United Republic of Tanzania
Ministry of Agriculture Food Security and Cooperatives
Directorate of Policy and Planning

The Changing Landscape of Tanzania's Agriculture

The need for more evidence based policy making to achieve greater food security and poverty reduction in Tanzania



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Context

Africa is passing through an interesting time characterized with high economic growth (coupled with emerging middle class), rapid urbanization, demographic transformation and deepening use of technology such as mobile phone technology. Africa economies are projected to grow at 6.1 percent this year (2014) compared with the global growth of 3.7 percent. The African Development Bank projects that one-third of Africans have moved into the middle class. It is also projected that by 2025 the majoring of Africans will be living in urban areas. Africa's population is getting younger with a median age of 20 years as compared to 30 and 40 years in Asia and Europe, respectively. With more opportunities emerging such as discovery of oil and gas in countries whose economies are predominantly exporters of primary agricultural commodities, and regional economic integration (e.g. EAC, SADC, etc.) all have contributed to the heightened expectations for prosperity. Yet, poverty has stayed high, food prices have soared, and food import bill is surging in the midst of population explosion. It is estimated that Africa spends \$52 billion annually importing food commodities. Furthermore, unemployment is surging and the declining share of agriculture to GDP does not commensurate with the decrease in the agriculture labor force.

Tanzania is not exceptional to the changing patterns in economic and agricultural sector. Tanzania has made great strides in macroeconomic performance during the last 15 years with economic growth above 5 percent. In recent years Tanzania has experienced a record growth of around 7 percent. Despite the impressive macroeconomic performance, poverty, food and nutrition security have remained elusive. One-third of the Tanzania's population still lives below the national poverty line and 38 percent of under 5-years children are stunted. The demographics are changing as over half of the population is under 25 years and by 2027 over half of population will be living in urban areas. Food import bill is surging exceeding \$650 million in 2013. Nevertheless, discovery of gas has revitalized the prospect for prosperity. Tanzania is project to earn over \$2 billion annually from gas export starting from year 2022. Expectations are high as the public debate rages on how best the country could benefit from gas windfall.

The multidimensionality and increasing complexity of the challenges and opportunities in the agricultural sector call for more evidence based policy making and implement greater policy reforms to address barriers which constrain food security and inclusive growth. This entails policies that create conditions for a well-functioning regional trading system; stable financial systems; sustainable food and nutrition security; sustainable use of natural resources; equitable access to knowledge, innovation and technology; and responsible investment, amongst others.

Recently, the Government of Tanzania (GoT) has embarked on a number of initiatives to revitalize the agricultural sector. These include, Agricultural Sector Development Program (ASDP), Kilimo

¹ Cover page photo courtesy of SAGCOT

Kwanza, Southern Agricultural Corridor of Tanzania (SAGCOT) and the Big Results Now (BRN). The GoT also has been implementing a number of policies in recent years to ensure food security in the country. The National Input Voucher System (NAIVS), export ban on staples, and duty free importation of rice, and increasing the size of stocks held by the National Food Reserve Agency (NFRA). Some of these policies, though have been set with good intention, the outcomes sometimes have been different. This has prompted the GoT to seek more support in policy research in order to inform the policy making process. This conference is the outcome of policy research work supporting the Ministry of Agriculture in making informed policy decisions. The conference will discuss options for policy reforms on some of the current policy issues.

Key Messages:

Given the multidimensionality and increasing complexity of the agricultural sector, the 2014 agricultural policy conference aims at deepening understanding among policy makers on three overarching issues:

- 1) There is a need for more evidence based policy making for sustainable and inclusive growth. Sustainable agriculture could be achieved if there is a stable and predictable policy environment. There is need for continuous policy reforms for a competitive agricultural sector and positioning Tanzania strategically to benefit from emerging market opportunities while addressing the challenges.
- 2) While the emerging gas sector offers an opportunity to diversify and accelerate economic growth, poverty reduction and inclusive growth hinges on the agricultural sector where the majority of population is employed. Promotion of agricultural productivity, agro-processing and agriculture-allied industries such as textiles and shoe making are crucial for jobs creation and inclusive growth.
- 3) There is a need for a greater youth engagement in agriculture. As the majority of Tanzania's population is youth, agricultural sector could not be sustained without youth engagement. Agriculture has the greatest potential to generate the much needed jobs for youth.

The Approach:

The three day conference will bring together 150 stakeholders of agriculture. These include representatives of :

- Agriculture line ministries – Ministry of Agriculture, Food Security and Cooperatives; Ministry of Industry, Trade and Marketing; Ministry of Livestock and Fisheries; Prime Minister's Office; PMO- Regional Administration and Local Government)
- Local governments
- Parliamentary committees

- Presidential Delivery Bureau
- Southern Agricultural Corridor of Tanzania
- Crop boards and regulatory/investment facilitating bodies (TIC, RUBADA, Coffee Board, etc)
- Farmers and agribusiness associations (Agricultural Council of Tanzania, Tanzania Horticulture Association, MVIWATA, Sugar Growers Associations, etc)
- Development Partners
- NGOs engaged in agriculture development (NAFAKA, TechnoServe, etc)
- Research and Training Institutions (Sokoine University of Agriculture, COSTECH, etc)
- Private sector (financial institutions, seed companies, millers, processors, exporters/importers, commercial farms, etc)

The first day of the conference would be official opening followed by the key note speech and a panel discussion on the key messages. There will also be presentation by a cross section of youth that have shown success in agribusiness. This day will involve promotional events to communicate the key messages such as media engagement. The day will culminate with a cocktail party for stakeholders to network.

The second and third day would be more technical where policy research papers will be presented in five thematic areas. The thematic areas are:

- Agriculture productivity and technology
- Food trade, markets and institutions
- Macro-economic – public expenditure and fiscal policy
- Inclusive growth – food security, safety net, women and youth engagement
- Policy reforms action plan

The last session would focus in assessing progress made in policy reforms based on issues identified during the G8 New Alliance on Food Security and Nutrition (NAFSN). During that session, additional policy issues will be identified to be included in the NAFSN action plan. The format of the conference will be the “Davos” style in which a thematic paper (s) will be presented followed by a panel discussion before opening the session to the floor for questions and answers.

Logistical Support

The agricultural policy conference is jointly sponsored by the Ministry of Agriculture, Food Security and Cooperatives in collaboration with the agriculture Policy Analysis Group (PAG) whose members include:

- Agriculture Non-State Actors Forum (ANSAF)

- Africa Lead (USAID funded)
- SERA Project (USAID funded)
- Michigan State University
- Alliance for Green Revolution in Africa (AGRA)
- Regional Strategic Alliance and Knowledge Support System (ReSAKSS)
- Southern Agricultural Growth Corridor of Tanzania (SAGCOT)
- Monitoring African Food and Agriculture Prices (FAO-MAFAP)
- Economic and Social Research Foundation (ESRF)
- Research for Poverty Alleviation (REPOA)