



The United Republic of Tanzania  
Ministry of Agriculture Livestock and Fisheries

# The Role of Agri-food Systems in Promoting Industrialization in Tanzania

*Enhancing Linkage of Upstream and Downstream Value Chain Activities in  
the Context of Agriculture Transformation*



*Serena Hotel, Dar es Salaam, March 1-3, 2017*

## The Concept and the Program



The Role of Agri-food Systems in Promoting Industrialization in Tanzania  
*Enhancing the Linkage of Upstream and Downstream Value Chain Activities in the Context of  
Agriculture Transformation*

**The Context:**

Agriculture plays an important role in a Tanzania's economy, employing over 75 percent of the country's workforce and accounting for 25% of the national Gross Domestic Product (GDP).

However, existing challenges facing the sector hinder it from reaching its fullest potential including underperforming value chains, limited access to finance for farmers, under-provision of basic public goods; an unpredictable policy environment; insufficient infrastructure, underinvestment in the sector and limited voice for private sector and civil society in the policy-making process. Redressing these problems is necessary to create an enabling environment for inclusive, broad-based, and sustained agricultural sector growth.

Although the sector is comprised of abundant land and water resources, and access to international markets through its major port, it remains with untapped potential in areas such as agro processing which can create new pathways towards greater economic development.

In an effort to tap on existing opportunities, industrialization is among the main agenda for development for the Government of Tanzania and will be the theme for the 3<sup>rd</sup> Annual Agricultural Policy Conference (AAPC).

The new president of Tanzania, H.E. John Pombe Magufuli has declared intention of his government to step up manufacturing and agro-processing to push the economy up the value chain and provide jobs for the growing workforce.

The agro-processing industry has the potential to boost income opportunities, create employment, enhance the quality and demand for farmers' products. Further, it can boost non-agricultural activities including handling, packaging, processing, transporting and marketing.

When compared to the rest of the world, Africa's competitiveness and productiveness in the manufacturing industry lag behind. According to UNIDO statistics, in 2013 Africa's industries only contributed 1.5% compared to East Asia, 17.2%; Latin America, 5.8%; North America, 22.4% and Europe 24.5%. The National Bureau of Statistics shows that Tanzania's industries have been contributing about 7% to 10% to the GDP in recent years. The nature and extent of the changing structure of agri-food demand offer unprecedented opportunities for diversification and value addition in agriculture, particularly in developing countries.

Agro-processing is on top of development agenda of the current Government of Tanzania as reflected in: the Long Term Perspective Plan (LTPP 2011/12 – 2025/26); Kilimo Kwanza (2010); Integrated Industrial Development Strategy -2025); 3<sup>rd</sup> National Five Year Development Plan (2016/17 – 2020/21); and Agriculture Sector Development Program – 2 (2016/17 – 2026/27). Prioritization of agro-process in the economic transformation and Tanzania's 2025 vision of becoming a middle income country is due to its potential and ability to spur growth and create jobs owing to its strong backward linkage with the primary sector and input suppliers but also forward linkages related to income generated in agriculture, forestry and fisheries that may enhance domestic and local demand for manufactured goods.

Tanzania has undertaken various macro-economic policy reforms aimed at improving its economic performance. Industrial sector has been benefited from these reforms, leading to a noticeable industrial growth rate from 4.7 percent in 2009 to 6.5 percent in 2013.

The 2013 Census of Industrial Production (2016) shows that, out of the total 49,243 establishments, 97.3 percent) were small. Out of the total establishments, manufacturing sub-sector had the largest number (98.4 percent); followed by mining and quarrying (0.8%); water supply, sewerage, waste management and remediation activities (0.5%); and electricity, gas, steam and air conditioning (0.3%). CIP also shows that 48,474 of establishments (98.4 percent) were engaged in manufacturing sub-sector. Most of the manufacturing activities such as food processing, beverage, tobacco, textile and wood products industries depended much on raw materials from agricultural sector; implying that, there are opportunities in agricultural sector to produce more for feeding the local manufacturing industries adequately. During the survey year (2013), industrial sector created 264,223 employment opportunities; out of which, 47.4 percent were in small industries.

Agro-processing is considered part of the manufacturing sector. Inadequate investment in agro-processing has resulted in a mismatch between agricultural production and food products demanded in the market by consumers especially in urban areas. Food import bill has been growing rapidly with increased urbanization, changing demographics and the emerging middle income. Tanzania's agriculture trade balance is very thin due to a large import bill of processed food products thus undermining gains from agricultural exports. For example, in 2012, food import bill was about \$657.1 million while agricultural export revenue was \$742.6 million. When the fertilizer import bill of \$161.3 million is taken into account, Tanzania had a negative trade balance in 2012.

The LTPP target is to increase the share of the manufacturing sector in GDP from the current 10-12 percent to 17.5 percent by 2025 while increasing its share of employment from the current 9 percent to 17 percent. Conversely, as the agricultural sector transforms its share in GDP is expected to fall from the current 25 percent to 20 percent by 2025, while the share of population is agriculture is expected to decline from the current 75 percent to 40 percent.

## **Key Questions:**

Given the complexity of the relationship between agriculture and industrialization, the 2017 Annual Agricultural Policy Conference aims at deepening understanding among policy makers some of the key questions:

- 1) What is the role of agri-food systems in promoting industrialization?
- 2) How could agro-processing be defined in the context of economic transformation?
- 3) How could the linkage between upstream and downstream value chain activities be enhanced?
- 4) What is the fate of smallholder farmers and traditional food markets in the transforming agricultural sector?
- 5) What are necessary policies to create enabling policy environment for agro-processing and inclusive growth?
- 6) How is Agricultural Sector Development Program (ASDP-2) aligned with industrialization effort?

## **Participants:**

The three-day conference will bring together 150 stakeholders from the agricultural sector. These include representatives from:

- Agriculture line ministries – Ministry of Agriculture Livestock and Fisheries; Ministry of Industry, Trade and Investment; PO- Regional Administration and Local Government;
- Regulatory authorities in agriculture – Agricultural Boards, TASTA, TBS, TFDA, etc.
- Members of the Parliamentary Committees in Agriculture
- 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 Approach:**

The first day of the conference would be official opening which include a key note presentation of the draft Agro-processing strategy for Tanzania followed by a panel discussion by private sector representatives of a cross-section of agro-processing and agriculture aligned industries.

There will be second presentation on the progress in agriculture policy reforms based on the CAADP framework of the New Alliance on Food Security and Nutrition. The Guest of Honour will then officially open the conference.

In general, Day One will be for publicity to communicate key messages around the major theme by interaction with policy makers and media engagement. The day will culminate with a reception for stakeholders to network.

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

Day two thematic areas will focus on upstream value chain activities which include:

- Agricultural sector policy
- Agricultural trade and marketing
- Enabling environment for private sector

Day three thematic areas will focus on upstream value chain activities which will include:

- Land tenure
- Farm input policy
- Access to finance and technology

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.

## **Organizing Partners: Policy Analysis Group (PAG)**

The conference is organized by the Policy Analysis Group (PAG) in collaboration with the Ministry of Agriculture Livestock and Fisheries. PAG is an informal and voluntary group with members working on agricultural policy projects and initiatives, academia and local and international policy think tanks. The group has more than 15 members, and was established in 2013 to provide a platform for sharing information on policy research and activities so as to enhance coordination, collaboration and synergy. PAG also aims at ensuring consistency in policy messaging.

Policy Analysis Group (PAG) whose members include:

- Platform for Agricultural Policy Analysis and Coordination- PAPAC, representing the Ministry of Agriculture Livestock and Fisheries
- 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 and Analysing Food and Agriculture Policies (FAO-MAFAP)
- Economic and Social Research Foundation (ESRF)
- Research for Poverty Alleviation (REPOA)
- Agriculture Market Development Trust (AMDT)
- Financial Sector Deepening Trust (FSDT)
- East Africa Grain Council (EAGC)

### **Milestones:**

Prospective presenters are invited to submit abstracts for paper presentation around these thematic areas. Deadline for Abstract submission is **January 15<sup>th</sup>, 2017** and **full papers and PowerPoint slides February 15<sup>th</sup>, 2017**. Please submit your documents to [agpolicyconference@gmail.com](mailto:agpolicyconference@gmail.com). The PAG/AAPC technical committee will review the abstracts and invite submission of full papers and PowerPoint presentations. Other PAG/AAPC preparatory teams include communication and logistics committees.

3<sup>rd</sup> ANNUAL AGRICULTURAL POLICY CONFERENCE

	<p><b>Day 1: Wednesday, March 1<sup>st</sup>, 2017</b></p> <p><b>Opening Session: Policy Dialogue</b></p>	<p><b>Overall Moderator: Prof. Andrew Temu, Sokoine University of Agriculture</b></p>
<b>TIME</b>	<b>ACTIVITY</b>	<b>RESPONSIBLE PERSON/ORGANIZATION</b>
12:00 – 12:30	Registration	Secretariat
12:30 – 14:00	Lunch	Secretariat
1400 – 1530	<p><b>OPENING SESSION</b></p> <ul style="list-style-type: none"> <li>- Introduction</li> <li>- Welcoming remarks and objectives of the Annual Agricultural Policy Conference</li> <li>- Progress in Agriculture Policy Reforms</li> <li>-</li> <li>- Inviting the Guest of Honour</li> <li>-</li> <li>- Opening speech by the Guest of Honour and Launching</li> <li>-</li> <li>- Vote of thanks followed by media engagement</li> </ul>	<ul style="list-style-type: none"> <li>- Prof. Andrew Temu</li> <li>- Audax Rukonge- ANSAF</li> <li>-</li> <li>- Geoffrey Kirenga, CEO SAGCOT Center</li> <li>-</li> <li>- Permanent Secretary MALF</li> <li>- Hon. Charles Tizeba, Minister for Agriculture, Livestock and Fisheries</li> <li>-</li> <li>- Facilitator</li> </ul>
15:30 – 16:00	<b>Tea break</b>	
16:00-17:00	<p><b>Agro-processing Strategy for Tanzania</b> Presentation of the agro-processing strategy</p> <p>Agro-processing Panel Discussion</p> <ul style="list-style-type: none"> <li>- Kilombero Sugar Company</li> <li>- Sunflower Processors Association</li> <li>- Bakhresa Company – millers, fruit processor</li> <li>- Zawadia Nanyaro, Export Processing Zone Authority</li> <li>- Devang Vussonji, Dalberg</li> <li>- Dr Hoseana Lunogelo, Economic and Social Research Foundation</li> </ul>	<p>David Nyange, MSU Michael Kairumba</p>
17:00 – 18:00	<p><b>Launch of EBA</b></p> <ul style="list-style-type: none"> <li>- Introduction</li> <li>- Enabling the Business of Agriculture (EBA) in Tanzania: 2017 Report</li> <li>- Official Launch</li> </ul>	<p>Moderator: Clifford Tandari, CEO Tanzania Investment Centre</p> <p>Sarah Simons, World Bank Tanzania</p> <p>Nealone Devore, World Bank</p> <p>Minister for Agriculture</p>
18:00 – 20:00	Cocktail Reception	ANSAF/Secretariat

	<b>Day Two: Thursday March 2, 2017</b>	
	<b>Downstream Value Chain Activities and Policy</b>	
0830 - 1000	<p><b>THEMATIC AREA 1: AGRICULTURE SECTOR POLICY – Agriculture transformation and the linkage between downstream and upstream value chain activities</b></p> <p>Paper 1.1: Challenges for Africa in an age of global employment deindustrialization: Implications for Tanzania</p> <p>Paper 1.2: Megatrends transforming Tanzania’s agri-food systems: Towards inclusive economic transformation?</p> <p>Paper 1.3: Prospects for sectoral transformation of the rural economy in Tanzania</p> <p><b>Panellists:</b></p> <p>Aidan Eyakuze, CEO Twaweza</p> <p>John Ulanga, Country Director, East Africa TradeMark</p> <p>Geoffrey Kirenga, CEO Southern Agricultural Growth Corridor of Tanzania (SAGCOT)</p> <p>Dr Tausi Kida, CEO, Economic and Social Research Foundation</p>	<p>Moderator: Blandina Kilama, REPOA</p> <p>David Tschirley, MSU</p> <p>Thomas Jayne, MSU</p> <p>Todd Benson and James Tharlow, IFPRI</p>
1000 - 1030	Tea Break	
1030 - 1230	<p><b>THEMATIC AREA 2: AGRICULTURE MARKETS AND TRADE</b></p> <p>Paper 2.1: Strategic Options for Edible Oil Industry Development in Tanzania: Case of Sunflower sub-sector</p> <p>Paper 2.2: Tanzania livestock masterplan</p> <p><b>Panellists:</b></p> <p>Odilo Majengo, Director of Marketing, MITI</p> <p>Junior S. Ndesanjo East Africa Grain Council</p> <p>Winnie Bashagi, Rice Council of Tanzania</p>	<p>Moderator: Prof. Nuhu Hatibu, CEO Kilimo Trust</p> <p>Michael Kairumba, CEO, Agriculture Market Development Trust</p> <p>Steve Michael, MALF</p>
1230 - 1400	Lunch Break	



1400 - 1600	<p><b>THEMATIC AREA 3: ENABLING POLICY FOR PRIVATE SECTOR INVESTMENT</b></p> <p>Paper 3.1 A synthesis of dairy value chain: Opportunities for Livestock Agri-food Systems in Promoting Rural Commercialization and in Tanzania</p> <p>Paper 3.2: Innovative Policy Transformation of Leather Industry</p> <p>Paper 3.3 Legumes value chain analysis: Opportunity for integrating crops and livestock through feed milling</p> <p>Paper 3.4 Employment intensity and scale of operation in agro-processing: A case of cereal millers in Tanzania</p> <p><b>Panellists:</b></p> <p>Dr Samwel Nyantahe, Confederation of Tanzania Industries</p> <p>Ravelian Ngaiza, Ministry of Agriculture Livestock and Fisheries</p> <p>Robert Pascal, Tanzania Agriculture, Development Bank</p> <p>Teri Gilead, Policy Specialist, Tanzania Private Sector Foundation</p>	<p>Moderator: Jacqueline Mkindi, CEO, TAHA</p> <p>Amos Omore, ILRI</p> <p>Prof Mbassa</p> <p>Alexandra Nebfekbaum, TechnoServe</p> <p>Jason Snyder, MSU</p>
1600 - 1630	Tea Break	
1630 - 1700	Recap and closing of Day 2	Prof. Andrew Temu

<b>Day Three: Friday, March 3, 2017</b>		
<b>Upstream Value Chain Activities and Policy</b>		
<b>TIME</b>	<b>ACTIVITY</b>	<b>RESPONSIBLE PERSON/ORGANIZATION</b>
0830 - 1000	<p><b>THEMATIC AREA 4: LAND TENURE POLICY</b></p> <p>Paper 4.1 Relationship between farm size and productivity</p> <p>Paper 4.2 Effect of land access on migration decision of rural youth in Tanzania</p> <p>Paper 4.3: Migration patterns in Tanzania and its impact on household welfare</p> <p>Paper 4.4: Draft 2016 land policy for Tanzania</p>	<p>Moderator: Frank Place, IFPRI</p> <p>Milu Muyanga, MSU</p> <p>Ntengua Mdoe, Sokoine University of Agriculture</p> <p>Ayala Wineman, MSU</p> <p>TBD/ Ministry of Lands</p>

	<p><b>Panellists:</b></p> <p>Dr Steven Nindi, Tanzania Land Use Planning Commission</p> <p>Mustapha Mpelembe, Care International</p> <p>Mduma, University of Dar es Salaam</p> <p>Yefred Myenzi, HakiArdhi (Land rights)</p>	
1000 - 1030	Tea Break	
1030 - 1230	<p><b>THEMATIC AREA 5: ACCESS TO FINANCE AND TECHNOLOGY</b></p> <p>Paper 5.1: Access to financial services in Tanzania: the case of agribusiness</p> <p>Paper 5.2: Leveraging mobile technology in accessing financial services</p> <p><b>Panellists:</b></p> <p>Anderson Mbwana, CRDB Bank</p> <p>Francis Assenga, Tanzania Agriculture Development Bank</p> <p>Jaffer Machano, TIB Development Bank</p> <p>Dr John Kyaruzi, SAGCOT Catalytic Trust Fund</p> <p>Margaret Chacha, Tanzania Women Bank</p>	<p>Moderator: Alex Mkindi, Consultant</p> <p>Mwombeki Baregu, Financial Sector Deepening Trust (FSDT)</p> <p>Juma Rajab, CEO MaxCom Africa</p> <p>Freddy Manentho, PushMobile</p>
1230 - 1400	Lunch Break	
1400 - 1530	<p><b>THEMATIC AREA 6: AGRICULTURE INPUT POLICY</b></p> <p>Paper 6.1: Improving Efficiency of the Fertilizer Supply Chain: A Comparative Analysis</p> <p>Paper 6.2: Seed policy reforms in Tanzania</p> <p>Paper 6.3: Fertilizer subsidies and how targeting conditions crowd in/out: An assessment of smallholder farmers in Tanzania</p> <p>Paper 6.4: Mechanization and access to farm machinery in Tanzania</p> <p>Paper 6.5: Impact of Acaricide Subsidy use in Tanzania"- Livestock sector</p>	<p>Moderator: Gungu Mibavu</p> <p>Dr. Balu Bumb, FAO MAFAP</p> <p>Liston Njoroge, AGRA</p> <p>David Mather, MSU/Daniel Nyetabula, Sokoine University of Agriculture</p> <p>Dr. Karugia, ReSAKSS</p> <p>Prof. Mbassa</p>

	<p><b>Panellists:</b></p> <p>TBD, Fertilizer Regulatory Authority</p> <p>Dr Mshindo Msolla, AFAP</p>	
1530 - 1600	Tea Break	
1600 – 1700	<p><b>Emerging Issues from the 2<sup>nd</sup> AAPC</b></p> <p><b>Panellists:</b></p> <p>Harold Carey, USAID</p> <p>Sarah Simons, World Bank</p> <p>Peniel Lyimo, Former Permanent Secretary, GoT</p> <p>Janet Bitegeko, CEO Agricultural Council of Tanzania</p> <p>Dr Sophia Mlote, MALF</p>	Moderator: Prof. Andrew Temu
17:00 – 17:30	<p>Closing Remarks</p> <p>Ministry of Agriculture, Livestock and Fisheries</p>	<p>Ms. Janet Nkuvulilwa Simkanga,</p> <p>Director of Policy and Planning, MALF</p>