

**TANZANIA NATIONAL BUSINESS COUNCIL**



**PROCEEDINGS OF THE  
6<sup>TH</sup> TNBC MEETING ON KILIMO KWANZA  
MEETING**

**KUNDUCHI BEACH HOTEL & RESORT  
DAR ES SALAAM**

**2<sup>ND</sup> AND 3<sup>RD</sup> JUNE 2009**



# TANZANIA NATIONAL BUSINESS COUNCIL

## PROCEEDINGS OF THE 6<sup>TH</sup> TNBC MEETING ON KILIMO KWANZA HELD ON THE 2<sup>ND</sup> AND 3<sup>RD</sup> JUNE 2009 AT KUNDUCHI BEACH HOTEL & RESORT

### 1.0 ATTENDANCE

Refer to Appendix 1 attached herewith.

### 2.0 OPENING

2.01 Mr. Phillemon L. Luhanjo, Chairman of TNBC Executive Committee, welcomed Members and Observers to the 6<sup>th</sup> TNBC Meeting and recognized the presence of His Excellence Amani Abeid Karume, President of Zanzibar and Chairman of the Revolutionary Council, Hon. Mizengo Kayanza Peter Pinda MP, Prime Minister of the United Republic of Tanzania. The presence of other participants was also acknowledged comprising Cabinet Ministers, Regional Commissioners, Permanent Secretaries, Regional Administrative Secretaries and Regional Chairpersons of Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) and Development Partners.

2.02 Mr. Luhanjo introduced the theme of the meeting as KILIMO KWANZA which aims at engendering the Tanzania Green Revolution by way of transforming the sector into a modern and commercial venture through application of advanced agricultural technology. After the introductory remarks Mr. Luhanjo invited His Excellence Jakaya Mrisho Kikwete, the President of the United Republic of Tanzania and Chairman of TNBC to open and preside over the meeting.

### 3.0 OPENING STATEMENT BY H.E. JAKAYA MRISHO KIKWETE, PRESIDENT OF THE UNITED REPUBLIC OF TANZANIA AND CHAIRMAN OF TNBC.

3.01 President Jakaya Mrisho Kikwete joined the Chairman of TNBC Executive Committee to welcome Members and Observers to the 6<sup>th</sup> TNBC Meeting, thanking them for sparing their valuable time to attend this important forum on KILIMO KWANZA.

3.02 In his opening statement, H.E. Jakaya Mrisho Kikwete, President of the United Republic of Tanzania and Chairman of TNBC made the following remarks:-

3.02.1 that the meeting would be guided by report of the TNBC Agriculture Working Group which also incorporated informed views of the other TNBC Working Groups and other stakeholders in the agriculture sector including Government departments, private sector and financial institutions. Noted further that the Report has identified problems restricting the growth of the agricultural sector and proposed interventions to debottleneck the sector.

3.02.2 that the importance of the agricultural sector is underlined by the fact that 80% of Tanzanians live in rural areas and are engaged in the sector for their livelihood, hence a critical sector for spurring growth, eradicating poverty, and enhancing food security.

3.02.3 that Agriculture Green Revolution entails use of high yield seeds, fertilizers, agricultural chemicals and application of modern agricultural technology. It calls also for extensive irrigation and engagement of modern managerial skills and techniques particularly extension services, livestock and dairy development including artificial insemination, fisheries, forestry and bee keeping.

3.02.4 that the role of the Government is to create and sustain conducive investment climate for attracting local and foreign investments in the diverse sectors of the economy including



agriculture. The Government would develop a two pronged approach in agricultural investments namely; transforming peasantry farming into small scale commercial farmers producing surplus and graduating gradually into commercial farming; attracting large scale farmers and forging contract farming for mutual benefits.

3.02.5 that the private sector should engage in the agriculture by way of:

- Direct investment
- Engaging in production and distribution of agricultural inputs such as fertilizers, chemicals (insecticides, pesticides, and fungicides), farm implements, assembly of tractor etc.
- Jointly with the Government or independently develop irrigation infrastructure with the objective to reduce dependence on rain fed agriculture.
- Develop marketing channels and infrastructure to ensure adequate and timely payments to the farmers.
- Much as the Government is committed to the establishment of the Agriculture Development Bank, the private sector was challenged to develop credit delivery mechanisms jointly with the Government to ensure adequate funding of agricultural production and marketing functions.

#### **4.0 KILIMO KWANZA PRESENTATION BY MR. FELIX MOSHA, CHAIRMAN OF THE TNBC AGRICULTURE WORKING GROUP**

The presentation covered the following key areas:

**i. 30 Years Review of Performance of Agriculture Sector in Tanzania:**

Production of major crops has either been declining or static inspite of increase in population. Bright spots occurred in cotton and tobacco and slight improvements begun from 2006/7 to 2007/8 which coincided with increase in agricultural budgetary allocation from 2.5% to 6.4% of the national budget.

Heavy dependence on rain fed agriculture, use of traditional seeds, insufficient use of fertilizers and agricultural chemicals contributed to poor performance of the sector.

**ii. Necessity for a Tanzanian Green Revolution Vision of “KILIMO KWANZA ”:**

Tanzania has to make drastic changes in form of a “Green Revolution” aiming at transforming the agricultural sector into a modern and commercial enterprise. The challenge is to optimize resource utilization for agricultural transformation starting with land ownership, accessibility and land titling for investment purpose cognizant of the land distribution pattern in Tanzania where Village Land comprise 78%, Reserve Land (National Parks, Game Reserves and Forest Reserves) 28% and General Land 2%, calling for the creation of Land Bank for investment purposes to target Districts.

**iii. Paradigm Shift for Economic Transformation:**

Agriculture as a commercial enterprise calls for demand driven production emphasizing production of food crops that can be consumed locally and consume food crops that are produced locally with surplus generation outlook emulating the Vietnam experience.

**iv. Human Resources for Agricultural Transformation:**

Emphasized on enhanced training of agriculture experts at managerial and technical skills levels and application of research findings to the farm level backed by extension services. Training in agriculture should receive special incentives and recognition.

**v. Major Components for Agricultural Transformation:**

Application of advanced agriculture technology through use of high yield seeds, fertilizers, intensive irrigation and provision of other pertinent services.



**vi. Financing Agricultural Transformation:**

The Government has embarked on establishment of Tanzania Agricultural Development Bank (TADB) and the challenge is for the private sector and the financial institutions to join the initiative and ensure the success of the bank.

**vii. Industrialization for Agricultural Transformation:**

Considering that almost all agricultural inputs are imported and almost all agricultural products are exported raw, industrialization for Agricultural Transformation should focus on import substitution and value addition for exports.

**viii. Market Access for Products of the Green Revolution**

Removal of market barriers to farmers is paramount for the development of vibrant marketing system and infrastructure to serve the domestic market, regional and international markets efficiently.

**ix. Agricultural Incentives**

Reviewing agricultural taxes, among other incentives, is key in stimulating agricultural production calling for establishment of a Special Task Force to carry out such reviews regularly.

**x. Institutional Framework for Agricultural Transformation:**

The current Government structure shows that core agricultural activities such as crop farming, livestock, fisheries, irrigation, marketing and cooperatives are located to different Ministries and Departments suggesting formation of an Agricultural Committee of the Cabinet to coordinate agricultural related activities for all the Ministries.

**5.0 OPEN DISCUSSIONS ON KILIMO KWANZA**

For broader participation in the deliberations for KILIMO KWANZA Forum, the Chairman proposed the formation of 9 Groups of about 50 participants each to conduct focused discussions on the basis of 10 Pillars of Tanzania Green Revolution as proposed by the Agriculture Working Group. The ensuing presentations and discussions emphasized the following:

**x.3 National Commitment to the Vision of KILIMO KWANZA**

**x.3.1 Resolution on National Commitment to the Vision of KILIMO KWANZA**

- Observed that central to the success of KILIMO KWANZA is the instilling of political will at all levels of leadership from village, ward, district, regional and national level and full commitment by all Tanzanians.
- KILIMO KWANZA RESOLUTION is instrumental for the commitment and dedication to implement the programme.

**5.1.2 Focus on Modernising and Commercialising Agriculture for Small, Medium and Large Scale Producers.**

- KILIMO KWANZA entails the transformation of Tanzania agriculture from peasantry to modern and commercial enterprise through application of modern agricultural technology emphasizing on productivity and tradability.
- Urged the Government and the private sector to develop a two pronged approach covering small scale farmers and commercial farmers in promoting the Tanzania Green Revolution. The idea is for small scale farmers to graduate to commercial farmers for the full realisation of the vision of KILIMO KWANZA.

**x.4 Financing KILIMO KWANZA**

**x.4.1 Government Budgetary Allocation to KILIMO KWANZA**

- Commended government efforts of raising budgetary allocation to agricultural sector to 6.4% of the national budget during FY 2008/09. Noted further the amount was low, recalling the Maputo Declaration in which the SADC countries benchmarked budgetary allocation of “not less than 10%” to the agricultural sector by year 2008/2009. While recognising that the budget process for FY 2009/10 is



already advanced, recommended the Government should enhance to 10% the agricultural sector budget by way of re-allocation given current status of budget preparations. This should definitely be the case for 2010/11 and progressively increase thereafter.

- Given the importance of irrigation, budgetary increases should be allocated to this sub sector aiming at irrigating 7.1 million ha. of arable land for that purpose.

**x.42 Establishment of the Tanzania Agriculture Development Bank**

- Appreciated Government commitment to establish Tanzania Agriculture Development Bank underlining the need to expedite formation of same preferably during FY 2010/2011. The Bank to extend credit to agricultural production at concessionary terms and conditions using the existing credit delivery mechanism (commercial banks, cooperative unions and SACCOS).
- Mobilize loans and grants arrangements for TADB from multilateral and bilateral sources whose initial capital is to be USD 500 million.
- Undertake consultations with commercial banks and other stakeholders towards holding of TADB bonds by commercial banks.

**x.43 Conclude Interim Arrangement for Tanzania Investment Bank (TIB) to have Agriculture Lending Concessionary Window**

- Observed that the Government has made some contributions to the agriculture lending window. The challenge is to increase the amount and operationalise the agriculture concessionary window.
- Lending by TIB in this window should be long term, concessionary at between 3-5% rates of interest with long grace periods.
- TIB is not expected to make a profit from the operations of this window because it is not taking any risk. Margins should be enough to cover operational costs only

**x.44 Establishment of a Special Fund for Tanzania Green Revolution to Address Investment, Capacity Building and Guarantees**

- It is proposed to establish a Special Fund to accommodate resources to be contributed by development partners who do not prefer to provide funds to Agriculture Strategy Development Programme (ASDP) or General Budget Support. Moreover, advised that the Special Fund should be under the Ministry of Finance and Economic Affairs with clear operational procedures and guidelines.
- The Special Fund to address land survey costs, investment, capacity building and guarantees to complement the requirements of **KILIMO KWANZA**

**x.45 Mobilise Loans and Grants for a Large Facility for Agricultural Transformation from Multilateral and Bilateral Sources**

- Observed that the loans and grants to be destined to the Tanzania Agricultural Development Bank
- Advised that this aspect be mandated to the Ministry of Finance and Economic Affairs

**x.46 Establish a Mechanism for Farmers' Cooperatives and SACCOS to Mobilise and Channel Funds to Members**

- Recommended to strengthen management of SACCOS particularly in record keeping, interpretation of financial statements, resource mobilization and extension of credit to their members, the matter to be taken up by the Department of Cooperatives.
- Observed that in its regulatory function, the Bank of Tanzania (BoT) will work with the proposed Tanzania Agricultural Development Bank (TADB) in capacity building of SACCOS for inter alia resource mobilization and credit delivery mechanism.

**x.47 Legislate for Commercial Banks to Lend a Percentage of their Deposits on Concessionary Terms to Agriculture**

- Noted that Bank of Tanzania is using indirect monetary instruments in influencing and directing credit in the economy. The instruments include the review of prudential guidelines in credit extension and minimum reserve ratio in money supply operations etc



- Advised that commercial banks be consulted before legislation on allocating a certain percentage of their resources to lending to agricultural production on concessionary terms. The commercial banks should also be consulted on holding bonds of TADB when floated.
- x.48 Extend the Establishment of Community Banks in Every Region of Tanzania**
- Recommended to establish community banks and other financial intermediaries whose catchments' areas would cover districts, wards and even villages. This would invariably necessitate capacity building of the community banks and their associations and SACCOS etc.
- x.49 Community Banks and other Financial Institutions to Establish Special Units for Mobilising and Disbursing Agricultural Credit:**
- Recommended that the community banks, financial institutions like Tanzania Postal Bank, NGOs, and microfinance institutions should establish special units for mobilizing and disbursing agricultural credit.
- x.410 Development of Commodity Exchanges and Facilitation of Floatation of Agricultural Companies:**
- Capital Markets and Securities Authority (CMSA) be mandated to facilitate initiative to set up commodity exchanges which invariably would require developing regulatory framework for efficient operations and thereafter facilitate floatation of agricultural companies in the Dar es Salaam Stock Exchange.
- x.411 Pension Funds, Empowerment and Other Funds to Finance Agricultural Production:**
- Recommended to expedite the appointment of Pension Fund Regulator who should participate in consultations with pension and other empowerment funds to enable them to lend on concessionary terms to agricultural production.
  - Recommended to explore a proposal put forward by Unit Trust of Tanzania (UTT) for the creation of Vision Trust Fund to mobilize resources for investments in the agricultural sector.
- x.412 Social Security for Farmers:**
- Recommended to establish a specific social security fund for farmers and carry out farmers' sensitization program for them to join other existing social security schemes which are open to everybody.
- x.413 Insuring Agriculture:**
- Recommended to explore the establishment of agricultural insurance taking into consideration experience of other countries within the region.
- 5.3 Institutional Reorganization for Management of KILIMO KWANZA**
- 5.3.1 Institutional reorganization for KILIMO KWANZA**
- Noted that the functions of the agricultural sector such as crop farming, livestock, fisheries, irrigation, marketing and cooperatives have been spread to different Government ministries and departments. In this regard it was suggested to consider moving irrigation and agricultural marketing to the Ministry of Agriculture, Food and Cooperatives.
  - Suggested further the establishment of an Agricultural Committee of the Cabinet to coordinate agricultural related activities of all the Government ministries and departments.
  - Considering the insignificant arable land under irrigation, it was proposed to establish an autonomous National Irrigation Agency (NIA) to spearhead the implementation of the aforesaid.
  - Cognizant of the fact that irrigation funds are located at districts and national level, recommended reorganization of the funds into one National Irrigation Fund preferably under NIA
- 5.3.2 Mechanism for Private Public Partnership for KILIMO KWANZA**
- Challenged the private sector to engage in agricultural input production and distribution, establishment of farm centres for tractor hire and provision of agriculture related services.



- Proposed to establish a National Agriculture and Cooperatives Commission (NACC) for private public partnership in agriculture as well as monitoring and evaluating the implementation for KILIMO KWANZA. Furthermore, it was proposed to set up an Interim Task Force to carryout planned activities of NACC pending the establishment of NACC.

### **5.3.3 Strengthening Farmers' Organizations for Full Partnership with Government in Agricultural Policy and Strategy Formulation, Implementation and Evaluation**

- Proposed to enhance the capacity of farmers and farmers' organizations such as cooperative unions and growers' associations in order to contribute in influencing Government policy and strategy in favor of KILIMO KWANZA and in the implementation and evaluation of its programmes.

## **5.4 Paradigm Shift to Strategic Framework of KILIMO KWANZA**

### **x.41 Identify Areas and Modalities of Priority Production of Strategic Food Commodities**

- Emphasized the importance of food self sufficiency initiatives in the light of world wide economic melt down whereby the prices of food products are rising while prices of other commodities are declining.
- Recommended the enhancement of production of strategic commodities for the country's food self sufficiency such as maize, cassava, rice, legumes, fish, meat and dairy products, wheat, bananas, potatoes, sorghum and millet.
- Recommended further to institute regulatory arrangements of using a given portion of cassava in both maize and wheat milling emulating the Nigerian experience.

### **5.4.2 Identify Areas and Modalities of Priority Production of Food Crops**

- Recommended that the agricultural production process should be driven by market demand at domestic, regional and international levels thus underscoring the promotion and financing of production of cotton, sunflower, safflower, sesame, palm oil.

### **x.43 Identify Areas and Modalities of Priority Production of Horticultural Crops**

- Recommended production of high labour intensive crops such as onions, mangoes, bananas, grapes, avocados, pineapples, tomatoes, vegetables and spices which require limited investment with potential for significant foreign exchange earnings and contribution to national economic growth.

### **x.44 Identify Areas and Modalities of Priority Production of Crops with High Potential for Value Addition, Fibers, Bio-Energy**

- Recommended the enhancement of production of sisal, sugarcane, oilseeds and sweet sorghum for energy and other value added products.

### **x.45 Establish a Strategic Advisory Team on Paradigm Shift**

- It was suggested to set up a Strategic Advisory Team incorporating public and private sector to advise on areas where various activities in the Paradigm Shift will be undertaken.

### **x.46 Undertake Value Chain Analysis on the Priority Commodities**

- Undertake value chain analysis with holistic approach which looks at the priority areas including suitable models for integrating agricultural producers and processors and improvement in infrastructure.

### **x.47 Legislate on Contract Farming System (CFS).**

- Noted that the current contract farming arrangement does not benefit all parties calling for fast tracking of legislation on contract farming taking on board the views of the commercial farmers, out growers' schemes and the Government with a view to promote a "win-win" situation.



## 5.5 **Land for KILIMO KWANZA**

### 5.5.1 **Amend the Village Land Act.**

- The land distribution pattern in Tanzania comprises 2% as General Land, 28% Reserved Land for National Parks, Game and Forest Reserves and 78% as Village Land. It was recommended to amend the Village Land Act No. 5 of 1999 to facilitate access to village land for KILIMO KWANZA investments. Furthermore called for strengthening capacity of District Land Officers and empowering District Councils to execute their land related tasks.

### 5.5.2 **Fast Track Land Delivery System**

- Recommended that town master plans to be prepared and observed in order to facilitate operationalization of laws in relation to town planning and to include processes leading up to issuance of title deeds;
- In order to enhance rural land use planning, advised demarcation of separate land for crops and livestock and gazette such land demarcations;
- Recommended to re-examine land surveying costs for providing Customary Certificates of Registration;
- For effective implementation of planned activities in relation to land operations, build the capacity of Land Offices in Local Government Authorities coupled with increased allocation of resources to the Councils to efficiently and effectively administer land matters.

### 5.5.3 **Fast Track Land Dispute Resolution**

- Noted with regret land disputes at individual level, among villages and between farmers and pastoralists which affect the social fabric of the society recommending establishment of Ward and Village Land Councils and strengthening the existing ones in relation to land dispute resolutions.
- Recommended to allocate sufficient resources for adjudication in the courts system in order to expedite dispensing of land disputes.

### 5.5.4 **Institute Structural Change in Land Management**

- Recommended to change the existing arrangements to grant authority of reservation of land allocation and management.

### 5.5.5 **Include Agricultural Green Belts into Urban Development Plans.**

- Recommended that Municipal and Town Councils to prepare town plans which should also provide for Agricultural Green Belts.

### 5.5.6 **Allocate Land to the Land Bank.**

- Observed that there was no effective and recognized Land Bank under Tanzania Investment Centre (TIC). Given the above scenario Regional Commissioners were directed to establish Land Banks for investment purposes entailing identification, surveying and recording unutilized land in the villages and districts for the purpose of placing it in the TIC Land Bank.
- Recommended to work out a land valuation formula to reflect current market value and encourage villages and villagers to use land as equity in joint venture operations.
- Review Tanzania Investment Centre (TIC) derivative rights to facilitate Tanzanians to enter into joint ventures in land based investments and include a requirement binding investors to implement their investment projects timely to avoid land hoarding and speculation.

### 5.5.7 **Effective Utilization of Land Currently Owned by Government or Governmental Agencies**

- Enforce Government agencies which own land such as PRISONS DEPARTMENT, NATIONAL SERVICE, NAFCO, NARCO and former Refugee Camps to utilize land for agricultural production on their own or in joint venture investments.





## **5.6 Incentives for KILIMO KWANZA**

### **5.6.1 Fiscal and Non-Fiscal Incentives to Stimulate KILIMO KWANZA**

- Noted that there are a number of taxes imposed on the agricultural sector including fuel levy, VAT on agricultural production and agricultural cess.
- Recommended to establish a Special Task Force to review and propose necessary Fiscal and Non-Fiscal incentives to stimulate KILIMO KWANZA taking suggestions from all agriculture sector stakeholders.

### **5.6.2 Measures to Enhance the Competitiveness of Tanzanian Agriculture.**

- Recommended to review the cost of doing business in the agricultural sector and implement measures to make farm production, input distribution and marketing more competitive.

### **5.6.3 Remove Market Barriers to Agricultural Commodities**

- Recommended to allow public private partnership in food crop purchasing and stocking along side the National Food Reserve Agency and strive to maintain food stocks of 6 months to 1 year to ensure market stability.
- Recommended further to remove barriers to free market for food crops across borders in the region.

### **5.6.4 Enforcement of Standard Weights and Measures.**

- Observed that farmers were not adequately compensated for their crops on account of improper use of weights and measures (i.e. lumbesa, pakacha, sado) recommending strict adherence and enforcement of standards by the regulatory bodies.

### **5.6.5 Establish a Regulatory Body for Mixed Food Crops**

- Recommended to fast track the establishment of the regulatory body for mixed food crops as is the case with traditional cash crops.

### **5.6.6 Price Stabilizing Mechanisms**

- Noted with concern the fluctuations of prices paid to the farmers calling for initiatives to establish price stabilization mechanism for selected agricultural commodities.

## **5.7 Industrialization for KILIMO KWANZA**

### **5.7.1 Industrialization to Address the Needs of Agricultural Producers.**

- Noted that almost all the agricultural inputs used in Tanzania such as fertilizers, agricultural chemicals and farm implements are imported. In this regard called for drastic intervention to establish local production capacity of key inputs including reviving privatized companies which used to produce farm implements such as Ubungo Farm Implements Co. Ltd, Kilimanjaro Machine Tools and Mbeya Farm Implements Co. Ltd

### **5.7.2 Increase Fertilizer Production and Utilization**

- Noted that Tanzania uses the least amount of fertilizers in SADC region, i.e 9kgs per hectare compared to an average of 16kgs per hectare in other countries. In this connection it was proposed to enhance and improve production and quality of fertilizer from the current Phosphates and NPK production at Minjingu to 300,000 tons per annum by 2010.
- Noted that Tanzania has huge deposits of natural gas, calling for measures to utilize such resources for large scale production of fertilizers.
- The Government was urged to provide fertilizer subsidies coupled with enhancement of extension services to create demand and appropriate use of fertilizers by small farmers.



### **5.7.3 Improve Seeds Production**

- The national demand of seeds is 120,000 tons per annum against current supply of 10,000 tons, consequently calling for immediate measures to revamp the ailing privatized seed companies like TANSEED and provision of incentives to the private sector to scale up production to meet domestic and export demand.
- Recommended to empower and strengthen Tanzania Official Seed Certification Institute (TOSCI) to be a regulator in the endeavour to eliminate the rampant sale of fake seeds, patenting seed research results to protect locally developed seed varieties and enforcing the existing Seeds Act.
- Recommended to provide subsidized quality and certified seeds to small scale farmers as is the case for fertilizers.

### **5.7.4 Capacity for Expanded Livestock Industry**

- Noted that while Tanzania was among the leading countries in Africa in terms of livestock population, most of the livestock is of traditional species suggesting establishment of new livestock multiplication and heifer breeding units and revival of existing ones.
- Recommended further strengthening of semen production at Arusha production centre and introducing semen storage and distribution centres in all regions.
- Noted that all privatized milk processing plants have closed urging for measures to revive all milk processing plants in the country and establish milk collection centres in the appropriate areas.
- Challenged the private sector to engage in local production of veterinary drugs and animal feeds to ensure adequate supplies.

### **5.7.5 Capacity for Expanded Fish Industry**

- Challenged the private sector to exploit the huge pelagic potential of coastal and inland water bodies and to invest in aquaculture backed by demand driven fish breeding centers for fingerlings.

### **5.7.6 Increased Supply of Agrochemicals**

- Conscious of the fact that most of the agrochemicals used locally are imported, challenged the private sector to establish local agrochemical production facilities. Recommended further enhancement of extension services to sensitize farmers on proper application of agrochemicals while recognizing the need for promotion of integrated pest and disease management.

### **5.7.7 Supply of Agricultural Machinery and Implements**

- Noted that all farm implements manufacturing firms which were privatized have closed shop leaving the country to rely solely on imports. Recommended that the privatized farm implements plants to revert to production of agricultural equipment and the private sector to embark on local manufacturing of agricultural machinery and farm implements.

### **5.7.8 Expansion of Agro Processing Industries**

- To encourage value addition it was recommended to impose export levy on raw primary products and increase tariffs on imported competing products.
- It was suggested that all privatized agro processing factories which are not operational to date (cashew nuts, tanneries, textiles etc) be given timeframe to comply with original intentions otherwise be re-possessed and revived under alternative arrangements.
- Recommended to undertake a “Buy Tanzanian” campaign starting with Government procurement initiatives and institute strict measures to curb the dumping of low quality processed agro-products.
- Recommended further to empower SIDO to promote and expand small scale agro-processing operations.

### **5.7.9 Management of Post-Harvest Losses**

- Noted that post harvest losses are estimated between 30% and 40% of agricultural output calling for educating farmers on proper storage and management of agricultural produce supported by District based food storage facilities and encourage farmers to shun away from selling all their food production.
- Recommended to promote private sector investments in both food fortification to improve nutritional value and in cold storage facilities for perishables and other commodities.



- Recommended to expand the capacity of National Food Reserve Agency (NFRA) for larger scale procurement (as buyer of last resort) and storage.

#### **5.7.10 Development of National Packaging Industry**

- Challenged the private sector to invest in high quality packaging industry to cater for increased packaging of agro-processed products and promote competitiveness in the local and external markets.

#### **5.7.11 Enhance Trade Integration and Management**

- Challenged the private sector to establish farm centres for market data/information to facilitate farmers' understanding of market developments, improve distribution system for provision of quality agricultural inputs.
- Recommended private sector institutions to spearhead and facilitate the establishment of commercial farms supported by export oriented processing.

### **5.8 Science, Technology and Human Resources for KILIMO KWANZA**

#### **5.8.1 Institute Mechanism for Effective Utilization of Science, Technology and Human Resources for KILIMO KWANZA**

- Recommended to intensify training of technicians and other related professionals in the agricultural sector such as soil conservation, water resource management and veterinary and at the same time provide for full scholarships/loans to Agricultural undergraduates.
- Recommended to form a Registration Board for Agricultural Specialists as it exists for other professionals (Doctors and Accountants etc). Thereafter institute a recruitment program for Agricultural Specialists including Irrigation Engineers, Hydrologists and Dam Designers and Contractors giving preference to Tanzanians.
- Recommended to ensure effective utilization of existing trained manpower in agriculture including retirees, emphasizing on extension services to comprise provision of guidance to proper farming methods.
- Recommended further that extension officers should have demonstration farms and keep register and work plans to ensure they cover up to "Kitongoji" Village level while Agricultural Motivators "Para Agricultural Extension Supports" be trained and deployed in every Ward. It was also recommended to introduce performance indicators as the basis for their evaluation.
- Commended the Government for its decision to allocate 1% of GDP to research and development which should facilitate the rehabilitation of agricultural research and training institutions and link them to the requirements of the farming community.
- Improved agricultural performance would contribute change of mindset of youth and others in favour of agriculture. As a long term plan, recommended to institute programs to retain youth in agriculture through inclusion of the subject in the curriculum at all levels.
- Recommended that the Government to introduce mechanism for provision of land and agricultural loans to entrepreneurial agriculture graduates underscoring the need to institute programmes to strengthen the position of women in agriculture by focusing on increased lending and training to them.
- Recognizing the effects of climate change on agriculture, it was recommended to establish weather centres at Ward level.

### **5.9 Infrastructure Development for KILIMO KWANZA**

#### **5.9.1 Infrastructure Development Needs for KILIMO KWANZA**

- Noted that the existing infrastructure in Tanzania was dilapidated and had negative impact on the cost of doing business including the agricultural sector, calling for rehabilitation and modernization schemes to respond to the requirements of KILIMO KWANZA; priorities being:
  - o To build adequate irrigation schemes targeting priority crops, production volumes and location requirements
  - o Construct modern abattoirs and meat processing plants in every region.
  - o Create adequate storage capacity for commodities at all levels for instance, cold storage, household, district and national level.



- Taking advantage of the geographical location, Tanzania as the gateway to SADC countries, it was recommended to implement the Tanzania Ports Authority (TPA) Master Plan incorporating Dar Es Salaam, Mtwara, Tanga, Mwambani, Bagamoyo and lake ports along with dry port at Kisarawe and the trans-shipment at Kidatu. The objective is to enhance trade between Tanzania and the neighbouring countries which would stimulate agricultural production.
- Challenged the Government to finalize construction of Mwanza Airport runway extension. This would facilitate sharing of chartered flights from Kilimanjaro International Airport (KIA) for horticulture and fish exports through Mwanza to Europe. Furthermore, this will sustain three weekly cargo flights as opposed to the current one weekly flight from KIA with supplies from Mwanza and Arusha having to go through Nairobi. Recommended further to expedite completion of construction of Iringa and Mbeya Airports including cold storage facilities for horticultural exports from Southern Highlands.
- Commended Government efforts of linking the existing fibre optic networks owned by TANESCO, TRL and SONGAS to the national fibre optic network under construction. The completed national fibre optic network would link with sub-marine cable from South Africa to Djibouti by 2012 to ensure that the whole country is linked electronically and facilitate promotion of e-commerce, e-education, e-government, e-tourism etc

#### **5.9.2 Establishment of Market Centres in Every Ward**

- In the endeavour to improve agricultural marketing arrangements, it was recommended to establish market centres at Ward level which would link with production centres as well as buyers.

#### **5.9.3 Increase Funding to the Rural Energy Fund and Focus its Activities to Agricultural Transformation**

- In order to increase agro processing for value addition, it was recommended to increase funding to the Rural Electricity Fund so as to ensure energy supply in rural areas.

### **5.10 Mobilizing Tanzanians for KILIMO KWANZA**

#### **5.10.1 Internalization of KILIMO KWANZA in Government Machinery**

- The general consensus reached was to integrate KILIMO KWANZA in the Government machinery.

#### **5.10.2 Sensitization Campaign on KILIMO KWANZA to include National, Regional, District, Ward, Village Level**

- Recommended to drum up support to KILIMO KWANZA at all levels from local to national leadership and the general public.
- Recommended further to flag off the sensitization campaign by launching KILIMO KWANZA Green Book

#### **5.10.3 Sensitize the Private Sector to Participate in KILIMO KWANZA**

- Recognizing the role of the private sector as the engine for economic growth, private sector institutions were challenged to engage in sensitizing KILIMO KWANZA for effective involvement and participation in Agricultural Transformation.
- Realizing the pivotal role of media in sensitizing the Tanzanians in favor of KILIMO KWANZA, the Chairman sought the support of the media fraternity in drumming up support for KILIMO KWANZA. In this connection, Mr. Reginald Mengi, Chairman of Media Owners' Association of Tanzania (MOAT) accepted the challenge to create and participate in focused sensitization of KILIMO KWANZA to the general public as contribution of the fraternity.

#### **5.10.4 Program for Leaders to Participate in Agricultural Production**

- Recommended that leaders at all levels be encouraged to personally be involved in agricultural production under KILIMO KWANZA concept.



**6.0 ADOPTION OF KILIMO KWANZA RESOLUTION BY H.E. JAKAYA MRISHO KIKWETE, PRESIDENT OF THE UNITED REPUBLIC OF TANZANIA**

- The Chairman endorsed KILIMO KWANZA draft resolutions presented by the TNBC Secretariat which incorporated ideas, observations and comments emanating from discussions by participants.
- The Chairman directed the TNBC Agriculture Working Group and other TNBC Working Groups in collaboration with Ministry of Agriculture, Food Security and Cooperatives, Ministry of Livestock and Fisheries, Ministry of Water and Irrigation, Ministry of Finance and Economic Affairs and Ministry of Infrastructure to refine the resolutions and prepare Action Program for implementation.

**7.0 CLOSING REMARKS BY HON. MIZENGO KAYANZA PETER PINDA MP, THE PRIME MINISTER OF THE UNITED REPUBLIC OF TANZANIA.**

- The Chairman requested Hon. Mizengo Kayanza Peter Pinda MP, the Prime Minister to close the KILIMO KWANZA Forum.
- The Prime Minister, Hon. Mizengo Kayanza Peter Pinda, observed that KILIMO KWANZA Forum was attended by broad sections of stakeholders and leadership in the agricultural sector from the Government, private sector covering agriculture distribution firms, agro-processors, and financial institutions. In this connection, the KILIMO KWANZA Resolutions are based on consensus reached by the stakeholders and would advise and seek approval of the President of the United Republic of Tanzania to internalize the KILIMO KWANZA Resolutions in the Government machinery for implementation.
- The Prime Minister commended TNBC for the preparation and managing the historic meeting.

**8.0** The meeting was closed by the Chairman at 19:30 hrs thanking delegates for attendance and active participation to the meeting.

H.E. Jakaya Mrisho Kikwete,  
President of the United Republic of Tanzania  
State House,  
Dar es Salaam.

Friday, June 19, 2009