Overview

Tanzania is endowed with enough fertile arable land, diverse climatic zones and plenty of water sources across the country. However, only 24% out of about 44 million hectares of the total land area suitable for Agriculture is utilized, mainly by smallholder farmers cultivating average farm sizes of between 0.9 hectares and 3.0 hectares using traditional cultivation methods.

Only 10% of the arable land is ploughed by tractor and production is determined by rainfall. Both crops and livestock are adversely affected by periodical droughts.

Small-scale farmers lack capital, skills and can only manage to cultivate for subsistence.

Though irrigation holds the key to stabilizing agricultural production to improve food security, increase farmers’ productivity and incomes, and also to produce higher valued crops only 326,492 hectares out the 2.3 million hectares of high-potential land for irrigation are developed.

Usage of agricultural inputs is quite low. Tanzania uses only 9kg per hectare of fertilizer and only 10% of farmers use improved seed.

Low levels of technology, excessive reliance on rainfed agriculture, insufficient agricultural extension services, low labour productivity, deficient transportation and marketing infrastructure and facilities are the major constraints impeding a rapid growth of the sector.

Contribution to the economy & performance

Agriculture is one of the leading sectors in Tanzania’s economy. It contributes substantially to the GDP, accounts for about one fifth of the foreign earnings and supports the livelihoods of more than two thirds of the population.

It has forward linkages with the non-farm sector through agro-processing, consumption and export; provides raw materials to industries and a market for manufactured goods.

Since 1985, the country’s overall agricultural GDP has grown at an average annual rate of 3.3% while the country’s main food crops have been growing at 3.5% annually and its export crops at 5.4% annually. Unfortunately, this
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performance falls short of the needed growth considering that the overall GDP growth target for halving abject poverty by 2011 is in the range of 6-7%.

The Agricultural sector grew by 3.2% in 2009 compared to 4.6% in the previous year, further shrinking the sector’s contribution to GDP from 25.7% to 24.6%. The crops sub-sector grew by 2.86% compared to 5.1% in 2008.

The decline in growth was due to the lack of ample rainfall and droughts in the Northern part of the country. This led to poor harvests and lack of feed and water for livestock.

Production

Food Crops

The aggregate national food availability in Tanzania is not of plenty, but rather of a critical balance between production and needs.

The major staples include maize, sorghum, millet, rice, wheat, pulses (mainly beans), cassava, potatoes, bananas and plantains.

Among food crops, cereals are the major crops grown in Tanzania. The area planted with cereals 4,798,071 hectares represents 61% of total planted area followed by roots and tubers 14%, pulses 12% and oil seeds 7%. Among cereals, maize production is higher than any other cereal in Tanzania with a total production of over 75% of total cereal produced.

Production patterns oscillate dramatically, according to the shifting weather conditions in a given harvest year. In the past 10 years, for instance, maize production has varied considerably, ranging from a high of 2,638 million tonnes in 2006/7, to a low of 2,107 million tonnes in 2009/2010.

Annual staples demand in Tanzania is about 11 million tons with maize and rice accounting for half of the total.

Tanzania’s average yields for maize and rice are far below the African average. Low productivity of cereals in Tanzania is attributed to dependency on rain-fed agriculture and low usage of fertilizer, improved seeds and pesticides.

Cash Crops

Principal export crops include coffee, tea, cotton, cashews, sisal, oil seeds, horticultural crops, pyrethrum, fresh cut flowers, cloves and spices.

In terms of agricultural exports, coffee constitutes the most important cash crop. Recent reports have indicated that coffee accounted for 17.7% of Tanzania’s total agricultural exports in 2009/2010. Cotton was the second most important cash crop, followed by cashew nuts, tobacco, tea and sisal. In Zanzibar, the major cash crop is cloves, 90% of which are produced on the island of Pemba. The major importers of Tanzania’s agricultural exports consist of the EU countries, especially the United Kingdom, Germany, and the Netherlands.

Impressive progress has been registered in recent years in farming of export crops following the influx of investors interested in commercial scale farming.

The surplus was caused by better use of farm inputs especially fertilizer and insecticides that was used through a special loan scheme known in kiswahili as ‘ruzuku ya mbolea’. Other reasons were stiff competition among farmers, enough rains, use of good pyrethrum seeds and the expansion of tobacco and cotton farms.

However, production of coffee, cashew nuts, sisal, and tea went down in 2009/2010 compared to 2008/2009.

In the current financial year 2010/11, production of sugar is expected to increase from 279,850 tonnes to 317,000 tonnes while that of tobacco is expected to go up from 60,900 tonnes to 78,000 tonnes. This will be possible due to the intention to build capacity of farmers in utilising modern farming techniques as well as using improved seed varieties. Tea production will go up from 33,160 tonnes to 35,000 tonnes while that of sisal will increase from 26,363 tonnes 35,000 tonnes, thanks to the increase in the number of sisal farms, fuelled by the improving sisal prices at the world market. Coffee production is set to increase from 40,000 tonnes to 60,575 tonnes while cashew nut production will see an increase from 74,169 tonnes to 121,070 tonnes.

Livestock Production
Livestock production is one of the major agricultural activities in Tanzania.

The sub-sector contributes to national food supply, converts rangelands resources into products suitable for human consumption and is a source of cash incomes and an inflation-free store of value. It provides about 30 % of the Agricultural GDP and livelihood to an estimated 1,745,776 households.

Out of the sub-sector’s contribution to GDP, about 40 % originates from beef production, 30 % from Milk production and another 30 % from poultry and small stock production. Livestock production originates from a large resource base composed of the different livestock species, breeds and types whose ownership and distribution differ from region to region.

The total Livestock population reared by smallholders in Tanzania is 37.06 million of which 18.8 million are cattle, 13.1 million goats, 3.56 million sheep and 1.6 million pigs. The poultry population is estimated at 33.3 million.

Smallholder ruminant production in Tanzania is characterized by most live- stock keeping households having less than 10 head. However a relatively high % of the livestock population are reared by a small number of farmers. Ruminant live- stock production is concentrated in the northern regions of the country and declines steadily towards the South of the country.

Three livestock production systems are commonly distinguished in the range- land areas; commercial ranching, pastoralism and agro-pastoralism. Commercial ranching accounts for about 2 % of the total cattle herd. It is practised mainly by National Ranching Company (NARCO), now in the process of being privatised.

The livestock industry has maintained a steady annual growth rate of over 2.7 % during the last decade. However, human population growth is increasing at a higher rate than the growth in the livestock sub-sector which indicates that Tanzania is increasingly unable to meet the internal demand for livestock. This is further
The current challenges facing the sector include animal diseases, poor infrastructure and lack of reliable markets, investments and processing industries.

**Government policy**

A strong and supportive policy environment is key to further growth in the agricultural sector. The Agriculture and Livestock Policy (1997) is currently under review, while the Agricultural Sector Development Strategy (2001) and the seven-year Agricultural Sector Development Programme (ASDP) aim to revamp agriculture for increased productivity, profitability and farm income. These pieces of legislation emphasise enabling farmers’ access to and use of agricultural knowledge, technologies, marketing systems and infrastructure, and the promotion of private sector investment.

The overall objective is to achieve a sustainable agricultural sector growth rate of 6% per annum through transformation from subsistence to commercial agriculture. Besides stimulating agricultural growth, ASDP and ASP target also to achieve food security and reduce rural poverty.

The Government recognizes the importance and potential of agriculture as a contributor to wealth creation. In the 2009/2010 fiscal year agriculture received 7% of the national budget allocation – some TZS 666.9 billion, which is an increase of 30% over the TZS 513.0 billion allocated in 2008/2009. In the 2010/2011 fiscal year agriculture will receive 9% of the national budget allocation – some TZS 903.8 billion.

**Agriculture First**

*Kilimo Kwanza* – Agriculture first is a new strategy that was launched by President Kikwete in August 2009 in Dodoma. It is aimed at spearheading government efforts to bringing about Agriculture revolution in the country.

Productivity and growth in agriculture is to be boosted by:

- Improvements to the rural road network and irrigation infrastructure, including rain water harvesting;
- Improvements to storage facilities for agricultural crops and livestock products and assistance to farmers in identifying reliable markets;
- Strengthening the capacity of the Strategic Grain Reserve to buy and store sufficient grains consistent with national food requirements;
- Ensuring the timely availability of inputs for arable agriculture and livestock farming, including improved seeds, fertilizers, agro-chemicals and veterinary medicines, and that the Agricultural Input Fund is sufficiently funded;
- Giving priority in the allocation of farm implements and other inputs to the major food crop production regions of Mbeya, Ruvuma, Rukwa, Iringa, Morogoro and Kigoma;
- Identifying and surveying land for large-scale food crop farming to take advantage of the existing opportunity in terms of local and world market demand;
- Supporting research institutions to develop improved seeds and encouraging other institutions to scale-up seed production;
- Reduction of unsustainable forest harvesting;
- Establishing and reviving agro-processing industries, with private sector participation;
- Improving access to credit and fast-tracking the setting up of a special window for lending to agricultural ven-
Tanzania’s newly introduced agriculture policy is beginning to bear fruit with the introduction of the National Cereals and Other Produce Bill, 2009. The legislation provides for a new board of Cereals and Other Produce to supervise production and subsequent marketing of traditional food crops. The board has filled the vacuum left by the former General Agricultural Products Export (Gapex) and the National Milling Corporation. The Bill has started benefitting all sectors of agriculture, including fresh support for fruit and vegetable producers.

Eight multinational firms and institutions, including, Unilever, YARA, DUPONT, SABMiller, General Mills, Syngenta, Monsanto and Alliance for a Green Revolution in Africa (Agra) have already showed their interests to aid Tanzania’s green revolution endeavours.

CAADP
Tanzania in July 2010 signed the Comprehensive Africa Agriculture Development Programme (CAADP) that will make agriculture a true accelerator of the economic development in the country. The country had in the past failed to improve the sector due to many factors including application of poor technology, budget allocation and equipment but the current step will enable the country accelerate further.

Following the adoption of CAADP, Tanzania will now qualify for many advantages including the $50,000 million US Dollars (about 73bn) grant from the special fund contributed by G 20 countries for CAADP signatories.

Although the African Union through New Partnership for Africa’s Development (NEPAD) has recommended for the allocation of at least 10% of the national budget for the sector, still the allocation won’t be adequate considering many challenges facing the sector.

Through CAADP agreement, Tanzania will be more serious in making sure enough budgetary allocations are made complimenting other contributions from stakeholders and development partners.

Since budget allocations have significantly increased from 3% in 2005/2006 to nearly 9% in 2010-2011, the country will soon manage to surpass the 10% target set by NEPAD. The signing of CAADP compact will soon boost the country’s agricultural programmes under implementation and that already it has applied for the G 20 basket fund.

Investment plans in irrigation, merchandise, research development, and use of improved agricultural inputs will be improved under the new plan. Others are improvement of rural infrastructure, agro-processing and value addition, renewable natural resources, environment and climate change.

Challenges in the Agriculture Sector
• Low productivity of land, labour and other inputs.
• Underdeveloped irrigation schemes.
• Limited capital and access to financial services.
• Inadequate agricultural technical support services.
• Poor rural infrastructure hindering effective rural-urban linkages.
• Infections and outbreaks of crop, animal pests and diseases.
• Erosion of national resource base and environmental degradation.
• Lack of entrepreneurial skills to turn non-farm activities into viable sources of livelihoods and foreign exchange.

Conclusion
At a time when the government is embarking on Kilimo Kwanza as Tanzania’s green revolution to transform its agriculture into a modern and commercial sector, it is interesting to see if Tanzania could emulate success stories from Asia. By raising agricultural productivity through enhanced investments, both public and private, in rural infrastructure such as roads, irrigation, inputs such as high yielding seed varieties and fertilizer and technology it could be possible to enjoy the fruits of prosperity.