

United Republic of Tanzania – Country Profile

Country area: 94,730 (1000 Ha)

Source: FAOSTAT

Land area: 88,580 (1000 Ha)

Source: FAOSTAT

Agricultural area: 35,500 (1000 Ha)

Source: FAOSTAT

Population – 47,656 (1000)

Source: FAOSTAT

GDP: 23,057 (millions of US dollars)

Source: World Bank

Human development index: 0.398

Source: UNDP - HDRO

Global Hunger Index: 19.3 *Source: IFPRI.*

Calculated 2012

Introduction

Economic overview/performance

Tanzania has sustained high economic growth over the last decade driven by structural reforms, steadily increasing levels of exports, and significant financial deepening. Growth in gross domestic product (GDP) has been between five and seven percent in recent years, underpinning better development results. The drivers of growth over the past decade have been mining, construction, communications, and the financial sector. Manufacturing, transport, and tourism have also posted solid growth rates. The service sector constitutes 47 percent of total value-added in the economy, compared to 36 percent in 1990.

High inflation has recently proven to be an acute challenge for Tanzania. In spite of recent restrictive measures taken by the Central Bank, the inflation rate only declined from 19.8 percent in 2011 to 19.4 percent in 2012. Pressure on the current account balance has started to weaken the current macroeconomic program. Preliminary estimates from the Central Bank indicate that the current account deficit may have approached 18 percent of GDP by November 2011, up from 10 percent one year ago. Such deterioration is explained by the combination of higher energy-related imports (up by 50 percent) and the decline in some export categories – notably manufacturing (down 30 percent for the second semester of 2011.)

While the increase in imports might be a one-time event linked to the President's emergency energy plan, the abrupt decline in manufacturing exports can be attributed to the ongoing power shortages. The Central Bank has so far reacted by intervening on the foreign exchange

market by selling international reserves, down by almost 10 percent between January 2011 and 2012. Although this policy may have contributed to stabilizing the nominal exchange rate, it has also reduced Tanzania's competitiveness and its capacity to resist external shocks.

About 80 percent of Tanzanian households depend on agriculture as their primary economic activity. The large degree of dependency on this sector renders the economy particularly vulnerable to adverse weather conditions and price swings in international commodity markets. Recent commitments under the Kilimo Kwanza (Agriculture First) initiative offer the promise of greater coordination of public and private commitment to make Tanzanian agriculture more competitive. The government is investing a growing share of its budget in agriculture and is encouraging broader commitments to agribusiness development. These commitments have been confirmed in the Comprehensive Africa Agriculture Development Program (CAADP) for Tanzania, which is linked both to the Agriculture and Food Security Investment Plan and to the proposed Southern Agricultural Growth Corridor of Tanzania (SAGCOT) Project, which involves ramping up agricultural production.¹

Hunger

Increasingly, Hunger is related to how we use land, water and energy. The growing scarcity of these resources puts more and more pressure on food security. Several factors contribute to an increasing shortage of natural resources [GHI2012 1]:²

- Demographic change: The world population is expected to be over 9 billion by 2050. Additionally, more and more people live in cities. Urban populations feed themselves differently than inhabitants of rural areas; they tend to consume less staple foods and more meat and dairy products.
- Higher income and non-sustainable use of resources: As the global economy grows, wealthy people consume more food and goods, which have to be produced with a lot of water and energy. They can afford not to be efficient and wasteful in their use of resources.
- Bad policies and weak institutions: When policies, for example energy policy, are not tested for the consequences they have on the availability of land and water it can lead to failures. Examples are the biofuel policies of industrialized countries: As corn and sugar are increasingly used for the production of fuels, there is less land and water for the production of food.

Signs for an increasing scarcity of energy, land and water resources are for example: growing prices for food and energy, a massive increase of large-scale investment in arable land (so-called land grabbing),

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<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/TANZANIAEXTN/0,,menuPK:287345~pagePK:141132~piPK:141107~theSitePK:258799,00.html>

² <http://www.ifpri.org/publication/2010-global-hunger-index>

<http://www.ifpri.org/publication/2011-global-hunger-index>

<http://www.ifpri.org/ghi/2012>

increasing degradation of arable land because of too intensive land use (for example, increasing desertification), increasing number of people, who live in regions with lowering ground water levels, and the loss of arable land as a consequence of climate change. The analysis of the global conditions lead the authors of the GHI 2012 to recommend several policy actions [10]:

- ✓ Securing land and water rights
- ✓ Gradual lowering of subsidies
- ✓ Creation of a positive macroeconomic framework
- ✓ Investment in agriculture technology development to promote a more efficient use of land, water and energy
- ✓ Support for approaches, that lead to a more efficient use of land, water and energy along the whole value chain
- ✓ Preventing and overuse of natural resources through monitoring strategies for water, land and energy, and agricultural systems
- ✓ Improvement of the access to education for women and the strengthening of their reproductive rights to address demographic change
- ✓ Increase incomes, reduce social and economic inequality and promotion of sustainable lifestyles
- ✓ Climate change mitigation and adaptation through a reorientation of agriculture

2012 Global Hunger Index: Country case study: Tanzania³

- ✓ In Tanzania, an estimated 1 million people are food insecure while 42 percent of households have inadequate food.
- ✓ Tanzania is ranked 54th in the 2012 GHI.
- ✓ More than 80 percent of people in the country rely on agriculture and smallholder farmers who have less than 3 hectares of land cultivate 95 percent of the 2.1 million hectares of land under production.
- ✓ Although more than 90 percent of farmers claim ownership to land, the reality is less than 10 percent of Tanzanian's hold official title to their land.
- ✓ Tanzania's 1999 Land Act No. 4 and Village Land Act No. 5 were established to allow smallholder farmers to formalize land ownership by acquiring a certificate of customary right to occupancy (CCRO) which would allow them to secure land tenure and use the certificates as collateral with financial institutions.
- ✓ Concern Worldwide is supporting smallholders to secure land title and improve their access to water.
- ✓ Concern has supported the issuance of more than 9,500 CCROs.
- ✓ Concern Worldwide has been working in Iringa District, Tanzania since 1978. More than 8,000 land titles have been issued in Iringa, of which more than 6,000 were supported by Concern.
- ✓ In Iringa, 90 percent of the population earns its living from agriculture and livestock production. While 40 percent of land is suitable for agriculture, just over 23.3 percent is actually cultivated.
- ✓ Water is a major issue for the farmers of Iringa. Less than 40 percent of the district has irrigation and many farmers are unable to cultivate their land.

³ <http://www.ifpri.org/ghi/2012>

- ✓ Concern's Integrated Livelihood Programme works with the District Ministry of Agriculture to improve irrigation infrastructure by supporting improvement of canals and construction of water gates.

The Ministry has a Food Security Department that among other things manages the National Grain Reserve in Morogoro. The government buys surplus food produced in the country and stores it in the national grain reserve. In times of food shortages, the government sells the stored food at subsidized prices to people. Distribution of food is based on needs in the affected districts.

In collaboration with the Tanzania Meteorological Agency, the Ministry has an early warning system in place that informs farmers regarding the onset and amount of rainfall and therefore advice on the timing and types of crop to be planted. For instance, if drought is anticipated farmers will be advised to use early maturing and drought resistant varieties or plant drought resistant crops instead of usual crops planted. However, there are still challenges remaining regarding timeliness and packaging of information to be user friendly among farmers.

Nutrition⁴

Although improvement was observed during the last decade, infant and under-five mortality rates remain high. Eighty percent of the population has physical access to health facilities, but user fees and poor quality of services, mainly due to lack of skilled health personnel, reduce the effectiveness of the health system. However, immunization coverage among infants is very high.

Poor sanitation conditions are common both in the rural and urban areas, while access to safe water is a problem mainly for rural inhabitants. In the rural population, poverty is widespread, as approximately 40% of the population are below the basic needs poverty line, while in the urban areas approximately a quarter of the population is poor.

The diet is based on cereals (maize and sorghum), starchy roots (cassava) and pulses (mainly beans). Consumption of micronutrient dense foods such as animal products and fruits and vegetables is low and subsequently micronutrient deficiencies are widespread. At national level, the dietary energy supply does not fulfill average energy requirements of the population. The Dietary diversification index is very low, as starchy foods provide almost three quarters of the total energy supply, despite the wide variety of food produced in the country. Rapid urbanization and lower prices of imported foods have made imports of cereals rise.

Under nutrition is still highly prevalent in Tanzania. More than a third of children under-five years are affected by chronic malnutrition (stunting). In the Southern zone prevalence surpasses 50%. Stunting is due to a combination of factors including maternal malnutrition, inadequate infant feeding practices, low quality of health care, and poor hygiene. Breastfeeding is widely practiced but exclusive breastfeeding is not widespread and complementary feeding practices are inadequate.

At the same time, the country is undergoing a nutrition transition due to changes in dietary habits, especially among middle and high-income groups living in urban areas who consume energy dense and processed foods. The prevalence of overweight and obesity is noticeable among women (almost one

⁴ FAO - http://www.fao.org/ag/AGN/nutrition/TZA_en.stm

woman out of five).

Various national programs have been implemented in the country to combat malnutrition and micronutrient deficiencies, but more efforts are needed.

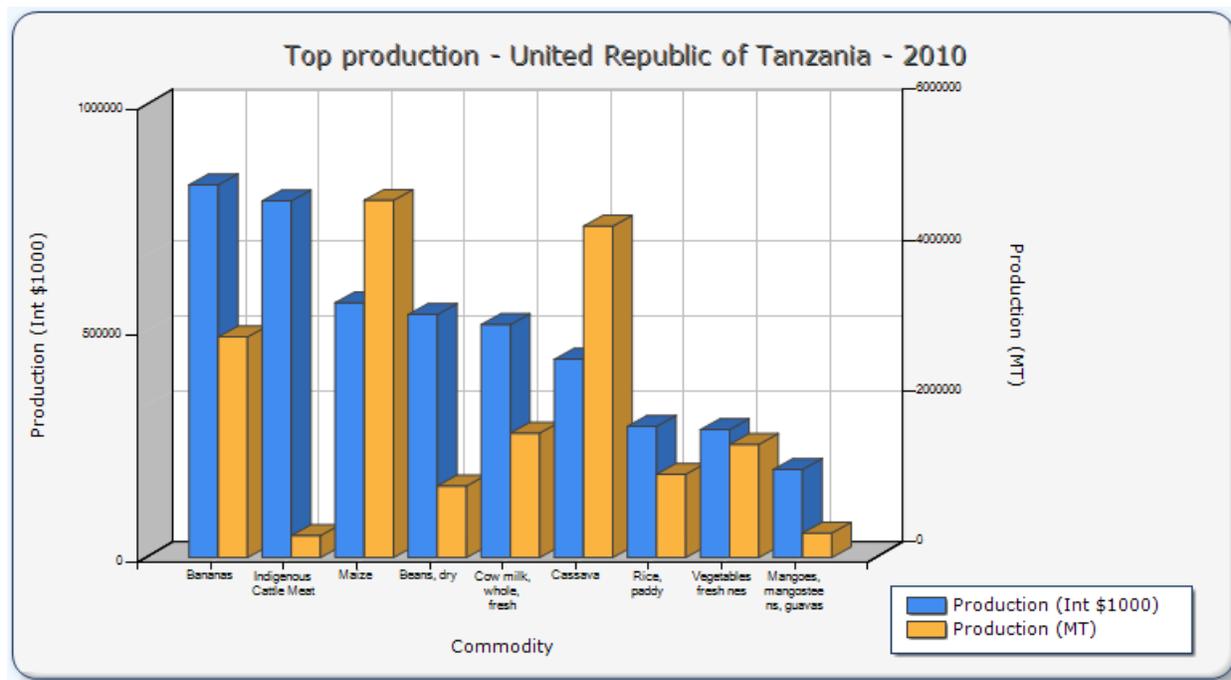
Gender Equality

Tanzania has made significant progress towards gender equality, ratifying key international and regional policy instruments such as the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) and the SADC Protocol on Gender Equality. It has strengthened the gender equality aspects of the country's constitution to increase representation of women in parliament and local government. Particular emphasis was placed on gender equality in the new national development agenda, MKUKUTA II, unveiled in 2010. Notable achievements are gender equality in primary and secondary schools – two of the MDG targets. Although there is a wide gap (32%) at the tertiary level, it indicates a sharp improvement from the 63% gap in 2005. A similar gap (32.1%) existed in university enrolment in 2008 – the same as in 2006. About 19% of women (5% for men) aged between 15 and 49 years did not have formal education in 2010. Women's representation in parliament has increased from 30% in 2005 to 36% in 2010. The gender gap in labor participation remained at around 5% in 2008. The Human Development Report 2011 ranks Tanzania at 119 out of 146 countries in the Gender Inequality Index and compares relatively well with neighboring countries.⁵

Agriculture provides more than two-thirds of employment and almost half of Tanzania's GDP. Women play an essential role in agricultural production. The sector is characterized as female-intensive, meaning that women comprise a majority of the labor force in agriculture (54%). Agriculture also comprises a greater part of women's economic activity than men's: 81% of women, compared to 73% of men, are engaged in agricultural activity. In rural areas, that number rises to 98% for women. In Tanzania, the share of adult population working in agriculture is higher than regional averages, especially for women: 81% of the female population works in agriculture in Tanzania, compared to 55% in the rest of sub-Saharan Africa.⁶

⁵ <http://www.africaneconomicoutlook.org/en/countries/east-africa/tanzania>

Agricultural Production



Commodity	Production (Int \$1000)	Production (MT)	Flag
1 Bananas	823,686	2,924,700	
2 Indigenous Cattle Meat	788,018	291,710	Fc
3 Maize	563,004	4,736,190	
4 Beans, dry	536,956	950,000	F
5 Cow milk, whole, fresh	514,901	1,650,000	F
6 Cassava	437,927	4,392,170	
7 Rice, paddy	289,832	1,104,890	
8 Vegetables fresh nes	282,662	1,500,000	F
9 Mangoes, mangosteens, guavas	194,729	325,000	F
10 Cotton lint	157,212	110,000	F
11 Plantains	133,537	660,000	F
12 Groundnuts, with shell	126,918	300,000	F
13 Sorghum	117,022	788,800	
14 Potatoes	107,007	750,000	F
15 Sweet potatoes	105,739	1,400,000	F
16 Sesame seed	97,356	144,420	
17 Tomatoes	86,848	235,000	F
18 Honey, natural	85,572	34,100	F
19 Tobacco, unmanufactured	79,638	50,000	F
20 Indigenous Goat Meat	77,919	32,519	Fc

<http://faostat.fao.org/DesktopDefault.aspx?PageID=339&lang=en&country=215> October 19, 2012

Agriculture

- [Participatory Agricultural Development and Empowerment Project \(PADEP\): Environmental and Social Framework Report](#)
- [Participatory Agricultural Development and Empowerment Project \(PADEP\): Resettlement Policy Framework](#)

Agriculture is the foundation of the Tanzanian economy. It accounts for about half of the national income, three quarters of merchandise exports and is source of food and provides employment opportunities to about 80 percent of Tanzanians. It has linkages with the non-farm sector through forward linkages to agro-processing, consumption and export; provides raw materials to industries and a market for manufactured goods.

Agriculture in Tanzania is dominated by smallholder farmers (peasants) cultivating an average farm sizes of between 0.9 hectares and 3.0 hectares each. About 70 percent of Tanzania's crop area is cultivated by hand hoe, 20 percent by ox plough and 10 percent by tractor. It is rain-fed agriculture. Food crop production dominates the agriculture economy 5.1 million ha. are cultivated annually, of which 85 percent is under food crops. Women constitute the main part of agricultural labor force. The major constraint facing the agriculture sector is the falling labor and land productivity due to application of poor technology, dependence on unreliable and irregular weather conditions. Both crops and livestock are adversely affected by periodical droughts.

Irrigation holds the key to stabilizing agricultural production in Tanzania to improve food security, increase farmers' productivity and incomes, and also to produce higher valued crops such as vegetables and even flowers.

Urban Agriculture

Urban agriculture has flourished as a household – level initiative to cope with economic hardships encountered as a result of raising cost of living. Urban agriculture that consists of raising and growing of vegetable and food crops is found in Tanzanian towns and cities where a ready market for Agricultural products is found. Producers of vegetables, milk, broilers' meat and eggs sell to private households and to school, hotels, hospitals, bars, cafeterias and restaurants.

Agriculture Performance

Agricultural GDP has grown at 3.3 percent per year since 1985, the main food crops at 3.5 percent and export crops at 5.4 percent per year. Considering that the overall GDP growth target for halving abject poverty by 2010 is in the range of 6-7 percent, this performance falls short of the needed growth.

The macro economic reforms have and continue to have had significant impact on the Agriculture sector. The economic reforms have lead to the opening up of the sector to private investment in production and processing, input importation and distribution and agricultural marketing. Most of production and processing and marketing functions have been assigned to the private sector. The Government has retained regulatory and public Support functions or facilitation role.

Farmers are free to sell their crops to cooperatives or private traders. Due to competition, normal

producer prices for food & export crops have increased as such farmers can now sell their produce much faster. Farmers are no longer confined to a single source for their essential inputs for crops and livestock.

The Government recognizes the pivotal role of the agricultural sector both in terms of economic growth and poverty reduction. Also the strong influence of factors outside the sector such as infrastructure, rural financial services, land ownership and good governance is recognized.

Priority actions include:

- The pursuit of macroeconomic policies that will motivate investment in agriculture by small holders and large-scale commercial farmers.
- Creation of an enabling environment and provide proactive support to private operators, farmers organizations, NGOs and CBOs supplying inputs and credit to small farmers and ensuring a strong regulatory mechanism.
- Concentration of budgetary allocations in agriculture research and extension.
- Provision of special support to investments in agricultural processing particularly in fruits and vegetables and accord top priority to implementation of new land Act.

Potential in the Agricultural Sector

Tanzania is well endowed with a variety of farming systems with climatic variations and agro-ecological conditions of which crops can be grown.

The major staples include:

- maize,
- sorghum
- millet
- rice
- wheat
- pulses (mainly beans)
- cassava
- potatoes
- bananas and plantains

Export crops:

- coffee
- cotton
- cashew nut
- tobacco
- sisal
- pyrethrum
- tea
- cloves
- Horticultural crops
- Oil seeds
- Spices and flowers

Agro – Ecological Zones (AEZ):

- Coastal plains
- Eastern plateaus and mountain blocks
 - Southern Highlands
- Northern rift zone and volcanic highlands
 - Central plateau
 - Rukwa – Ruaha rift valley
 - Inland Sedimentary
 - Ufipa
 - Western highlands

Farming Systems

There are 10 farming systems:

1. Banana/Coffee/Horticulture system

Found in Kagera, Kilimanjaro, Arusha, Kigoma and Mbeya regions.

- tree crop
- high intensive land use
- volcanic soils with high fertility
- land scarce

2. Maize/Legume system

Found in Rukwa, Ruvuma, Arusha, Kagera, Shinyanga, Iringa, Mbeya, Kigoma, Tabora, Tanga, Morogoro, Kahama, Biharamulo

- land not scarce
- shifting cultivation
- maize & legumes, beans and groundnuts intercropped, Arabic coffee

3. Cashew/Coconut/Cassava System:

Found in coast region; eastern Lindi and Mtwara:

- low rainfall
- low soil fertility
- cassava, coconut and cashew
- land is not scarce
- shifting cultivation

4. Rice/Sugar cane system

Found in alluvial river valleys

- rice and sugarcanes

5. Sorghum/Bulrush millet/Livestock system:

Found in Sukumaland; Shinyanga and rural Mwanza

- sorghum, millet, maize and cotton, oilseeds and rice
- intense population pressure
- declining soil fertility

6. Tea/Maize/Pyrethrum system:

Found in Njombe and Mufindi districts in Iringa region

- Tea, Maize, Irish potatoes, beans, wheat, pyrethrum, wattle trees, and sunflower

7. Cotton/Maize system:

Found in Mwanza, Shinyanga Kagera, Mara, Singida, Tabora and Kigoma, Morogoro, Coast, Mbeya, Tanga, Kilimanjaro and Arusha.

- cotton, sweet potatoes, maize, sorghum and groundnuts
- Intensive cultivation
- livestock kept

8. Horticulture based system:

Found in Lushoto district; Tanga region, Morogoro rural; Morogoro region and Iringa rural in Iringa region.

- Vegetables, (cabbages, tomatoes, sweet pepper, cauliflower lettuce and indigenous vegetables) and fruits, (pears, apples, plums, passion fruits and avocado)
- Maize, coffee, Irish potatoes, tea and beans.

9. Wet – rice and irrigated system

Occupies river valleys and alluvial plains, Kilombero, Wami Valleys, Kilosa, Lower Kilimanjaro, Ulanga, Kyela, Usangu and Rufiji.

10. Pastoralists and Agropastoralist System

Found in semi-arid areas i.e. Dodoma, Singida, parts of Mara and Arusha; Chunya districts, Mbeya and Igunga district in Tabora.

- Deep attachment to livestock and simple cropping system
- Shifting cultivation of sorghum millet
- Moderate population density 30 per sq. Km of 26
- Limited resource base and poor and variable rainfall

Irrigation

Tanzania has a potential for attaining sustainable irrigation development in order to assure basic food security, improve the national standards of living and also contribute to economic growth of the country. There is:

- Availability of water resources e.g. small and big rivers and lakes.
- Available irrigable land at 1.0 million ha. but currently only 150,000 hectares are cultivated under irrigation
- National Irrigation Development Plan and Agriculture Policy are in place
- Potential revenue can be tapped from irrigation water as user charge.

Investment Potentials

Under the Ministry of Agriculture and Food Security, the following parastatals are potential for investments:

1. Mbozi coffee farms with a total land area of 409.32 hectares: Ishera, Ndungu, Tukumbi, Ng'amba, Ihanda and Hanseketewe.
2. Cashewnut Company and Factories in Mtwara, Kibaha, Likombe, Masasi, Newala, Tanita in Dar es Salaam, Lindi, Nachingwea and Tunduru.
3. National Milling Company; Rice Mills in Isaka, Tabora, Shinyanga, Mtwara, Iringa, NMC residential properties, Mwanza maize Mill, Mtwara Hammer Mill, Wheat and Maize Mill in Arusha.
4. Bagamoyo Farms Limited.
5. Tanzania Seed Company (Kwamtili Estate).
6. Rice Farm - Dakawa, Mbalari Rice Farm, Kapunga Projects, Madibira Project and Ruvu Maize Farms, Mbozi, Namtumbo Project.
7. Wheat Farms/Workshop-Basutu plantation, Gawal, Gidagamwd, Mulbadaw, Murandja, seteet wheat Co. Ltd, warret and Central Maintenance Services Center - CMSC.

8. Sugar Farms: National Sugar Institute; Kagera Sugar Company limited.
9. Agro Processing Industries: Manawa Ginneries, Pamba Engineering Limited, TANICA, Tanganyika Coffee Establishment Ltd.; and Roasting Units.

Other Investment Opportunities

- Establishing farm machinery and equipment plants
- Operating tractor hire centers
- Establishing ox training centers
- Establishing training institutes
- Establishing research centers
- Developing human & animal power technologies
- Operating agriculture mechanization centers
- Provision/training of extension experts
- Agriculture researchers
- Establishing agricultural information centers

Support Services and Information

1. Research

- Research remains a core function of the government. The Government encourages more private sector involvement independently or jointly in research planning and funding.
- In order to increase investments in research on a sustainable basis, the government encourages the active participation by commodity/crop agencies in research funding and planning; from cooperative societies, unions and commodity boards.
- Appropriate mechanisms will be established to collect and administer such funds.
- Private sector will be encouraged to participate in funding research and where necessary to own and manage research in particular enterprises.
- Government funding will be directed mainly to food crop, livestock, resource management, and engineering research.
- The government will encourage the private sector as well as the Non-Governmental Organizations (NGOs) where feasible, to participate in research particularly in the areas of testing of drugs, development of special technologies and seed processing.

2. Training

- Agricultural training will not remain a monopoly of the government but private sector will be encouraged to carry out specialized training.

3. Extension Service

- Extension services delivery will not be a monopoly of the government. Private sector participation for collaborative efforts will be promoted and where necessary private sector will be allowed to own and manage extension services for specific enterprises such as beef, dairy, poultry, small ruminants, horticulture, tobacco and other subsectors which call for special attention. In areas where private sector offer extension services by providing funding, planning, monitoring and evaluation, the government will play a coordinating role.

4. Seeds

- Private sector is allowed to produce, distribute and market seeds. Production of breeder seed is

done at research institutes, foundation seed production on five foundation seed farms now under the Department of Research and Development, and certified production by contract growers vested in Arusha, Morogoro, Iringa regions. Tanzania Seed Company (TANSEED) is involved in both foundation seed farms and certified seed production. The Tanzania Official Seed Certification Agency (TOSCA) is responsible for quality control from the foundation seed farm stage up to the sale of certified seed to the farmers. The Main Seeds produced are hybrid and composite maize, sorghum, beans, wheat and sunflower.

- Private Companies involved in seed production and distribution are Cargill Hybrid Seeds, Pioneer Hybrid International and Paunar and Rotian Seeds Company.
- The Seed production system in Tanzania is governed by the Seed Act No. 29 of 1973, and the Seeds (Registration of Standards) Act.
- A new approach known as community based seed production has been introduced as well, whereby selected farmers, who have received specific training in Seed Multiplication, are supplied with foundation seed which they then multiply under the supervision of extension workers. TOSCA is responsible for inspecting the fields and the final product. Farmers sell the seed produced locally as “Quality Declared Seed” with simple packaging and labeling, at a reduced price.

National Agriculture Plan for Tanzania

- Participatory Agricultural Development and Empowerment Project (PADEP): Environmental and Social Framework Report: <http://www.tanzania.go.tz/pdf/padepe.pdf>
- Participatory Agricultural Development and Empowerment Project (PADEP): Resettlement Policy Framework: <http://www.tanzania.go.tz/pdf/padepr.pdf>

The Environment and Natural Resource Management

Tanzania still has extensive forest cover, most of which is savanna woodland and montane forest, though there are scattered patches of lowland forest. Much of this forest has high biodiversity and endemism—especially in the southern highlands region. However, these forests are increasingly threatened by fuelwood collection by the rapidly expanding population, as well as by commercial felling of timber and expanding agriculture—which makes up 58 percent of the GNP.

In 2002, the Tanzanian government passed the Forest Act which banned exportation of logs starting in July 2004. However, the regulations were poorly enforced and illegal logging continued apace—by one estimate the country lost 91,000 hectares to illegal felling each year. In early 2006, the Tanzanian government reinforced the export ban logs and sandalwood in an effort to reduce deforestation. The country planted 100 million trees between 1999 and 2006.

Despite 40 percent of the country being preserved in parks, forests are being reduced rapidly in some regions. Overall forest cover fell by 15 percent between 1990 and 2005, but deforestation rates have increased significantly since 2000.

Tanzania's mountainous forests have been in the news lately with the discovery of a new species of monkey and the imminent extinction of a small yellow toad. Overall, Tanzania is home to more than

10,000 species of plants, 316 mammals, 1,056 species of birds, 335 reptiles, 116 amphibians, and 331 species of fish.

(<http://rainforests.mongabay.com/20tanzania.htm>)

TP Example For Ag Country Profile