

STATEMENT BY HON. ENG. CHRISTOPHER K. CHIZA (MP) MINISTER FOR AGRICULTURE FOOD SECURITY AND COOPERATIVES OF THE UNITED REPUBLIC OF TANZANIA AT THE 3RD MINISTERIAL MEETING ON THE AGRICULTURAL MARKETS AND PRICES, ROME, 6TH OCTOBER 2014

The Theme: “Governance and International Commodity Markets”

Chairperson,

Director General,

Distinguished delegates,

Ladies and Gentlemen

It is my pleasure and honour to address the 3rd Session of Ministerial Meeting on the Agricultural Markets and Prices on behalf of the Government of the United Republic of Tanzania.

Chairperson; Since the mid-eighties, the Tanzania economy has undergone fundamental transformation that has redefined the roles and functions of the Government and the private sector. Under the new economic environment, most of the production, processing and marketing functions are carried by the private sector while the Government has retained regulatory and public support functions.

Chairperson; These policy changes have and continue to have profound impact on the agricultural sector in which, already agricultural input and output prices have been decontrolled and

monopolies of cooperatives and commodity boards in Agricultural Marketing Policy have been eliminated.

Chairperson; The production and productivity, of maize and rice has increased tremendously. Maize has increased from 0.5 tons per hectare to 4.0 tons per hectare and average paddy yield has increased from 2.5 tons per hectare to an average of 8.0 tons per hectare. The country has for 2014 recorded a surplus of 1.5 million tons of maize and a surplus of 794,163 tons of rice. This has made the country to attain 125% food self-sufficiency.

The main challenges to Small-holder farmers is accessing markets and in acquiring market information. Farmers rarely operate as farmer groups and endure high production costs due to the lack of economies of scale. Similarly, Poor infrastructure (roads, cold storage, etc.) and expensive transport options prevent delivery to the market at a competitive price.

Chairperson; Tanzania has four main sea ports but most of them do not have reliable supply chain for perishables (cold chain). This hinders trade of perishable crops which the country is very rich on.

Chairperson; Tanzania is one of the countries that have been affected by the global food market. Some of the strategies Tanzania uses to mitigate the impact of price volatility include:

- **Increasing Crop Production and Productivity**

This has been achieved through a sector-wide (Ag-SWAP) approach and Agricultural Sector Development Programme (ASDP) is the main driver.

Other initiatives which complement ASDP implementation include: Resolve of Agriculture First (known as Kilimo Kwanza in Kiswahili), Southern Agricultural Growth Corridor of Tanzania (SAGCOT), Feed the Future (FtF) and Bread Basket Transformation. Tanzania has also launched the “Big Results Now” Initiative which aims at accelerating attainment of specific targets in increasing production and productivity so as to have 290,000 MT surplus Rice, 100,000 MT surplus Maize and 150,000 MT surplus Sugar by 2015. These are critical for addressing food insecurity and growth in the country. The initiatives are aiming at involving Private Sector in commercialization of agriculture.

- **Trading opportunity to address weather and climate change**

There is considerable heterogeneity in the impacts of climate change across countries. Farmers in Tanzania that are less severely affected sell their excess supply to the more severely affected parts of the country and neighboring countries. The Government has rehabilitated 30 village warehouses out of the intended 275 for crop storage so as to insure quality of the crops. The Crop and Produce Board (CPB) is

constructing warehouses and Silos on border posts to improve market access across neighboring countries. The roads to all border posts are tar.

- **Improvement of delivery service**

In addition to the aforementioned initiatives, Tanzania is currently implementing an Input Support Program to enable our resource poor farmers access inputs e.g. fertilizers, seed and pesticides at affordable prices. We have managed to give support to 2,537,000 households for the past five years.

Stabilizing food supply through private and public stocks

- **Private stocks**

Currently the bulk of food stocks are held at household level as the marketable surplus for staples such as maize and rice are about 30 and 40 percent respectively.

The Tanzanian government has put in place the requisite institutional arrangements, by increasing the involvement of private sector in agriculture production through Public Private Partnership (PPP). The institutions include Tanzania Investment Centre (TIC), SAGCOT Centre and Rufiji Basin Development Authority (RUBADA). Also incentive packages, including tax regimes, are being reviewed time to time in order to encourage private sector participation in the sector both local and foreign.

- **Public stocks**

The current policy is for the private sector to take the lead in food marketing. However, public stocks are necessary for emergency food relief especially in the wake of climate change. Promotion of National Food Reserves is done through National Food Reserve Agency (NFRA) and Cereals Produce Board. The NFRA normally store and sale its stocks to the national and international institutions such as World Food Program (WFP), as well as to the needy neighboring countries. Tanzania is planning to construct more storage structure so as to enable NFRA to be having a stock of least 400,000MT.

- **Conclusion and Recommendations**

After sharing the experience of food market and prices in Tanzania I would like to share my opinion on how Governments, private sector and development partners could work together to reduce food market volatility:

- i) Improve productivity to commensurate with increased food demand. Supporting countries such as Tanzania to fully exploit its land and water resources in agricultural production.**
- ii) Mitigate the impact of climate change through dissemination of technologies such as draught resistant crop varieties. There is a need to promote irrigated agriculture using modern water efficient system.**

- iii) Promote structured trade in food markets in developing countries which is currently predominantly informal. Technical and financial support to establish warehouse receipt system and commodity exchange is needed in order to establish the legal and regulatory framework and associated infrastructure.**
- iv) Strengthen early warning systems and monitoring of food markets coupled with safety net programs.**

I THANK YOU FOR YOUR ATTENTION