

AAPC 2017

RE-CAP Day 1 and 2

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# Opening Session

- **Opening Words – Chairman AAPC**
  - Outlined the PAG's objectives, program and expected outcomes
- **Progress in agriculture Policy Reform**
  - A Review of the 12 Policy Issues and status of reforms to-date
  - Reviewed the areas covered by the four working groups of PAC
  - PAC Working groups on seed, land, taxation, and trade
  - Additional – long range of policy issues where the government is working

## Hon. Minister Tizeba'z Speech: Ministry of Agr., Livestock & Fisheries

- Thanked the PAG, and the recognized progress made to-date.
- Reiterated the importance of the *industrialization drive*
- Emphasized the link between agriculture and manufacturing
  - *Noted manufacturing sector contr.= 10 to 12% of the GDP*
  - *Emphasized that the Ag. link to industrial dvpt. is important*
  - *ASDP II – Role Private Sector, Use of Nat Res, Industrialization link*

# Agro-processing strategy – The Darlberg study

- Three dimensions

- | 1. Levers to agro-processing growth | 2. Catalytic investment  
| 3. Effort

- Approach to developing an agro-processing strategy
- Prioritization of value chains
- Agro-processing strategy: **Crowding in investments in zones**

- Plenary emphasized the following facets of the strategy

- Alignment with ASDPII
- Guiding Investments in line with the industrialization goal
- Packages to attract investors
- Capital and Finance

# Enabling the Business for Agriculture – 2017

*Without measurement progress is unknown or inexistent.*

- **EBA measures legal barriers for business in agriculture.**
- **Conducted in 62 countries, tracking 12 indicators.**
- **Quantitative indicators for:**
  - Seed | Fertilizer | Machinery | Finance | Markets | Transport | Water | Inf. and Comm.
- **A work in progress: Several questions were asked**
  - Importation of seed and fertilizer | Performance of Finance
  - A question if there is a need to measure efficiency
  - Ideas to improve the indicators and measurements should be sought from Non-state Actors
- **Youth engagement in agriculture**
  - Principally down the value chains – agro-processing, and If primary, then it is intensive and modernized production

# Theme 1 - Agr. Transformation: Upstream & down stream VC activities

- **Industrialization in Africa's LICs, e.g.. Tanzania.** [David Tschirley]
  - There is a need for radical opening up of markets for regional trade – **Global Mkt Access?**
  - Need for investment in infrastructure and other facilitating factors
- **Megatrends to take note in the process of transformation** [Thomas Jayne]
  - Population, SSA food Imports, Reg. Trade & food imports, Land: Farm Sizes & ownership
  - Non-farm labor productivity increases v/s declining Agr. Productivity
  - Industrialization requires corresponding inclusive Agr. Productivity | **Farm Mgt. Practices**
- **Prospects of Rural Economy Sectoral Transformation** [Todd Benson]
  - Agriculture lags in the overall economic growth trends | **Won't lead in transformation**
  - Differentiated labor productivity – Agr. And Non Agriculture
  - The need for developing entrepreneurial acumen in the the sector

# Theme 1 - Agr. Transformation: Upstream & down stream VC activities

- **Agric. transformation & nutrition [Joyceline Kaganda]**
  - Food Knowledge | Nutrition status knowledge | Health, Care, food Systems
  - Malnutrition is high – even by African Standard, e.g. CMN 34%, 2.7mn stunted children
  - Transformation should encompass a **food and nutrition security strategy**
  
- **Priority Areas to Focus Towards Ending Hunger in Tanzania [Kihenzile]**
  - Growth in Tanzania and it's failure to address poverty, food insecurity and inequality
  - Strategic direction: Rural Dev & Agr. | Informal sector, gender mainstreaming
  - Improve poor people productive capacity |

# Theme 2: Agricultural Markets

- Strategic Options for Edible Oils..... [Michael Kairumba]
- Policy and Enhancing Structured Trading [Gsoko] [Francis Osiemo ]
- Livestock Sector Analysis [Steve Michael ]
- Regional perspective of on agriculture markets and trade [Gerald Masila ]
- Strengthening agricultural systems ... re Industrialization [Joseph Nyamboha]
- WE LEARNT THAT:
  - Tanzania has the potential for **Sunflower Production** – Opportunities for growth.
  - Strategic Options: Food-safe cooking oil | Cake & by products - **Domestic/Regional Mkts**
  - Issues: Good Seed, Bee pollination, Seed procurement structures – logistics, technologies
  - **Business Environment:** Harmonization of taxes and levies, Infrastructure
  - **Projected red and white meat protein deficits** - feed constraints and animal genetics.
  - **Recommendations:** Supply without investments will not meet the demand projections.
  - **Fiscal Based strategies – Agric. & industrialization – Taxes, Duties Subsidies interplays**



# Theme 3: Enabling policy for private sector investment

- Opportunities for livestock agri-food systems Amos
- Innovative policies for leather and leather goods
- Employment intensity in agro-processing
- Effects of milk imports on competitiveness
- Strategic Long-run outlook for grain markets

[Amos Omore]

[Prof. Mbaso]

[John Snyder]

[Solomon Baregu]

[Zena Mpenda]

- **WE LEARNT:**

- Livestock's significance in Ag GDP >40% - | **High Value Comm. - dairy!!**
- Underdeveloped leather industry – production and processing base
- Agro-processing: Challenges of balancing enterprise scale, employment drive, growth and productivity of agro-processing firms
- Milk: Demand > Production, Imports growing 15% - 4years, **[Unfair Competition!]**

# Some Rough and Dirty Concluding Remarks

- There is quality research undertaken to feed into policy work
- PAG is generating enthusiasm across the key players
  - Research houses, Academia, Non-state actors, Private Sector
  - Inspiring teams – joint teams USA-Tanzania, South Africa – Tanzania are effective

# Rough and Dirty Concluding Remarks

- **Agribusiness and its role towards industrialization has pre-requisites:**
  - **Production base** – commodity productivity [profitable commercialization is key].
    - **Extension services, inputs, agricultural finance – would be even more demanding**
  - **Trade** – Switching from South to North Trade towards Intra-Regional Trade.
    - **Tariff and Non-Tariff barriers, Trade Infrastructure are still crucial for Reg. Trade.**
  - **Food security:** nutrition, consumer protection are factors to be considered
    - **Example: regional trade for cereals v/s food security strategies adopted by countries**
  - **Labor and youth employment:** Employment is not automatic following agro-processing
    - **There is a complex relationship between firm size, growth and employment**

Lets meet tomorrow for the final sessions

- Thank you