



The United Republic of Tanzania
Agriculture Sector Lead Ministries

4TH ANNUAL AGRICULTURAL POLICY CONFERENCE [AAPC]

Day 3 (Finance, Technology and Investments) & Overall Conference Recommendations for Policy Considerations

Andrew E. Temu, Chief Facilitator - ENGINE

Day 3: Early Morning Papers

Four papers:

Access to land and livelihoods of youth – **Ntengua Mdoe**

The rise of medium scale farms: causes and consequences – **Milu Muyanga**

Synergies between medium and small scale farmers – **Roseline Alphonse**

Land conflicts in Tanzania: causes, impacts and resolutions – **Judith Valerian**

Some Interesting Findings:

Land and Youth Mdoe

Youth migration is a thought process in terms of optimising livelihoods

The need for incentives to motivate youth to engage in productive farming

Improved technologies - seed, fertilizer, irrigation & together with agro-value additions

The need for surplus labour displaced from agriculture should be absorbed in processing

Milu Muyanga

There is a clear trend of increases in number of FHH with larger farm sizes

Number of medium scale farms is growing more under medium-scale farms growing

- Smallholders transit – grow to medium 5% ,

- New entrants directly into medium scale 35%,

- Living in the urban areas 65% [These grew from around 10 to 30%]

Causes: Rise in price; Elite Capture, Population Growth, New Town



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Some Interesting Findings:

Furaha Rashidi / Roseline Alphonse

Generally a call for synergistic co-existence of small and large scale farmers

Synergy proxied by distance & scrutinizing effects *commercialisation, productivity, specialisation etc*

Judith Valerian

Analysis is motivated by the speed of formalization process: nature & extent, resolutions,

Un-registered land ownership, diverse range of conflicts, affecting crop production

Efforts to resolve are there, thanks to government authorities – success rates at over 70%

Occupancy rights and enforcing VLUP could ease the challenge



Youth

A Call for Youth Agriculture Parks

*Tackle land ownership
Deploy the Youth DF*

Track Rural to Rural Migration

Emerging New Urban Areas

Research on Youth Jobs Substitutability

E.g. Bodaboda vis a vis Agriculture

A Need for National Human Resource Policy

Governance and Mgt. of Lbr. Force

Land

Land Remains Sensitive

*Registering and Titling is key
Sustainable use is important*

Enactment of a Law to Protect Agriculture Land

Land based investments need this security

A Need for Positive Advocacy for ASDP and SAGCOT

Land based investments need this security

A Need for Coordinated Strategies

*Min. of Land Urban Settlements, Livestock
and agriculture.*



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Day 3: Mid Morning Papers

Finance

Six papers:

Access to financial Services – FINSCOPE – Mwombeki Baregu

Reaping Richer return: Public spending priorities for African Agriculture – Peter Goodman

Social accountability – Investing where there is potential ... Sizya Lugeye

Drones in agriculture – Rose Funja

Key Findings:

Baregu

- FINSCOPE farmers are overall performing relatively less favorably than the general population
- E.g. borrowing is predominantly from friends and neighbours [informal]; savings – livestock
- Both demand and supply side indicators don't show progress in financial services to agriculture
- **New models:** *aggregation efforts, coordinated interventions, de-risking agriculture, policies*

Goodman

- The 10% target of national government budget is yet to be met
- Most of the spending is on inputs subsidy; followed by extension services, *less on research*
- Brazil & Chile examples inform Tanzania on the importance of research



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Key Findings:

Sizya Lugeye

- **An assessment of resource allocation vis a vis agriculture potential**
- **Overall budgetary allocation to agriculture is low and has been declining**
- **Budgetary and staff allocation is not necessarily aligned to potential [productivity]**

Rose Funja

- **There is a call for deployment of drones for agriculture**
- **Monitoring, fend pests. Improve land tenure [P-GIS], estimate yields, advise fertilization**



Commercial Finance

Policies should support innovative finance arrangements

*VAT on Ag. Financial Services
Products diversification*

What is it that should be financed?

Could policies direct the flow of commercial finance?

Who, What and How to Finance

Is there room to promote VC Finance through policies?

Notably 2 Banks contribute 50 % of lending to Agriculture

Regulation of Ag. Banking need not be the same as normal commercial banks

Public Investment, Technology

Land Investments, Soil Nutrition

Policies, Strategies Programs

Research and Development Finance

Broad range – Technology, Services, Financing, Entrepreneurship, Firms Development

Adoption of Technology

It is low and should go in hand with research security

Budgetary Allocation vis a vis Agricultural Potential

Entry point for revising should be a review of budget guidelines



Day 3:Afternoon

Cross Cutting Issues

1. Women and industrialization Economy in Tanzania – Dr. Masululi (Mlote)
2. Enhancing enabling environment to increase youth participation - Hafidh Kabanda
3. Tracking key CAADP indicators and implementation: TZ progress – Prudence Lugendo
4. ASDP 2 – Zacharia, Ministry of agriculture

Key Findings:

- 53% TZ farmers are female, 1,972 prof. agriculturalists, diversely involved in value addition,
- Challenges: Finance, Marketing, Infrastructure, Technology
- CAADP process – Tanzania, despite many projects we are still struggling in productivity
- Declining trends of undernutrition and stunting but the rate could be improved
- Poverty level is declining but we still aren't satisfied with the rate



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Overall Conference Areas of Recommendations for Policy Considerations

Andrew E. Temu, Chief Facilitator - ENGINE

Key areas of recommendations to be made to the government

- 1. Reversing the declining and stagnant resources allocation to agriculture**
 - **Resource allocation based on agricultural production potential**
 - **Increase funding for research and development**
- 2. Reducing costs of production and enhancing productivity**
 - **Redesign extension services**
 - **Review taxes on agricultural inputs, equipment and machinery**
- 3. Enhancing competitiveness in Agro-industry**
 - **Address production, markets and finance policy issues around prioritised sectors**
 - **Institutionalize holistic value chains development in interventions**
 - **Pursue ASDP2 with rigor and high prioritisation in budgets allocation**
- 4. Resolve policy impediments to access to finance**
 - **Resolve the challenge of VAT on credit guarantee and other empowerment schemes**
 - **Review banking regulations to relax stringent conditions for agriculture lending**
 - **Explore special regulatory banking regulations for agricultural finance institutions**

Key areas of recommendations to be made to the government

5. Enact policies to promote youth engagement and employment in agriculture

- Consider national human resource policy
- Innovate around Youth Investment Parks
- Youth development funds for agriculture, incubators and higher education curricula review

6. Land

- Continue land reforms, land-use plans, and learning from land conflicts resolutions
- Research and kick-start the process to enact a law to protect agriculture land

7. Nutrition

- Handle nutrition as a cross-cutting issue
- Enact laws and subsequent policies to enhance nutrition improvements
- Enforce regulations against non-desirable foods – sugary, fatty and salty
- Address costs of baskets of goods of foods with high nutritive values