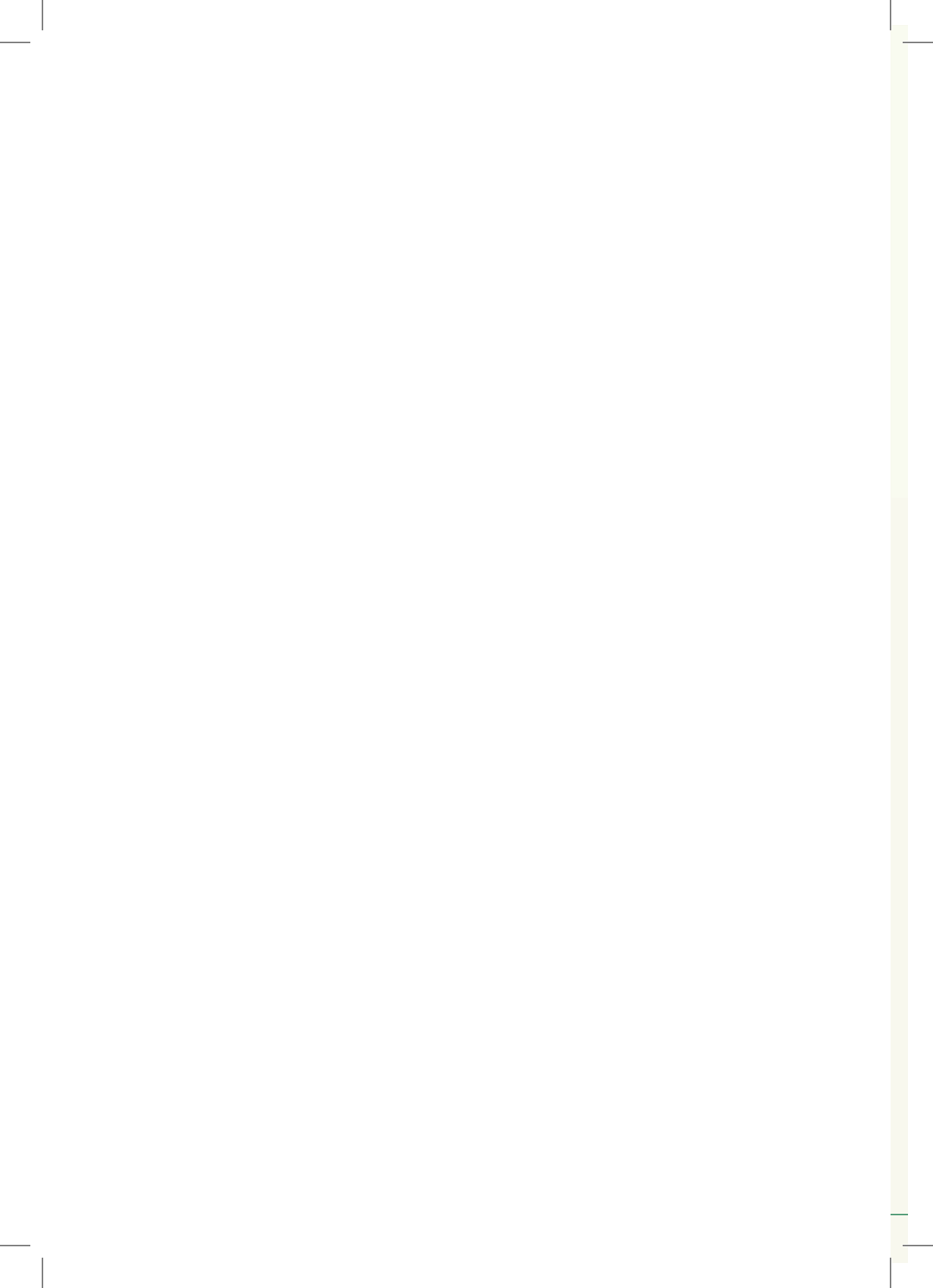




Agricultural Non State Actors Forum

The background of the slide is a vibrant, high-angle photograph of a rural landscape. It shows rolling green hills under a bright blue sky with scattered white clouds. A line of trees runs across the middle ground, and a wooden fence with sheep is visible in the lower foreground.

**Agriculture Sector Development
Programme Understanding the second
phase (ASDP2)**



INTRODUCTION

Agricultural sector accounts for about 25% of GDP. Tanzanian government has various policy instruments and framework supporting interventions to unleash the potential in addressing food insecurity and poverty. The Agricultural Sector Development Programme¹ (ASDP1) is one of such instruments which was launched in 2006. ASDP1 aimed at attaining a sustained 6% annual growth and transforming subsistence to commercial farming through a private sector lead that promotes productivity and profitability in a competitive environment. In other words, transformation aimed at increasing the agriculture share of GDP, increased incomes for smallholder farmers and attaining food security by 2015.

As 2015 winds up, the government in collaboration with development partners has embarked on developing the second phase of the Agriculture Sector Development Program (ASDP 2). This policy brief gives a critical eye on ASDP1 in the perspective of civil society and farmers' organizations; and proposes succinct issues for consideration in ASDP2.

TAKING STOCK OF THE EXPERIENCES FROM ASDP 1

Recent data show that agriculture has dropped to the 5th place in the list of top contributors of foreign earnings. It has been overtaken by transit trade and service industry in the last two years. The two leading forex earners this time are tourism and mining (BOT, 2015)¹.

Tanzanians who earn their livelihood from agriculture, and who happen to live in rural areas remained trapped in poverty. For instance, in 1992 the rural population was around 80 percent of the total population and poverty rate was 40 percent. Fifteen years later, the rural population slightly dropped to 74 percent of the total population and rural poverty rate was estimated at 37.8 percent (NBS, 2015).

Since the institutionalization of ASDP1, the government improved its relations with the private sector. Leading agricultural sector reforms attracted the private sector investment in the sector (SAGCOT and BRN), especially in the three main food security crops, that is, maize, rice and sugarcane, which when coupled with edible oils top the national import bill, only surpassed by petroleum oil. Analysis from the ASDP2 draft shows that even with increased production levels, productivity has barely moved over the last decade in all major crops except for rice. The paradox here is, what is happening to our National Input Voucher Scheme (NAIVS), why are we not witnessing increased productivity and dropping in import bills related the priority commodities?

ASDP 2: design and focus

Design

Agricultural Sector Development Program – Phase 2 (ASDP 2) is being developed with the aim of improving specific commodities—maize, rice and sugar—grown and consumed mostly by the poor. Improved value chains of such commodities would

¹ Nonetheless, agriculture benefits a segment of the population along value chain knots compared to the two sectors.

increase producers and consumers' access to and control over resources. Access to and control over resources is expected to increase producers and consumers voice and bargaining power in the market dominated by the private sector. In ASDP 2, priority will be made to increase levels of agricultural productivity, expand irrigation mechanization, investment in research and development and improved agricultural inputs.

The ASDP shall diversify crops and livestock production to shield low income households from both production and price fluctuations while undertaking climate change considerations in each activity. The program aims also to work, in selected crops and selected districts, with a wider range of stakeholders and service providers to "increase agricultural productivity and incomes of smallholder farmers for priority commodity value chains (maize, rice, oilseeds, sugarcane and livestock products) in selected districts" (ASDP2 Draft, 2015). In pursuit of this objective, the project will support smallholder farmers to produce a surplus for market and forge a sustainable partnership with agribusiness actors.

The focus

The main thrust of the programme is to support smallholder farmer transformation from subsistence to commercial producers, through higher adoption of improved technologies and access to inputs to enhance productivity; irrigation development to increase resilience to climate change; and improved market efficiency to enhance income growth by aggregating outputs (such as the warehousing system). Based on the analysis above the interventions identified and set to respond to known constraints in the sector with reference to the value chains, which are to:

- Establish district commodity value chain platforms (DCP).
- Empower farmers and strengthen organizations.
- Encourage dialogue between stakeholders at local levels.
- Link farmers with agribusinesses to access inputs for sustainable productivity growth.
- Support value chain stakeholders through Agricultural and Business Advisory Service (ABAS) providers and access an Agribusiness Investment Matching Grant (AIMG).
- Encourage delivery and adoption of demand-driven technologies.
- Bridge technological and economic information to smallholder farmers from research and through advisory services.
- Enhance irrigation agriculture through improved planning, management and infrastructures.
- Build capacity of institutions to coordinate and evaluate the programme impact.
- Support agricultural statistics gathering and analysis processes.

The backdrop of the ASDP 2: Maize, Rice and Sugarcane

Maize

Government figures indicate that maize production more than doubled from 1.5 million metric tons in 1994 to 3.5 million metric tons in 2008 (MAFC, Food Security

Department) with average yields per ha over a sevenyear period (1996- 2003) ranging from 1.1 to 1.7 MT/ha. This is well below an achievable potential of 6MT/ha as seen by some farmers under field conditions and without irrigation.

Official estimates suggest that in 2003 some 4.5 million households were growing maize on 3.7 million ha. Although maize is produced by farmers in almost all the 21 regions of Tanzania, over half the national production comes from six regions. Most maize production is for domestic consumption with only about 90,000 tons exported mostly to Kenya.

Rice

Total rice production from paddy, currently averages about 1.35 million tons per year. Rice is grown in almost all regions of the country. The Pwani, Morogoro, Tabora, Mbeya, Mwanza, Shinyanga and Arusha Regions each produce around 100,000 tons per year. Currently it is estimated that the total area under paddy is 900,000 ha, cultivated by around 970,000 smallholder farmers (almost 1 in 5 farmers are involved in paddy production).

The sector is still marred by illegal importations which lead to price disincentive to farmers at farm gate.

Sugar

Sugar production has increased from about 2,000 tons in 1963 to 263,000 tons (2011/12) season. The out grower schemes were started at Kilombero and Mtibwa after the first two years of sugar production to get supplementary sugarcane to fill the underutilized production capacities in the mills. Currently a total of 56,940 ha are under sugar cane production, 60% of which is under the sugar estates and 40% under out grower famers cultivating various land sizes and selling cane to the sugar estates.

The sugar industry is a major contributor in the earnings of foreign exchange and savings of about USD 28 million per annum; contributes about TZS 12.3 billion to govt. revenue; contributes TZS. 19.8 billion to sugarcane out growers; employs 14,000 people directly in the estates and account for 30,000 seasonable employees in the out grower schemes and 81,360 people on secondary employment

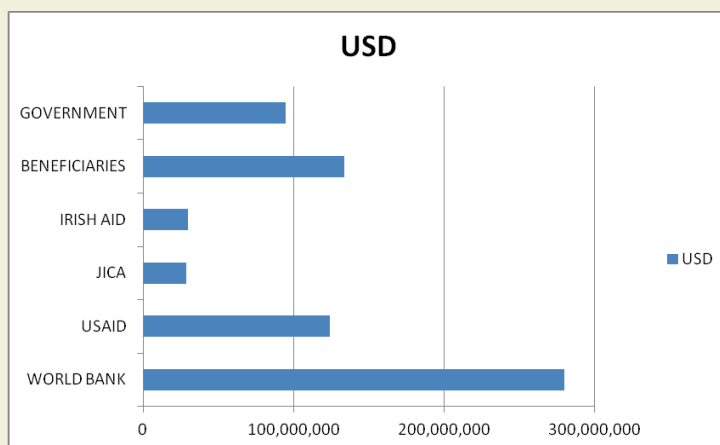
The Gap

There exists a wider gap between producers and the market, between policy and decision makers and the reality of present day. This has significantly affected the performance of ASDP1, as witnessed through piles of unsold maize from Ruvuma to Manyara and imposition of bans for export. There private sector (traders of agricultural produce) need to be organized, recognized and facilitated to play their vital role. Similarly smallholder producers need to be recognized beyond policy papers as viable entities doing legal businesses in uneven environment.

THE FUNDING

ASDP2 has received pledges from the World Bank (USD 280 million), USAID (USD 124.8 million), JICA (USD 28.7 million) and Irish Aid (expected but unconfirmed USD30 million) amounting to USD 463.5 million in donor funding. Based on the patterns established under ASDP-1, the government is expected to contribute some USD 95 million (13.7 percent). The beneficiaries are also to contribute up to about USD 134 million (19.4 percent).

Figure 1: ASDP 2 Tentative budget financing²



Lessons from ASDP 1 for ASDP 2

The following lessons drawn from ASDP 1 can be useful ingredients for ASDP2 draft document. They include:

- The critical importance to align political, donor and other financial support in the undertaking of the sector-wide transformational program. Main challenges of the first phase of ASDP were in this aspect.
- Targeting (geographical and sub-sector). While it is ideal to support the whole country's agriculture, it is very important to have a targeted mechanism that brings synergy on investments.
- The bottom-up planning process worked exceptionally well and became a model for other sectors. However this missed the mix of Non State Actors (private sector, civil society and farmers organizations)
- There was less focus on strengthening farmer groups (help them institutionalize) and it was earmarked to be a priority on ASDP 2.
- Irrigation was one of the most invested-in aspect of ASDP 1, although many schemes encountered problems before, during and after construction and commissioning.

² One of the major concerns for this funding is the low level of investment commitment by the government.

- The need to strengthen the overall coordination and monitoring & evaluation to ensure timely production of programme achievements.
- Youth and women have been missing throughout the implementation, and ASDP2 should strengthen their involvement along value chains and policy platforms.
- Agro-processing has not been given enough attention, and this has effect to storability, job creation and market access to regional markets

CONCLUSION

The government of Tanzania is implementing many initiatives aimed at transforming agriculture. The Tanzania Agriculture and Food Security Investment Plan (TAFSIP), Southern Agricultural Growth Corridor of Tanzania (SAGCOT) and the Big Results Now (BRN) are among the leading initiatives. It is highly recommended that the government should streamline the implementation of ASDP2 in the same thrust as the other initiatives.

Reference

1. Ministry of Agriculture, Agriculture Sector Development Program, Phase 1, 2006
2. Ministry of Agriculture, Draft of the Agriculture Sector Development Strategy, April 2015
3. Bank of Tanzania, 2015
4. National Bureau of Statistics, 2015
5. USAID SERA project, policy paper on drivers of maize prices in Tanzania, 2014
6. Tanzania Agriculture and Food Security Investment Plan, 2012
7. ASDP Steering Committee Quarterly Report, 36th Meeting, January 2014

ACKNOWLEDGEMENTS

This brief is produced by the Agricultural Non State Actors Forum (ANSAF) with financial support from **UKaid** through KPMG. We also recognize the contributions of SDC, Irish Aid, Best Dialogue and Bill and Melinda Gates Foundation.

© ANSAF, September 2015



P.O Box 33562, Plot 167 Migombani Street, Regent Estate
 Tel: +255 22 2771566 / 2775970
 Fax: +255 22 22773217
 Email: info@ansaf.or.tz
 Website: www.ansaf.or.tz

“ Committed to Agricultural Systems that work for the Poor ”



P.O BOX 33562, Dar es Salaam, Plot 167,
Migombani Street, Regent Estate, Mikocheni A,
Telephone: +255 22 2771566 / 2775970
Fax: +255 22 2775970, Email : info@ansaf.or.tz
Website: ansaf.or.tz