

DAIRY SECTOR TRANSFORMATION

...Seeking coherent, focused intervention



If appropriate producer price incentives are in place and input markets are allowed to operate freely, dairy production may respond positively



Revitalising dairy industry essential

GOT Milk? This is a phrase made famous by a long-running marketing and advertising campaign that raised milk consumption in America. The campaign, which shows a number of renowned personalities sporting a 'milk moustache', is meant to encourage more people to tap into the huge health and economic benefits that come from consuming milk.

Tanzania boasts vast herds of cattle; in fact, it is believed to have the third largest cattle population in Africa. One would naturally expect a booming dairy industry in the country, which has an estimated one head of cattle for every three people. Sadly, not so - the dairy industry is still barely off the ropes, despite various efforts to revitalise it.

Milk is central to human life. We thrive solely on it at birth until we are able to ingest tougher foods. Milk is also the most wholesome food in the world, as it contains all the essential nutrients required for growth. However, most stop consuming this nutritious food after childhood and many more only take milk in negligible quantities.

Part of the challenge is that milk is often viewed as a luxury product, a preserve of those with 'a little bit extra' to spend. Struggling to eke out a living in these ever toughening economic times, many find it hard to invest in a glass of milk a day.

Nonetheless, the production of milk and milk products is about to get a boost that will hopefully increase the demand for this unique product. Tanzania will soon benefit from the second phase of the EADD (East Africa Dairy Development) project, which slated to begin next year.

The first phase of the ten-year project, which is funded by the Bill and Melinda Gates Foundation, has seen neighbouring Kenya, Rwanda, Uganda and Burundi reporting the distinction of more than doubling dairy incomes for the 170,000 dairy farmers reached.

This is welcome news, considering the bottlenecks that still hamper milk production and marketing in Tanzania. The rise in number of small-scale milk producers in the country has failed to match the demand for the product. Furthermore,

milk production and marketing is still highly prone to the vagaries of weather, a problem compounded by dependence on low yielding breeds of cattle.

Change requires that a wide range of partners, including farmers, processors, the government and development partners invest alongside Bill and Melinda Gates. The current status of the milk industry in the country does not match with the central role the livestock industry holds in the agricultural sector.

Some 40 per cent of all farming households in Tanzania are engaged in livestock keeping. Considering that over 80 per cent of the country's population is directly engaged in agriculture, investment in the dairy industry will result in a huge positive outlook on the lives and economies of millions.

This injection of funding and expertise may also put an added shine to the country's GDP, to which the current contribution of the dairy industry currently is a dismal 6 per cent.

Livestock stakeholders admit that alongside contributing to GDP, livestock help boost national food supply and acts as a source of cash income, employment and an inflation-free store of value. Furthermore, they provide manure and draught animal power, thus enhancing the sustainability of agriculture.

It is therefore of crucial importance for milk stakeholders to take the bull by horns, so to speak, and strive to benefit from the promised injection of funds and expertise into the industry.

For the rest of would-be consumers, we pose the question, 'Got Milk?'

Wallace Mauggo

Wallace Mauggo
Editor

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Over 16,000 petition against famine in Africa

By Alawiya Mohammed,
ANSAF

On Thursday March 1, a group of petitioners against hunger in the African Continent led by the Agricultural Non State Actors Forum (ANSAF) and 'ONE.org' marched to the State House in Dar es Salaam to deliver a petition signed by over 16,000 people pushing for more efforts to curb famine.

At the State House, President Jakaya Kikwete accorded the petitioners a warm and inspiring acceptance. He was flanked by the Minister for Agriculture, Food Security and Cooperatives Prof Jumanne Magembe. Present also were ambassadors, development partners, international and local civil society organisations and smallholder farmers from Dodoma, Bagamoyo, Morogoro and Mkuranga districts.

One.org Africa Director Dr Simpho Moyo, whose speech gathered ONE and ANSAF concerns, highlighted the reason behind the petition which was delivered on behalf of 16,000 signatories, mainly Africans from across the continent.

The petition was made in response to a recent famine in the Horn of Africa in which 30,000 children died in a span of three months. It appealed to President Kikwete and other African leaders to make this year's famine the last to happen in Africa by boosting agriculture. ANSAF and ONE asked Kikwete to deliver the petition to other African leaders in demonstrating a strong commitment to food security and nutrition.

Specifically, the petition recommends the following actions:

- Supporting delivery of emergency aid pledges made to Somalia
- Keeping the long-term promise towards spending 10 per cent of national budgets on agriculture and food security
- supporting small holder farmers as they are the ones feeding Africa
- Transparent budgets for easy tracking by the people.

Addressing the petitioners, President Kikwete reaffirmed commitment to improve agriculture through the Agricultural Sector Development Plan (ASDP). He said the use of power tillers is necessary for every farmer. The concept of Kilimo Kwanza requires collective efforts from actors from the top level to the grassroots, he added.

In his remarks, small holders' representative Yosia Mahava pointed out that there was lack of awareness on Kilimo Kwanza, stressing that farmers need a depth understanding of agriculture since the sector was the backbone of the economy, employing over 80 per cent of the entire population.

Other concerns raised by Mahava, on behalf of his fellow Farmer



President of the United Republic of Tanzania, Jakaya Kikwete (katikati), being given a petition signed by 16,000 farmers. Left is ANSAF executive secretary, Audax Rkonge, One - Africa Director Dr. Siphon Moyo, Artist Mrisho Mpoto, A farmer, Marcelina and Minister for Agriculture, Food Security and Cooperatives Prof Jumanne Magembe. BELOW: Farmers proceed to the Sate House.



Champions, are:

- All farmers to be given title deeds for their lands to enable them use the same as collateral in obtaining funding from financial institutions.
- The government should take the initiative of enforcing agricultural laws and rights.
- Identify small holder farmers

Open involvement of agriculture stakeholders, including smallholder farmers, in planning, implementing, delivering and evaluating agricultural opportunities and projects.

President Kikwete promised to "faithfully and dutifully deliver the message" to other African leaders during the AU Summit which is expected to take place in Malawi in June. He advised ANSAF and ONE.org to organise a similar event during the Summit. He also promised to send a letter to the AU chairman to deliver a strong message on receiving the petition.

During the event, smallholder farmers and represented CSOs appreciated the opportunity of having a one to one conversation with President Kikwete.

A group of famers from Bagamoyo had the opportunity to show their products (Mwani Soap) to the President and they chatted with him on the challenges they face in their entrepreneurship undertakings.

New initiative to spur dairy sector transformation

By Kilimo Kwanza Reporter

A closer look at the development of the dairy sector in the country calls for more coherent and focused interventions. Development interventions should be aimed at addressing both technological gaps and marketing problems, especially at the farm level, reveals Tanzania Milk Producers' Association (TAMPA) Chief Executive Officer Edmund Mariki.

"If appropriate producer price incentives are in place and input markets are allowed to operate freely, dairy production may respond positively," Mariki says. He explains that a long-term solution calls for practical involvement of the government in terms of new governance and policy support. Stakeholders, associations, donors, farmers, and the private sector should combine their efforts to address challenges facing this sector. Mariki says that key challenges include organising the collection of safe and good quality milk and supplying constantly good quality milk and milk products to meet market demands. At the same time, the market demand for value added products for a range of income levels should be met.

"Local consumption needs to be improved and supply be made at affordable prices. With consumers' education, consumption stimulation as well as offering milk and by products at affordable prices, the market will be tremendous in the years to come," he notes.

Mariki notes that opportunities for entrepreneurship and investment are wide ranging; listing the pre-requisites for the production of value added dairy products, i.e., product diversification and development, as improved animal feed supply and animal health services.

The TAMPA chief mentioned other pre-requisites, including; animal breeding/heifer production, artificial insemination services, organising milk collection services and manufacturing of improved packaging materials.

Private sector's role

According to him, Tanzanian dairy producers and processors already have the passion to reinvest in their operations and develop new and innovative products for customers in the country and the neighbouring countries to enjoy. He says these initiatives, to be supported by the East Africa Dairy Development (EADD) projects, will provide assistance to compete successfully and build upon a strong market recognition and identity.

TAMPA's view is that the private sector must become a key player by providing simple and sustainable technologies that will enable communities to create jobs, raise incomes and reduce poverty. This should be done through seeking new ways of working together with national partners pooling their resources (raw materials and human resources) and channeling their energies to achieve shared objectives by actively involving themselves in creating businesses that benefit both parties such as the EADD projects wish to address.

The CEO further says that dairy is



Huruma Mhapa from Ibumila village in Njombe is one of the dairy farmers in the country who are doing very well in the sector. He produces more than sixty liters of milk per day. PHOTO: AICHI KITALYI

reckoned to be an instrument of social and economic change (Gopalakrishnan & Lal 2000). However, many challenges facing farmers, traders and processors in this era of liberalisation pose major obstacles in developing an economically oriented dairy enterprise in the country.

He explains that the dairy industry is still young, but developing. Current development strategies, such as the EADD 2, aim to modernise and commercialise the industry with a view to making it competitive. The production of milk is mainly from indigenous cattle followed by improved dairy cattle, it is mostly for the domestic market, which prefers it supplied raw. Only a small amount is processed before sale.

Dairy sector nature

According to TAMPA's Mariki, the development of the dairy sector in the country is driven by three key characteristics. The first one is fragmented and unorganised small-scale subsistence dairy farming. Whereby, limited milk handling techniques are used and there is little dairy management knowledge, lack of financial capital and poor access to dairy markets. Most dairy farmers are living in rural areas that are hard to reach due to lack of infrastructure (roads, electricity, and cooling facilities).

The second characteristic is seasonal volatility in milk production by small-scale milk producers. Peak production is only during the rainy season, between December and July; and low or lean production is during the dry season between August and November,



In 2010/11 Tanzania produced 1.65 billion litres of milk, of which only 110,000 litres per day, were processed - less than 3 per cent of the total amount produced.

where milk production is low due to shortage of foliage and water.

The third characteristic is a lack of competitiveness in the industry due to deficiency in the existing dairy value chain. The value chains of formal and informal markets are fragmented with a large number of players at each stage. This creates conflict that a profit in one part is often made at the expense of the other parts of the value chain. To develop a sustainable high performing dairy sector, it is necessary to address the whole value chain from milk production to consumption.

Owing to poor infrastructure, seasonal fluctuation of demand for fresh milk, collection problems and perishability of milk; development and promotion of small-scale processing technologies is critical to increasing smallholder

...Dairy women on the march

By Cleophas Rwechungura, ACT

Nronga village in Hai district, Kilimanjaro region, was brought to fame by a group of zealous women, who after realising that they were living below the poverty line, resolved to embark on an economic venture. In March 1988, they formed the Nronga Women Dairy Cooperative Society Ltd (NWD-CS). This is a producer-based organisation engaged in milk collection, processing, marketing and utilisation.

Hai is among the most populous districts in the country. Farmers own tiny pieces of land, not big enough to grow food crops to satisfy family needs. Most farmers keep between one to three dairy cattle, whose milk is a source of regular income. It is a pro-poor enterprise dominated by women. Milk is also an important source of nutrition for farm families.

NWD-CS is registered under the Cooperative Act. A kick-start was financed by the International Food Organisation (FAO), Danish International Development Agency (DANIDA), and the Ministry of Livestock Development and Fisheries. It started with a few resolute members. However, its membership increased steadily to the current figure of 402.

It is a well organised group, with a management team comprising of the Chairperson, Vice Chairperson, Secretary, Treasurer, and Operations Manager. From time to time the group seeks external advice and guidance on technical matters.

NWD-CS chairperson Ndeshiwangisa Lema says the group's future looks bright. "We had a humble start at Nronga village some 14 years ago. We have spread our services very steadily to neighbouring villages, including Wari, Shari, Foro and Kyeeri. We have gone from strength-to-strength in terms of area coverage and milk collection. Currently, we are collecting between 800 and 900 litres".

The group owns a milk collection centre situated at Nronga, Machame locality. However, because its capacity is small, a modern plant has been planned at Boma Ng'ombe. This is a bustling town along from Moshi to Arusha highway, with an assured market for milk products.

Helen Usiri, is the group's Operations Manager. She indicates that when the new plant is commissioned, it will process all the milk available in the district and beyond. Nronga village alone has five milk collecting centres. As a daily routine, the management sends trucks to collect milk at designated points. The society pays milk owners twice per month. Milk disposal is as follows: 36 per cent is sold as fresh milk (in homes and kiosks), 35 per cent is sold as skimmed and cultured milk, 24 per cent as whole cultured milk, sold in packets, 4 per cent as pasteurised butter and 1 per cent as yogurt.

Another advantage is that the bulk of the milk is sold before it is processed. Pasteurization, cooling and packing costs almost double the price of milk to consumers, thus reducing farm gate prices and limiting its accessibility to poor urban dwellers.

Vivid benefits

As milk flows out of the villages, it is evident in many ways that the suppliers flourish. Over 650 milk suppliers

tor Moses Nyabila says the project is a ten-year initiative. Phase One of the project, funded by the Bill & Melinda Gates Foundation through a USD43 million grant, started in 2008 and is expected to end this year. So far, it has impacted directly on the lives of more than 170,000 small-scale dairy farmers in Kenya, Rwanda and Uganda, exceeding its objective of doubling their dairy incomes.

He adds that in Phase Two, which will begin next year, the EADD plans to expand to include Tanzania and Ethiopia. Moses explains that the Foundation has expressed interest in supporting the dairy industry in the country under the EADD2.

Tanzania Dairy Board chief executive officer Charles Mutagwaba clarifies that the major difference between the two phases is that, in Phase Two of the EADD, a wide range of partners, including farmers, processors, the government and development partners, are expected to invest alongside the Foundation to enable the desired changes to happen.

A central feature of the EADD approach is creation of farmer-owned and managed hubs. These act as milk collection centres and a link to processors, as well as a link to providers of feed, health, breeding, finance, advice as well as goods, services and information. These are paid for through a check-off system from the monthly milk payments.

Another important feature is national and local level multi-stakeholder platforms where representatives of different stakeholder meetings regularly and jointly diagnose problems to develop mutually beneficial solutions.

In 2010/11 Tanzania produced 1.65 billion litres of milk, of which just 110,000 litres per day, were processed - less than 3 per cent of the total. There is around one-fifth the number of dairy cows in Tanzania compared to Kenya. Per capita consumption of milk is low by global and regional standards, and installed capacity of milk processors is low. Large seasonal variations in amount of milk produced, large size of the country and inadequate roads and power supplies are also issues that were highlighted.

The EADD is a regional industry development program implemented by Heifer International and a consortium of partners, including TechnoServe, ILRI, The World Agro Forestry Center (ICRAF) and ABS TCM. The project is funded by the Bill & Melinda Gates Foundation as part of an agricultural development grant designed to boost the yields and incomes of millions of small farmers in Africa and other parts of the developing world so they can lift themselves and their families out of hunger and poverty.

Low quality and seasonal unavailability of feed, especially during dry season, likewise remain major constraints to livestock production in the country. There is a need for policies that facilitate the sustainable increase of productivity in smallholder dairy farms.

In regard to the new initiative for the dairy sector, EADD regional direc-

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Dairy farmer attends her cattles

CONTINUES PAGE 5

Reform edible oil sector - lobby



Katibu wa TEOSA, Enock Ugulumu
 In this forum, Tanzania Edible Oil Seed Association (TEOSA) Secretary Enock Ugulumu discusses reforms needed in the edible oil sector through a question and answer (Q&A) with our Staff Kilimo Kwanza Reporter., Excerpts:

Question:
 Why do you suggest reforms of the edible oil sector?

Answer: Reforms of the edible oil sector are needed to build private sector capabilities that allow actors in the sector to create the capacity for continuous and sustained productivity. They are also required to boost production for subsistence needs and surplus for domestic and export markets.

Specifically, reforms are needed now to improve local governance and policies of the edible oil sector which are necessary to shape economic performance and trigger the sector's growth process. Actors in the sector will realise lots of opportunities if the reforms are implemented.

The sector's reforms are not just a



A sunflower oil at a market in Dodoma.

matter of political will, they are a technical matter. We need to involve some technical government interventions to protect and develop the sector. At the bottom of the pyramid, actors in the edible oil sector have shortage of knowledge.

There is a need to train farmers and processors as well as conducting research to unlock potentials in the sector.

Question:
 What are the pre-conditions for turnaround in the edible oil sector?

Answer: What to do? Turnaround

for the sector is inevitable, could be gradual for the improvement and sustainability of the sector. Let imports and domestic promotional of edible oil sector go hand in hand and switch to local production when we are satisfied with domestic production.

Question:
 How?

Answer: Well, get educated young people involved in the sector by providing capacity, which is knowledge, technical support, inputs supply, financial support, and so on. We also need to increase the involvement of a greater proportion of the population in the pro-

duction of edible oil crops, as the drive for change must originate from the same actors.

We also need to forge economic convergence for the country to trade its surplus of edible oils with other countries and attract foreign investments into the sector in order to attain sustained edible sector development.

Question: What are the intervention strategies for the edible oil sector?

Answer: To do that you need to create employment opportunities. So, we must employ more people in the ed-

ible oil agribusiness activities, production, processing, distribution, etc. The government needs to consider putting in place incentives for the private sector to increase their economies of scale such as through the elimination of import tariffs on machinery and spare parts. A more conducive environment for the edible oil sector would also be achieved through involving young people, improvement in local governance, strengthening of business associations across the value chain, improved public and private support in the provision of necessary inputs and agricultural research centers.

We also need to protect the infant edible oil sector by shielding the sector from unfair foreign competition through introducing higher tariffs on the importation of edible oils that are locally available. Additionally, we have to promote industrialisation in the edible oil sector by encouraging mechanization and innovation which will lead to increased production and value addition.

The government should involve all stakeholders across the value chain whilst making considerations for regulatory changes to ensure that the local edible oil sector has an opportunity to grow. The development of the sector may trigger inflows of foreign capital to reduce imports of oils, promote exports of edible oil products and increase foreign currency receipts, and lastly it will prevent further dumping of low quality edible oil imports.

As a country, we also need to provide input subsidies for farmers, processors, packagers etc, improve infrastructure like roads, power supply, warehouses, finance, research and extension services for edible

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...Dairy women on the march

FROM PAGE 5

Feeding program

Since March 2007, NWDCS has been contracted by six schools in Kilimanjaro and Arusha regions to provide full cream cultured milk to school-children. Each pupil gets 200 milligrams, twice per week. Some 4,717 pupils are benefiting from the school milk feeding programme. Milk is delivered to these schools as prescribed in the contract.

This programme is exemplary. A survey conducted last year revealed

improved school enrolment, class attendance, and academic performance. It is also seen as the prime mover in enhancing the nutrition and health of the children. Furthermore, the programme has heightened teachers' morale in teaching.

Some hitches

Nora Elimashoya Lema, a Board Member of NWDCS, is struggling to break-even. "Overhead costs in terms of animal feeds, veterinary drugs, packaging materials and transportation, reduce my profit margin.

Furthermore, I cannot afford supplementary foods, such as maize bran, molasses and mineral stone. They are very expensive," she laments.

Members of this association are also bitter about unrealistic prices of veterinary drugs. Moreover, dairy animals require high quality and prompt support services such as artificial insemination and vaccination. Individual small scale farmers cannot afford these costs. The perishable nature of dairy products gives individual farmers little leverage in marketing.

However, engagement of many small-holders in milk production necessitates cooperation in processing and marketing of dairy products.

Nora says public and private institutions should assist farmers by providing strong institutional and financial support. The government and donor organisations should invest in capacity building, animal breeding, disease control, and value addition. It is imperative to assist small farmers to improve production and productivity of the dairy animals.

Small-scale dairy owners in the country have something to learn from Nronga women group.

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Women's group gets the best out of mushrooms



Mushrooms

By Kilimo Kwanza Reporter

LIDA Women is a group of 45 people engaged in mushroom production at Ilboru area, in Arusha municipality. The group has achieved with support from the Tanzania Horticultural Association (TAHA).

TAHA assisted the group in mobilisation, formation, formalisation and training in mushroom production. The association also supported the women's group in preparing a concept note to submit to TAHA's partner, Tanzania Agriculture Productivity Program (TAPP) to seek financial assistance for the construction of a mushroom shed. TAPP released 2,536,500/- for the purpose.

The association also assisted in identifying markets and linking the group to local markets. The group is now supplying mushrooms to different

hotels in Arusha. Currently, market demand for mushrooms is higher than the production capacity and TAHA is mobilising new groups in mushroom production, including expansion of production with LIDA women. The group has constructed four more sheds.

Speaking to Kilimo Kwanza, TAHA Executive Director Jacqueline Mkindi says her association with support from the Ministry of Industry and Trade empowered a number of groups by providing them with financial and moral support in horticultural project implementation.

These projects include enhancing market competitiveness for horticultural small holder farmers in the country. The project, which was implemented in Arusha and Kilimanjaro regions, involved five different grower groups with more than 1,500 farmers, aimed at strengthening their capacity to comply with the market standards in order to competitively compete in the global

market. She mentioned the beneficiary farmer groups, as Machame One based in Kilimanjaro region (950 farmers),



The group is now supplying mushrooms to different hotels in Arusha. Currently, market demand for mushrooms is higher than the production capacity

UWANO Ngarenanyuki (155 farmers), Midawe Mshikamano (250 farmers) Ulong'a Farmers Group (150 farmers) Reading Farm (87 farmers) and Peter Farm (56 farmers) all based in Arusha region. These farmers engage in fine beans, peas, baby corn and chill production.

Speaking to Kilimo Kwanza, LIDA Women Group Chairlady Victoria Elihaki said they started the group with contributions from each member. She said each group member contributed 5,000/- per month and that harvests were sold to Simba Farm and other hotels.

According to the Chairlady, the group is facing a challenge of getting the best seeds and techniques for increasing harvests.

She said that currently the group is harvesting 60 kilograms, which is equivalent to 100 bags, and each sells at a price of 6000/- . Elihaki said that they are working

hard to raise 10,000,000/- for constructing two shelters for mushrooms. "We have submitted a proposal to TAHA and they said they are working on it," she said.

Among other things that TAHA has assisted these groups with is identifying markets and linking them to the buyer, Home Veg Ltd (for those intending to export), that entered into contract farming with these grower groups.

TAHA also supported the groups in negotiating and signing contracts with buyers, soil and water testing, training in good farming practices and certification by the Global GAP. It also trained them in traceability documentation purchasing.

The association also implemented a project on improvement of food security and nutritional status in the Maasai steppes of northern Tanzania by applying sustainable farming technologies through its partners.

The project, besides improving the nutritional status, was also expected to improve incomes amongst farmers by adopting commercial farming. The project, implemented by OIKOS EA in collaboration with other partners, was financed by the European Union (EU) benefitted 1,000 farmers. It aimed at strengthening the capacity of small growers to improve their production per unit area by improving access to and availability of inputs.

Furthermore, the project looked into the question of market access and its services to make sure that farmers earn more income for their families by mobilising them into groups and formalising them.

Practical training in basic agricultural practices and having farmers adopt them is a good response, particularly increased production per unit area, linkage to the agro-dealers such as EASEED and Suba Agro-Trading Company Limited, which improved access to agro-inputs.

Finally, TAHA provided the group with market information linking them to profitable markets, better equipment and infrastructure.

Developments in the horticultural sub sector have been aggressively spearheaded by TAHA, an umbrella organisation for producers, exporters, processors and service providers in the horticultural industry.

TAHA was established in the country in 2004 and became operational (with support from the Dutch government) in 2005. The association is currently one of the most effective business associations in the country advocating reform and transformation of the industry's growth and competitiveness.

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New vision for agriculture in Africa

AGCO, Your Agriculture Company (NYSE: AGCO), a worldwide manufacturer and distributor of agricultural equipment, recently held its first ever AGCO Africa Summit in Berlin. In this article, we bring you highlights from the conference.



Objective
The Summit was a joint initiative of AGCO, Bayer CropScience and DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH. “With its population poised to double in the next 20 years, it is a global responsibility to develop a new vision for agriculture in Africa,” said Martin Riehenhagen, Chairman, President and CEO at the opening press conference. “Our objective is to promote international dialogue to encourage global businesses to invest in the future of Africa.” The goal of the AGCO Africa Summit was to raise awareness for the needs of the African continent and to discuss the challenges of agriculture with regard to the world food supply problem, declining arable land base and population growth.

Guest speakers included Thabo Mbeki (former President of South Africa), Prof Dr Horst Köhler (former Federal President of Germany), Dirk Niebel (Federal Minister of Economic Cooperation and Development of Germany), and Ilse Aigner (Federal Minister of Food, Agriculture and Consumer Protection of Germany).

Panelists included Jose Pacheco (Minister of Agriculture of Mozambique), Roberto Rodrigues (Former Minister of Agriculture of Brazil), Bärbel Dieckmann (President of Welthungerhilfe) and Omari Issa (CEO of The Investment Climate Facility for Africa) – to name a few.

Mechanisation
Participants at the AGCO Africa Summit discussed the many ways that agricultural mechanisation could secure better futures and how improved cultivation methods could increase yields significantly. Higher productivity and efficiency would in turn help African countries become less dependent on imported crops, creating better food security.

“Large areas across Africa have suitable soil and climate for successful agriculture, but many areas are not yet cultivated or are not productive

enough,” explained Riehenhagen. “With 11 percent of the world’s arable land (86 percent of which is uncultivated) Africa would benefit from modern, mechanized farming techniques.”

With over 50 years of experience in Africa through its Massey Ferguson tractor brand, AGCO already leverages alliances with governments, foreign investors and donors to improve agricultural practices in Africa. AGCO plans to fund the development of Model Farms and Training Centers in Zambia, Ethiopia, Morocco, Libya, Algeria and South Africa that will allow local farmers and dealers to be trained on new farming technology.

Hubertus Mühlhäuser, Senior Vice President, General Manager, Europe, Africa, Middle East commented, “The solution for African agriculture is to de-

velop strategic partnerships to deliver crops that feed an increasing population in an economically, environmentally and socially responsible way. With decades of dependency on food aid and the world’s fastest population growth, Africa’s long-term prospects will require increasing degrees of self-sustainability.” With a global population of 7.0 billion people growing to 8.9 billion people by 2050 (estimated by the World Bank), food production has to increase, which means global farm productivity will need to improve to meet the growing needs.

Africa holds the key to ensuring a sustainable food supply, but only if a new vision for agriculture is developed, harnessing both the expertise of the private industry sector and the knowledge of local communities.

About AGCO
AGCO, Your Agriculture Company, (NYSE: AGCO), a Fortune 500 company, was founded in 1990 and offers a full product line of tractors, combines, hay tools, sprayers, forage equipment, tillage, implements, and related replacement parts.

AGCO agricultural products are sold under the core brands of Challenger®, Fendt®, Massey Ferguson® and Valtra® and are distributed globally through 2,600 independent dealers and distributors in more than 140 countries worldwide. Retail financing is available through AGCO Finance for qualified purchasers. AGCO is headquartered in Duluth, GA, USA. In 2010, AGCO had net sales of \$6.9 billion.

REUTERS

KILIMO KWANZA DIRECTORY

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