



Rescuing the clove industry by implementing Zanzibar’s Clove Development Strategy

The history of Zanzibar is synonymous with the history of the world cloves market. For almost 200 years, cloves have been a major foreign exchange earner in Zanzibar. In the last four decades, however, production has registered a steady decline from an average of 16,000 tns/yr in the 1970s to a mere 1,500 to 3,500 tns/yr. The decline is attributed to the state monopoly in clove marketing systems.

To address the decline, the Zanzibar Government developed the Clove Development Strategy in 2004. The public and private sector were consulted widely, but the document has not lead to any solutions and the industry is in a very poor condition.

A decline in clove production may be caused by hitches in production, climatic variations, diseases, poor management of the crop, ageing of crops or poor processing, limited investment in replacement of trees, but also by the insecurity of the three-acre land tenure system or issues of marketing.

If the state monopoly is eliminated, private sector investment and participation in the industry will increase. Experience elsewhere shows that this will provide solutions to most of the current problems.



What can be done?

The 2010 report commissioned by ZACPO indicated that the best way forward was for Zanzibar to accelerate the pace of deregulation of the industry.

Cloves are the only crop whose marketing is not liberalized on the spice island

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ZACPO is convinced that the participation of private sector in clove marketing will activate investment in clove replanting and management, leading to an increase in revenue yields.

Weaknesses

- The clove market law of 1985, operational today, leaves farmers little or no role in price setting and limits their position in international market dynamics
- Despite government intervention in production and marketing, there is still inadequate support on extension services
- The limited value of cloves at the Zanzibar market is seen as unfriendly and has been encouraging clove producers to smuggle their produce out of Zanzibar
- Private buyers are afraid of investing substantial capital in the trade, because of the market control by the state

Clove Development Strategy Key areas for implementation

- Amendment of the Clove Marketing Act of 1985 as a pre-requisite for the liberalization of clove marketing
- Transformation of the Zanzibar State Trading Corporation (ZSTC) to facilitate efficient marketing of cloves under a liberalized system
- Creation of the Clove Development Fund
- Introduction of adequate production support services
- Introduction of adequate research, development and extension services to support the industry
- Support for farmers' organisations for adequate stakeholders' engagement
- Support for traders' organisations for adequate stakeholders' engagement