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Nuisance taxes, road blocks frustrate agriculture growth

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TOO many road blocks targeting trucks carrying agriculture commodities, a hostile tax regime and existence of cartels of traders at major markets in Dar es Salaam are frustrating growth of the agriculture sector as farmers don't get fair payment from the produce.

Agriculture Council of Tanzania (ACT) Executive Director, Janet Bilegeko and Tanzania Agricultural Partnership (TAP) Field Operations Manager, Susan Masagasi, said in Dar es Salaam last Saturday that the country's agriculture sector which is dominated by small-holder farmers has potential to grow rapidly if problems facing it are addressed.

"From farms to main markets like Dar es Salaam, there are too many road blocks which add costs to the consumer while poor infrastructure means that farmers are paid less," Ms Bilegeko said while addressing editors and senior journalists on opportunities available in the agriculture sector.

She pointed that at each of the road blocks, farmers and traders are forced to pay produce

cess or some other taxes such as road toll which has to be passed over to consumers while producers earn less. Bilegeko whose institution has already commissioned consultants to look into effects of produce cess on farming, said under TAP, smallholder farmers have increased their production per hectare very much.

"We have managed to assist smallholder farmers increase their production from between five to eight bags of maize to 40 bags," she noted.

The initiative to establish TAP started in 2004 when discussions between Norwegian fertilizer giant, Yara International and the government aimed at improving fertilizer supply to farmers, took place in Dar-es-Salaam.

Following a model of the value chain analysis, TAP rapidly tried to inclusion of a range of national and international partners from public and private sectors interested in aspects of credit, agricultural production, marketing and development, and private sector investment.

"The Tanzania Fertiliser Partnership was established as a public-private partnership (PPP) in August 2006 and developed as an informal coalition of interested and willing

partners. The Agricultural Council of Tanzania (ACT) was at this stage asked to host the partnership and co-ordinate its activities," said Yara in a statement posted on its website.

From December 2006 to July 2007 the partnership implemented a Fertiliser Fast Track pilot project which involved Mbeya Rural, Songea Rural, Mbarali, Mufindi and Kitombo districts. The fertiliser partnership grew into TAP and a national roll out was designed covering 25 districts currently.

"We have made significant progress with TAP on the field but another problem which farmers are facing is existence of a cartel of middlemen who block farmers from selling their crops directly to traders," said Ms Masagasi.

She said in addition to enabling smallholder farmers increase yields, the problem of commodity markets remain a stumbling block in providing an incentive to farmers to work hard and further improve quality and quantity of their produce.

Efforts are however going on to help farmers find reliable and lucrative markets for their produce including selling grain to international organizations such as World Food Programme

(WFP). "In Meru and Karatu districts WFP has been able to sign contracts with farmers who supply the agency with grain," Masagasi revealed saying one of the factors which helped the farmers land the deal was easy access for transportation.

"Actually WFP approached us asking for local farmers who can supply them with grain. We connected them to the Meru and Karatu farmers," ACT's ED said.

Last February, Permanent Secretary at Ministry of Agriculture and Food Security, Mohamed Muya said WFP bought 90,000 metric tons of maize worth 34.2bn/-. The maize which was purchased from National Food Reserve Agency (NFRA) was from several regions of the country led by the big four grain producers namely Iringa, Mbeya, Rukwa and Ruvuma.

"This WFP agreement is very important to us as a country economically but will also assist NFRA get funding to buy more maize from farmers," Mr Muya said. NFRA which has been struggling to buy farmers surplus grain which peaked over 1.7 million metric tons, only managed to purchase less than 200,000 metric tons.