

# **BRIEF TALKING NOTES TO THE NETHERLANDS POTATO MISSION IN IRINGA REGION ON 21 JUNE 2016**

## **1.0 Introduction**

Iringa region borders with Singida and Dodoma Regions in the North, Mbeya Region in the West, Morogoro Region in the East and Njombe Region in the South.

Iringa is administratively divided into 3 Districts, and 5 Local Government Authorities namely Iringa Municipality, Iringa Rural, Kilolo, Mufindi and Mafinga Town Council which are further, subdivided into 15 divisions, 106 wards, 360 villages and 222 "Mitaa".

The Region covers an area of 35,743 sq. km of which 33,038.8 sq km is land area and 2,704.2 sq. km is the area covered by water body. About 73% of the total area is an arable land, and the rest is grazing land, game reserves, forest reserves and wetland. The population for Iringa region is 941,238 people of which (Male 452,052, Female 489,186), population density is 26 people per square km with growth rate of 1.1% according to the 2012 Population Census results.

## **2.0 Agriculture sector in the Region**

Agriculture sector accounts for 85 percent of the Region's GDP (Tshs. 2,347,081 million equivalent to US\$ 1,422 million) whose main enterprise are tea, maize, paddy, sunflower, beans, tomatoes, onions, simsim, groundnuts, round potatoes production and timber plantations. Maize is the major staple food crop which also contributes significantly to the household income. Varieties of high value

horticultural crops such as avocados, grapes, apples, carrots, peas, onion and tomatoes can also be grown.

Generally the crop sub-sector's performance has done well in ensuring adequate food security. However, the sector is still over-dependent on natural precipitation, subjected to the vagaries of weather and thus leading to low productivity. More emphasis is now directed to irrigation.

**The climate of Iringa Region** is greatly influenced by physiology and altitude. Iringa region is divided into three distinctive climatic zones namely Highland zone (1600—2700m asl), the Midland zone (1200—1600m asl) and the Lowland zone (900—1200m asl). Temperature averages range between 20 to 30 degrees C in the lowlands, 15 to 20 degrees in the midlands and below 15 degrees centigrade in the highland zone respectively. The mean rainfall is 1300 mm, 800mm and 550mm in the highland, midland and lowland zones respectively.

**Agriculture land area:** The Region has a total estimated arable land of about 3,580,434 ha, out of this area 1,557,465 ha is suitable for agriculture production and livestock rearing. However, land currently under cultivation is only 622,986 ha equivalent to 40 percent of the arable land.

The Region has a total estimated area of 54,446 ha (potential area) for irrigation. Out of this area 28,871 ha (53 percent) are under irrigated

agriculture leaving the remaining 25,575 (47 percent) unutilized and therefore available for prospective investors.

## **2.1 Investment Opportunities in Agriculture sector**

Iringa is among the fast developing Regions in the country. It has a relatively well developed infrastructure and financial services that support a wide range of economic activities. The Region has better investment opportunities through an enabling environment that has been created on provision of proactive support for private sector operators. So far 40 percent of the Region's arable land is under cultivation; and there are about 54,446 Ha of land with potential for irrigation; most of it supported with favorable rainfall. In addition, further investments are needed for irrigation infrastructure development and in improving/expanding existing irrigation schemes.

The Region therefore offers a rewarding opportunity for investors in large scale farming for food and cash crops production. With the exception of Iringa Municipal and Mafinga Town Council, which has limited land area for large scale farming, the remaining three District Councils (Iringa, Mufindi and Kilolo) have adequate land for large scale farming.

The region has a total area of 9,883 ha of land which is suitable for horticultural farming. Other opportunities include agro processing, dairy farming and livestock processing industries.

There are also business opportunities in the supply of agriculture inputs such as chemical and organic fertilizers, insecticides, herbicides, improved seeds and farm implements. The increased demand for

improved storage and transport facilities for agriculture products during and after harvests is also another investment opportunity.

### **3.0 Brief about potato facts and figures**

#### **3.1 Production**

It is estimated that a total area of 11,000 ha is currently used for potato production in the Region for the season 2014/2015 and production ranged from 8 to 18 tonnes per ha for local and improved potato seeds respectively. A total of 94,601 tons of potato was harvested. Approximately, half of the arable land in the Region is suitable for potato production referring to suitable temperature and rainfall pattern. Improved seed potato varieties include mostly grown are Meru, Sherekea, Asante, and Tengeru.

Availability of quality certified potato seed so far in the Region is very low since there is only one producer of improved seeds (Mtanga Food Limited) who is the only producer for Iringa and Njombe Regions. Low production and number of farmers engaged in potato production is mainly due to inadequate availability of certified seeds. Demand for certified potato seeds in the region is estimated to be more than 17,000 tons.

Most of our farmers are smallholders (3-5 acres) with low income, rarely use improved seeds and fertilizer which leads to low production. Farmers are aware that they should use improved seeds for high yields but the scarcity makes them reluctant to go for recycled uncertified seeds. Demand of certified seeds is high provided they are easily

obtainable. However, creating new potato cultivars that are drought resistance, heat tolerance, fast growth/early maturity and disease resistance will encourage more farmers to engage in potato farming.

### **3.2 Trade and Marketing**

Farmers are the first link in the crop market chain. They sell potato to any buyer of their choice, including fellow farmers, local traders and buyers from other Regions. This widens the marketing choices for a farmer and hence leads to the growth of potential marketing channels which in turn contributes to better prices and high gross margins. Other best options by farmers include selling along the roadside; weekly village markets or village retailers.

The average farm gate price of round potato in Iringa Region ranges between Tshs 55,000/= and Tshs 60,000 per 100kgs bag. Prices vary depending on the variety, season and the buyer involved.

Seasonal market flooding and scarcity are termed to be the cause of fluctuation in round potato price. Currently, the Region has one potato processing factory (CRISPO). No installed storage facility in the Region.

### **4.0 Challenges and opportunities**

#### **Challenges**

- Inadequate availability of certified seed Potato
- Diseases and insect pests
- High costs of inputs
- Low productivity

- Inappropriate storage facilities for both seed and ware potato.

**Support expected from the Region to facilitate investors**

- Policy guidance
- Engagement meetings/collaboration between investors and local authorities.

- **Opportunities**

- Conducive investment environment
- Availability of suitable land for potato production.
- Availability of potato farmers and consumers.
- Availability of transport facilities and infrastructures.
- Conducive soils and reliable rainfall pattern.
- Presence of public agricultural agents for imparting knowledge and skills to farmers.

## **5.0 Public Private Partnership**

### **Relations with SAGCOT Centre Limited (SCL)**

The Regional Government Authority works together with Southern Agricultural Growth Corridor of Tanzania to develop the agricultural sector in the Region. The SCL has been so collaborative through various efforts which includes;

- The Potato Partnership project helped farmers access improved potato varieties and good agronomic practices.
- SCL has been supportive in harmonizing issues which was unclear among the parties (government and investors) like waiver of taxation on potato seeds.
- SCL has supported in building a strong relationship with investors and the government Regional Office.