Fruit and vegetable sourcing session

The session started with a presentation from Mrs. Jacqueline Mkindi – CEO, TAHA. The presentation is included on the website of NABC. Some remarkable points from the presentation:

-Horticulture has an annual growth of 11% (overall agro sector between 4-5 %)
-TAHA also has a logistics company (TAHA fresh) and marketing company that exports to the EU.
-Productivity is increasing fast (Tomato for instance with 200-300%).
-Big opportunities in: manufacturing raw materials, packaging, value addition, logistics

A brief inventory of the participants in the session showed that several are already active in Tanzania: One company in Iringa; a large handful in the Arusha/Moshi area. Some just started and some are looking to expand. The companies are active in the field of: Avocado, mango, organic fertilisers, knowledge transfer, organic fruit, tissue culture.

Subsequently a presentation was given by Mr Peniel Uliwa, Director, Match maker Associates. He described the specific match between the availability fruit and vegetables in Tanzania and sourcing needs in the Netherlands.
Several business cases were described and 3 specific business cases highlighted. Avocado (especially knowhow and technology is needed. Investments are already in place), orange flesh potato (41% growth of import to the EU 2014-2015. Technical assistance and funding needed. Contracts for supplying the EU market are available), fresh vegetables and fruit (regional and local markets; 40% local market is currently met). For more information, please check the presentation on the NABC website and the reports (https://www.rvo.nl/sites/default/files/2017/05/Tuinbouwrapport_tanzania_Kenia_2017_business_cases.pdf)
https://www.rvo.nl/sites/default/files/2017/05/Tuinbouwrapport_tanzania_kenia_2017.pdf) .

Both presentations were received with enthusiasm from the public. A lively interaction from the speakers with the public took place. Below a selection of aspects that were addressed:

Someone indicated that the presented plans/sectors are too broad. In order to have a real impact on a sector, choices have to be made. Important is what scale is needed to be able to produce and sell a product effectively and to be able to invest.

In the presentation, four agricultural areas were described, Arusha being the most successful and developed by far. It was discussed how the best practices can be brought to (for instance) the Southern Highlands. TAHA confirmed that commercial horticulture is indeed most developed in the Arusha area and this experience and successful nucleus companies in Arusha can be instrumental for the development of horticulture in other regions. TAHA explained that they are already introducing best practices in other areas. For this they work together with development partners.

Also discussions takes place about EU certification. TAHA already explained in the presentation, that recently several companies signed contracts for export to the EU (for orange flesh sweet potato). On the one hand these companies are well aware of standards and certification. On the other hand it will be a challenge to assure that all smallholders will comply. Many actions are undertaken in terms of traceability and capacity building on global gap for smallholders and facilitating their accreditation process. Not all smallholder will be able to produce export ready products at once, but TAHA feels that in the long run it is doable to raise awareness, build capacity and ensure traceability. It is explained that in training the smallholders, specific standards of for instance retailers such as Tesco are taken in account. Some of the participants in the session are having doubts whether Tanzania can produce according to the (fast developing) EU standards. Specifically taking in account social aspects as described in Global GAP Grasp (GRASP stands for GLOBALG.A.P. Risk Assessment on Social Practice). Follow up discussions on this point (for instance via the agriculture department of the Embassy in Dar es Salaam) would be advisable.

Also the possibilities for the sourcing of organic products are briefly touched upon. This could be an interesting niche market. TAHA knows of some initiatives to build capacity and certification. For the latter, costs of inspection and certification is still an issue. Currently standards are being revised.

Finally the participants gave some tips to promote trade and investment. For instance that international cooperation is key for the development of many sectors. Tanzania should therefore not only be approached as individual country, but also as hub to the region.
Moreover the Dutch participants indicate that the rumours that things are getting more difficult for expats are not helping to promote business in Tanzania. TAHA explained that there is indeed a government policy focussed on local content. The policy is mainly aiming to reduce abuse such as foreign companies employing many expats on jobs that could be easily fulfilled by locals (for instance drivers). After receiving feedback from private sector champions, the policy has been adjusted. Perhaps further efforts are needed to fine-tune and give clear information about the policy so that foreign companies are not scared away. Specifically several companies complain about the expensive business visa (250 dollar, about 5 times the price of neighbouring countries). Some companies need regular visits of a small team of experts. A 3 day visit of such a team now costs them 1000 dollar on visa costs alone while this does affect the job opportunities of locals.

Overall it can be concluded that there was a lot of positive energy and many individual participants will follow up. The contact details of the presenters can be found in the presentations. Moreover, the Netherlands Embassy in Dar es Salaam and agricultural council based in Nairobi can be contacted as well as RVO. As there seems to be a lot of interest, it will be explored what other actions could be undertaken, such as a trade mission. The need for this will be investigated in the survey about the Tanzania Agribusiness event.