ANSAF

Agricultural Non State Actors Forum

Pre-Budget Statement for 2023/24

1.0 Introduction

This pre-budget analysis intends to provide an overview of the agriculture sector performance, previous budgets implementations, interventions by governments and other actors (including private sector, CSOs, donor community), policy issues that need reforms, challenges in budget implementation, and the recommendations for the government in the year 2023/24 budget focus. The recommendations intend to influence both government and private sector investments to the sector and promote the transformation through growth and income generation and employment creation.

2.0 Overview of macroeconomic Performance

In the year 2021, the economic growth for developing countries (LDCs) was 6.8% compared to 2.0% in 2020. At the same time, the growth for sub-Saharan Africa (SSA) was 4.6% compared to negative 1.6% in 2020. This was attributable to stable food and energy prices augmented with policy review to address the effect of COVID-19. However, due to Ukraine-Rusia war effect, the SSA economic growth expected to grow at 3.8% in 2022 and increase to 4.0% in 2023 (IMF, 2022). Whereas the Tanzania economic growth has been positive amid COVID-19 effect. For instance, in 2019 the growth was 7.0%, which declined to 4.8% in 2020 and increased slightly to 4.9% in 2021 due to reopening of global economy and measures to revive economic growth including combating COVID-19 effects. Moreover, the inflation rates in EAC members states have continued to remain stable and below 8%, where Tanzania inflation rate was contained at 3.3% in 2020/21 and 4.0% in 2021/22 (NBS, 2022). The targets for inflation rate in 2022/23 was 5.3% and 3-5%. The national poverty rate fell from 34.4% in 2007, 28.2% in 2012 to 26.4% in 2018, then further to about 24% in 2022 (WB, 2023).

The agriculture sector growth in recent years (from 2017 to 2021) depicts a downward trend, where according to the National Bureau of Statistics (NBS) and Ministry of Agriculture data the agriculture sector growth declined from 5.9% in 2017 to 3.9% in 2021 (Tibamanya et al., 2021). This growth is very far from Malabo/CAADP target of 6%. During this period, the share of the agriculture sector in total GDP decreased from 26.7% to 25.9% (Figure 1). This trend raises concern considering that agriculture carries a large share (about 65%) of labour force to total the population in this country. One implication of this decline in the agriculture sector 's share of GDP and its contribution to real GDP growth is that GDP growth has not been shared broadly in society. This indicates low productivity and higher levels of poverty among those who earn their livelihood from agriculture especially who live in rural areas.

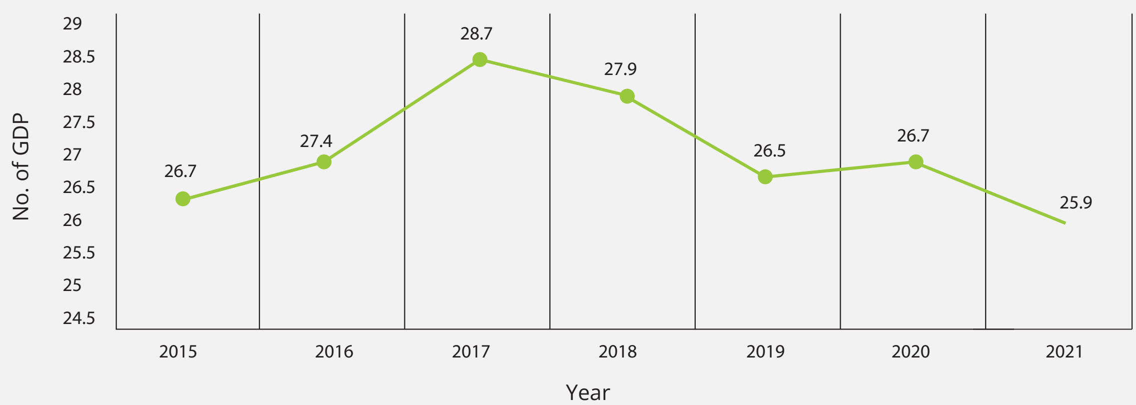

Figure 1: Value Added of the Agriculture, Forestry and Fishing (% of GDP) in Tanzania, 2015-2021

Source: World Bank Data

3.0 Overview of 2017/18-2022/23 Budget Implementation

This section highlights the government commitments toward implementing its policies through budget implementation. According to national plans, the implementation of the budget aimed at: attaining sound economic growth, increasing domestic revenue and expenditure, and enhance investments in the productive sectors like Agriculture. Therefore, the agriculture sector financing in this analysis examined the characteristics of budget implementation, challenges and their impacts to society, especially the rural farming communities.

3.1 The Alignment with CAADP Declaration

Although there is a significant variability between sources of information relating to public expenditure in the agriculture sector. This variability is closed examined in this analysis to ensure that there is no under-reporting of over-reporting of public expenditure. Also, to provide unbiased policy statement from analyzed data, the budget analysis looked at actual spending levels against the benchmark of the Maputo Declaration of 2003 and reaffirmed under the Malabo Declaration of 2014 in which the Heads of State of the African Union are committed to allocating 10% of total public expenditure to agricultural development. Figure 2 shows that the country is far in allocating sufficient resources as committed and trends are on decreasing, for example the share was 5.3% in 2016/17, 1.9% in 2018/19, and 1.3% in 2020/21, though in 2022/23 the share increased to 2.9%. This low public investments to the sector translate into food and nutrition insecurity, abject poverty due to low income and economic growth as the sector contributes to about 30% in GDP.

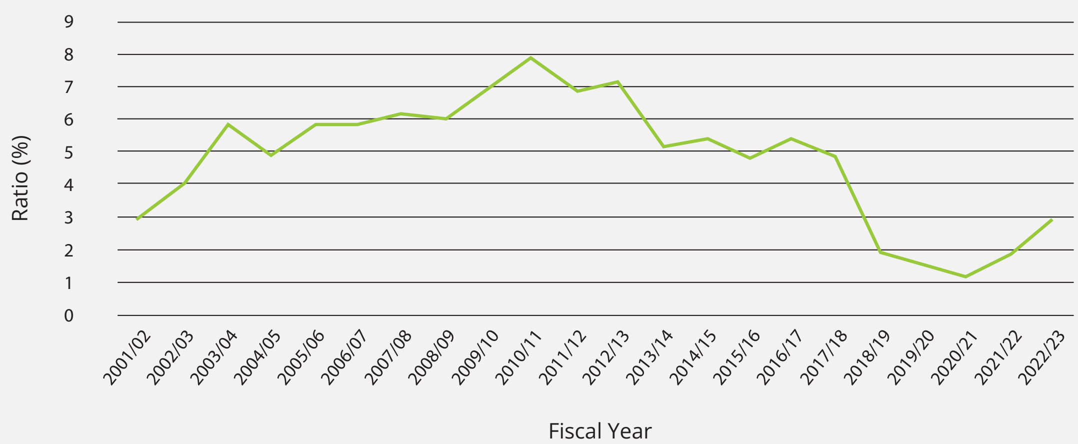

Figure 2: Trends in Share of Agriculture Sector Budget Against Total National Budget, 2001/02-2022/23

Source: MoFP Data

3.2 Trends in National Budget Implementation 2021/22 -2022/23

The budget implementation for the year 2021/22 was in line with FYDP III (2021/22-2025/26), CCM 2020 Election Manifesto, TDV2025, EAC Development Vision 2050, Agenda 2063 of AU and SDGs 2030 (MoFP, 2022). The government approved budget in the year 2021/22 was TZS36,681.9 billion. However, in September 2021, the IMF through Rapid Credit Facility (RCF) window provided a concession loan amounting TZS1,310.6 billion, which changed budget system to TZS37,992.5 billion. In the same period the government expected to collect TZS37,992.5 billion, but up to June 2022, the collection stood at TZS36,924.8 billion, equivalent to 97% of the budget target. The expenditure for the year 2021/22 was TZS37,215.8 billion, where development expenditure chopped TZS14,654.3 billion, equivalent to 39.4% of the total expenditure and 96% of the development expenditure target. However, the CAG 2021/22 Audits Report for development expenditure in development projects/programmes indicated that public institutions capacity for budget implementation has been an issue. For example, unspent amount for developing project was huge in 2019/20 and 2020/21 that were TZS1,156.9 and 1,277.0 billion respectively (Figure 3.1). These amounts are huge that retard the efforts of government to deliver services to its people.

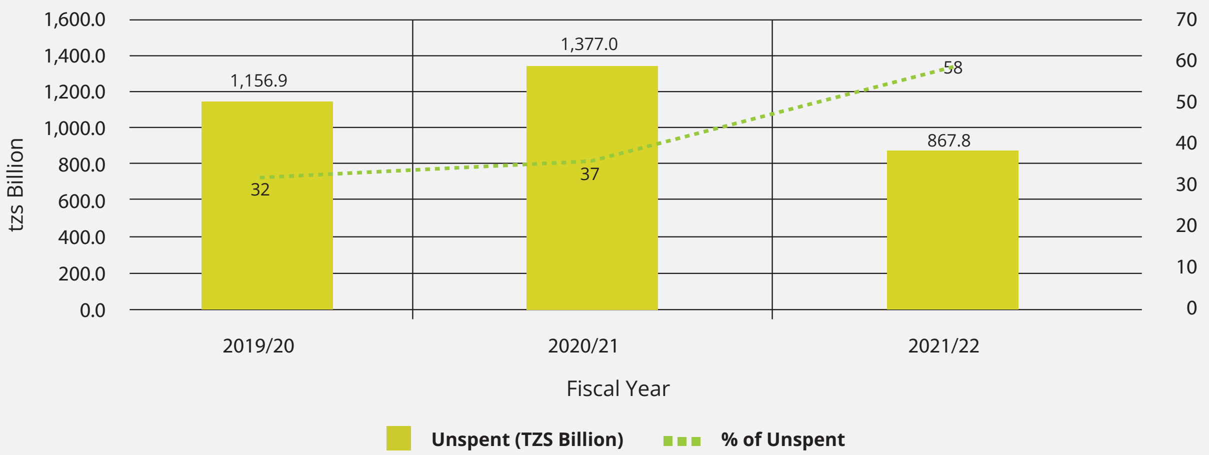

Table 3.1: Total Unspent Fund for Development Activities

Source: CAG Audit Report

In the year 2022/23, the government planned to collect a total of TZS39,387.5 billion. However, based on the priorities and policy reviews during the budget approval process, the budget changed to TZS41,480.6 billion, equivalent to 5.3% increase from the original plan. The budget implementation for the first quarter of 2022/23 indicated that total collection of revenue from all sources was TZS9,181.8 billion. The expenditure for the same period was 92.9% of the total revenue, whereas the development expenditure took TZS3,305.1 billion, equivalent to 36.1% of the total expenditure for the period of July-September 2022. The target for development expenditure in 2023/24 expect to reach TZS15,028.0 billion of a total budget. Moreover, internal revenue including LGAs resources expect to increase to TZS31,034.6 billion in 2023/24 from revenue estimate of TZS28,017.9 billion in 2022/23. Also, for 2023/24, the budget expenditure expects to increase to TZS43,294.6 billion.

The figure 3.2 shows that the development budget allocation in nominal term for the crop production has been increasing over time, except for the year 2018/19. The budget approved for development activities has increased from TZS137 billion in 2020/21 to TZS287.38 billion (internal source) in 2022/23 through vote 43. The disbursement for crop production (Vote 43) as of March 2023 was TZS195.27 billion out of internal fund approved. For the year 2023/24, the budget through Vote 43 is set at TZS562.83 billion, of which TZS460.67 billion (81.8%) is for development expenditure. Out of the development expenditure the disaggregated allocations are as follows: seed production (TZS43.0 billion), research (TZS40.73 billion), storage infrastructure (TZS29.78 billion), extension services (TZS10.94 billion), fertilizers subsidies (TZS150 billion) and marketing (TZS17.3 billion).

Likewise, in irrigation area the government put emphasis to support irrigation infrastructure development where the budget decreased from TZS39.9 billion in 2016/17 to TZS17.7 billion in 2020/21 and then increased to TZS37 billion 2020/21 and then increased rapidly in the year 2022/23 to TZS361 billion, where internal resources was TZS350 billion. However, the commentators argue that the ministry of Agriculture (through the National Irrigation Commission -NIRC) has been focusing mainly on constructing irrigation schemes infrastructure or rehabilitating the odd ones. While many farmers are doing irrigation farming but they are not in irrigation schemes. For example, a fast-growing small sector of horticulture, farmer who are embarked in the sector are not relying on schemes. These groups rely mainly on irrigation equipment; water pumps, solar pumps, drip kits etc which are expensive. Most small holder farmers, especially women cannot afford. Thus, it is recommended that they should be assisted to access the equipment and subsidies.

In the side of the cooperative development, the budget allocation increased from TZS57 billion in the year 2016/17 to TZS93 billion in 2020/21 there were no development budget for cooperative, but in 2021/22 and further to TZS1.1billion in 2022/23. The plan for the development budget in cooperative for 2023/24 is around TZS1.5 billion, whereas the plan for crop production in 2023/24 is TZS460.67 billion, of which TZS401.7 is from internal sources.

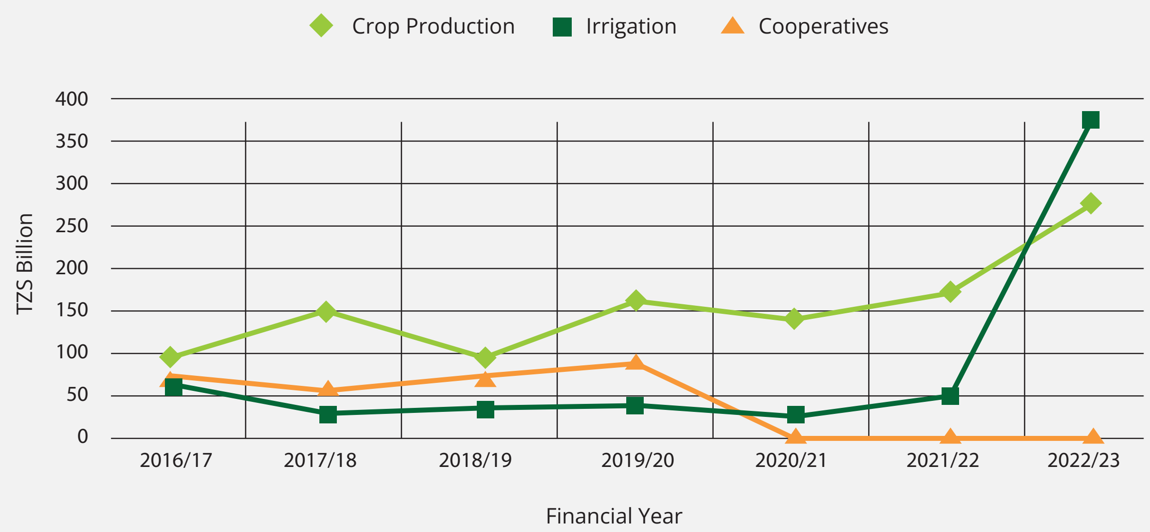

Figure 3.2: The Development Budget Allocation by Category for 2016/17-2021/23

Source: MoA Data

The disbursement for development expenditure at the ministry of agriculture (MoA) level has been facing challenge, where data in figure 4 indicates that disbursement for development activities declined from 63.9% in 2013/14 to 3.3% in 216/17 and increased again to 47% in 2018/19, then decreased to 23.6% in 2021/22. The high performance between 2013/14 and 2014/15 was probably attributed to Big Results Now (BRN) efforts by the government in developing agriculture sector. The low disbursement rate of 3.3% in 2016/17 was a period when the regime changed and the priority shifts to other sectors. Moreover, the 2021/22 CAG Audit Report indicated that out of the TZS36.17 billion approved for 7 development projects in Agriculture sector, TZS 27.689 billion (76.6%) was spent while unspent was TZS 8.481 billion (equivalent to 23.4%).

Figure 4: The Disbursement Rate for Development Expenditure against Approved Budget

Source: MoA

The production of the food crops in the country, also indicates that the trends in food self-sufficiency ratio (SSR) has not been sustainable though not below 100. The figure 5 indicates food security in the county since 2013/14 to 2021/22. The SSR increased from 118 in 2019/20 to 125 in 2021/22. However, the food sufficiency ratio is expected to decline below 125 because of the 2022/23 food shortage in the country.

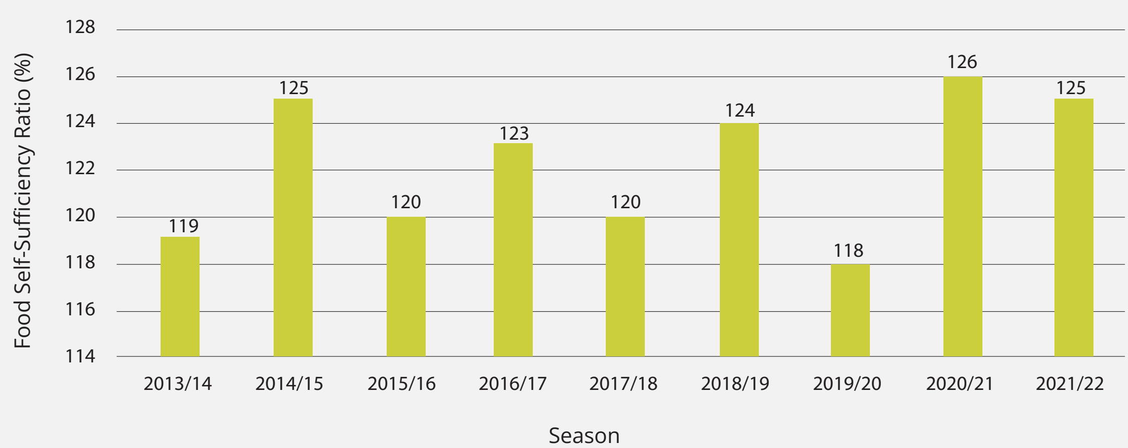

Figure 5: The Food Self-Sufficiency Ratio 2013/14-2021/22

Source: MoA Data

3.3 Budget Implementation for Livestock and Fisheries (TZS Billion)

The livestock subsector budget increased from TZS32.1 billion in 2020/21 (development TZS5.1 billion in 2020/21) to TZS47.8 billion in 2021/22 and then budget in 2022/23 was TZS52 billion), where developed in 2022/23 was TZS17 billion. The statistics show that the budget for development activities in the subsector between 2018/19 and 2021/22 has been below 40%. Also, the disbursement for the approved budget was low, for example, in half of 2021/22 only 10% of the TZS1.6 billion was disbursed. In the fisheries subsector, there was huge increase of budget from TZS34.7 billion in 2020/21 to TZS121.4 billion in 2021/22. While the development expenditure increased to TZS99.1 billion in 2021/22 from TZS13.1 billion in 2020/21. In 2022/23, out of TZS116,.2 billion allocated to Fisheries (Vote 64), the total development budget allocation for fisheries was TZS92.85 billion. Moreover, out of TZS62.55 billion for development budget from internal sources only 6.3% was spent as of 30th April 2022.

However, the Deputy Minister for Livestock and Fisheries reported that the government from the year 2021/22 to 2023/24 has allocated TZS5.9 billion to build 257 cattle dip facilities in 80 LGAs, where 88 of them have been completed and the remaining 169 are in various stage of construction. Also, the government has provided subsidies for 52,560 litres of drugs with value of TZS2.3 billion. In addition, the government in Simanjiro district council at Narakauo village the dam was constructed for TZS413 million in 2021/22 and Lelarumo dam to be constructed in 2022/23 for TZS364 million.

3.4 The Key Strategic Areas and Financing

(a) Improved Seed

In the sunflower subsector, the government increased budget allocation to Agricultural Seed Agency (ASA) from TZS5.42 billion in 2020/21 to TZS10.8 billion in 2021/22 and has increased rapidly to TZS43.03 billion in 2022/23 (MoA, 2023). This catalyzed ASA to increase production of quality improved sunflower seeds from 1,750 tonnes in 2019 to 3,750 tonnes in 2022 through expansion of cultivated land for seeds production. In local government authorities (LGAs), the effect of increasing the budget allocation to the specific crop value chain has influenced the production. For example, in Ushetu District Council, the budget allocation in the year 2018/19 was TZS3.725 million, which was increased to TZS9.500 million making with the production of sunflower oil seeds to increase from 1035MT to 3364MT respectively. This government effort of investing more in the agriculture sector influences the sector growth, employment and poverty reduction.

(b) Fertilizers

Several agricultural input subsidies modalities have been implemented in country since 1967 with the aim of reducing the cost of using agricultural inputs among smallholder farmers. The major agricultural input subsidy programmes implemented in Tanzania was the National Input Voucher Scheme (NAIVS) from 2012/13 to 2015/16. The NAIVS was phased out in 2015/16 due to budgetary constraints and hence failure to meet its objective of supporting resources poor SHFs. However, in 2017 the government introduced the bulk procurement system (BPS) coupled with indicative fertilizers prices as a strategy to reduce the prices paid by the farmers. The BPS faced challenges such as delays in supplying fertilizer to farmers, lack of availability of fertilizer in remote areas and failure to purchase fertilizer among smallholder farmers due lack of cash or credit. These challenges led the sixth administration to come up with fertilizers' subsidy of

TZS52,000 arrangement which lowered the prices of fertilizers (DAP, UREA) from TZS120,000 to TZS70,000 regardless of the geographical locations of farmers. The MoA information indicates that by December 31, 2022, the farmers had purchased 175,829.33 tonnes of subsidies fertilizers with value of TZS192.46 billion. This is a remarkable effort by the government, but the major concern from stakeholders is on the sustainability of the programme because there was no clear strategic plan to conduct needs assessment. Thus, current challenge facing the programme is that most farmers do not get what they need and there are tycoons who are not farmers benefit from the arrangement. Based on this, the government needs to develop a clear and sustainable financing programme for SHFs. Another occuring challenge is the existence of few agents supplying fertilizers in the rural interior areas. One solution could be the government giving LGAs in interior areas the mandatory to supply fertilizer.

(c) Building a Better Tomorrow (BBT)

In crops subsector, the government in 2022 came up with new initiative (BBT-YIA), where under the Building a Better Tomorrow (BBT) programme it aims at addressing the challenges faced by young people and women in the agriculture sector, including access to land, capital, technology, and markets. According to the ministry of agriculture (MoA), the BBT-YIA programme estimated budget is TZS 356.199 billion (USD 148,416,167) whereby 24% of the budget will funded by the Government (MoA and PORALG) and the remaining 76% by Development Partners, NGOs and the private sector with the Ministry of Agriculture serving as the facilitator and coordinator. These initiatives and arrangement need to be applauded because of the programme coverage and the number of beneficiaries targeted. However, the government has to draw lessons from ASDP II in implementing BBT-YIA programme by avoiding ambitious plan, instead develop an implementable plan based on resources (finance and human capital) available. Moreover, there are some prerequisites for the programme success, which include suitable land, supportive infrastructure (irrigation, roads, electricity, collective markets), and addressing the issue of access to finance, especially for youth from the local lending institutions (public and private). Also, the established Youth Guarantee Scheme and Local Facility for youth under the Agricultural Input Trust Fund (AITF) financing modality need not to be aligned with that of other public financial institutions (TADB, TIB) and private sector lending institutions (CRDB, NMB) on the financing conditionalities. But AITF should focus on mobilizing low-cost sustainable financial resources and enhance financial inclusion (women, youth, PWDS) for smallholder farmers involving in various value chains. Moreover, the producers must put into the centric model and connect them with other actors such as off-takers(processors), traders and consumers. On the management of program, the MoA is doing great but to have wide impact on youth, the program could be managed by the regional commissioners (RCs) in the respective regions based on agroecological zones.

Likewise, livestock subsector, there are eight (8) established incubation centers for animal fattening. The centers (Taliri, Buhuri, Mabunki, Kikurura) are building capacity for about 240 youths (certificates and diploma graduates) from livestock institutions. About TZS40 billion was set aside to buy cattle, building hostels and construction of water infrastructures and they are being paid TZS150,000 per month for each youth, where the programme is for 2 years as graduation period. After this period, the profit generated is divided among themselves and another batch is brought to the centers.

(d) Climate Change

In order to have sustainable and intensification of agriculture, the government and other stakeholders have been striving toward putting in place strategies and plans to address the issues of climate change. For instance, in 2018/19 the ministry of agriculture plans had features of climate resilience financing, which its budget allocation increased by TZS13.75 billion from TZS25.50 billion in 2017/18 to TZS39.25 billion in 2018/19, equivalent to an increase of 40%. These funds were allocated to the activities that relate to climate change adaptation and mitigation. However, there are challenges for addressing climate change variabilities. Also, despite the both CAADP and ASDP II programs call for government to enhance investment in climate change resilience and the Environmental Act of 2004 establishing the National Environmental Trust Fund (NETF) to finance environmental activities in Tanzania the fund is not yet fully operationalized due to some challenges including funds. Based on this, ANSAF (2020) proposal for fund sources has to be taken into account; which include emissions from vehicles (TZS 3,000 per vehicle), electronic waste fee (1% of the product value), tourism and hospitality industry (USD 0.5 per tourist), and drinks served on plastic bottles (TZS 0.5/ bottle).

(e) Post-Harvest Management

Post-harvest management (PHM) is an important area that all actors from private sector, donor community and government need to have sustainable financing strategy. Despite the commitments from all groups to finance National Post-Harvest Management Strategy (NPHMS), 2018/19-2028/29, there has been low budget allocation to support the strategy. Based on this, both government and development partners have to enhance efforts in terms of finance and technical supports in implementing the strategy.

(f) Research and Development (R&D)

The African Union (CAADP program) recommends for countries to spend 1% or more of their agricultural GDPs on agricultural research. Also, ASDP II recommends for the government to set aside 3.8% of its agricultural budget on the research and development. However, based on the available evidences, there is peanut allocation for R&D. For example, the ministry of agriculture budget allocation was pegged at TZS7.35 billion in 2020/21, which increased to TZS40.73 billion in 2022/23.Thus, it is important to honour the guidelines and directives to ensure that agriculture (crop, livestock and fishery) contribute to the national growth and income.

(h) Extension Services

In the recent years, the government through ministry of agriculture has been making remarkable efforts in the area of extension advisory services. One of the outstanding achievement is the development of M-Kilimo platform, which intends to bridge the extension advisory information access gap to the smallholder farmers. Also, budget allocation signifies the same, where in 2020/21 the budget to the extension services was TZS0.603 billion, which has increased to TZS14.5 billion in 2022/23. It was informed that about 53 motorcycles with the value of TZS159 million to 47 village extension officers in order to facilitate the services delivery to rural people. The government needs to employ more efforts towards building the capacity of the extension officers to serve the farmers excellently and in a qualified manner.

3.5 LGAs

(a) Revenue and Expenditure Performance

The CAG 2021/22 Audit report in Figure 6 indicated that a total of TZS891.84 billion of revenue was collected by 184 LGAs. The revenue was 102% of the target and an increase of TZS122.41 billion from the revenue of 2020/21. Also, Figure 7 shows specific trends of performance in percentage (%) of collection of actual revenue against targets. However, 76 LGAs did not set aside and contribute the required percentage of TZS22.37 billion in development activities. Moreover, it was revealed that about TZS1.6 billion were reallocated to finance unplanned activities. Furthermore, it was found that TZS600 million constructed projects but not in use, for example, the honey processing plant in Kibondo.

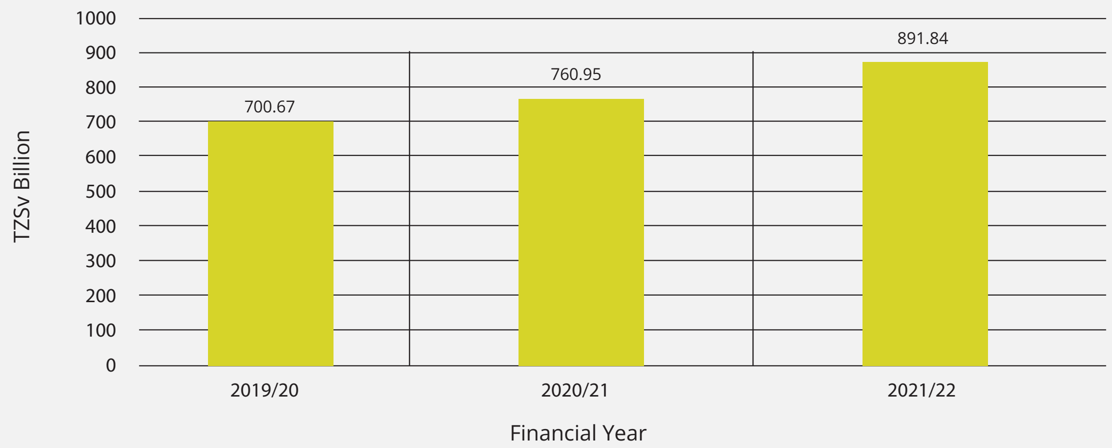

Table 6: Trends in Total Revenue Collection for LGAs

Source: CAG Audit Report

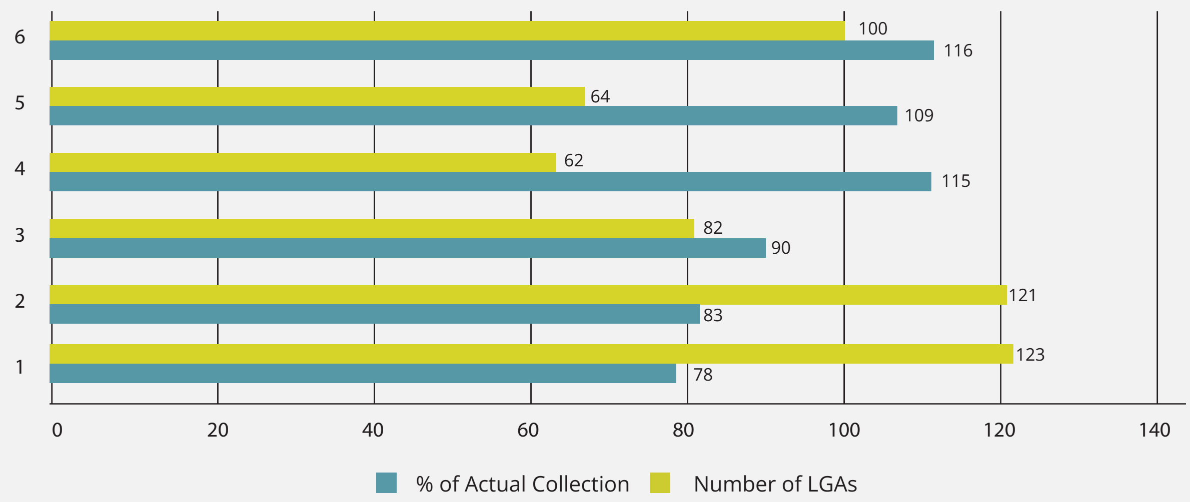

Table 7: The Performance of Actual Collection of Revenue Against the Target

Source: CAG Audit Report 2021/22

(b) 10% Allocation from LGAs Own Sources-2021/22

The government through Local Government Public Finance Act 1982, amended 2018 directs all LGAs to set aside 10% of internal resources for women (4%), youth (4%) and PWDs (2%) loans. Based on the information from MoFP (2022) in Figure 8, all LGAs complied with directive and LGPFA, where it indicates that the overall compliance was 88% and actual 10% budget allocation was 88.8% of the total estimates. Specifically, the statistics indicate that for the year 2020/21-2021/22, the LGAs contributions averaged 9%, where in the 2020/21 financial year, LGAs remitted about TZS53.8 billion, equivalent to 8.5% of the required amount and in the 2021/22 financial year, the disbursement increased to TZS59.2 billion, equivalent to 8.8% of revenue garnered. However, it shows that 12% of LGAs their compliance still not good and there is a challenge for some beneficiaries fail to pay back the loans.

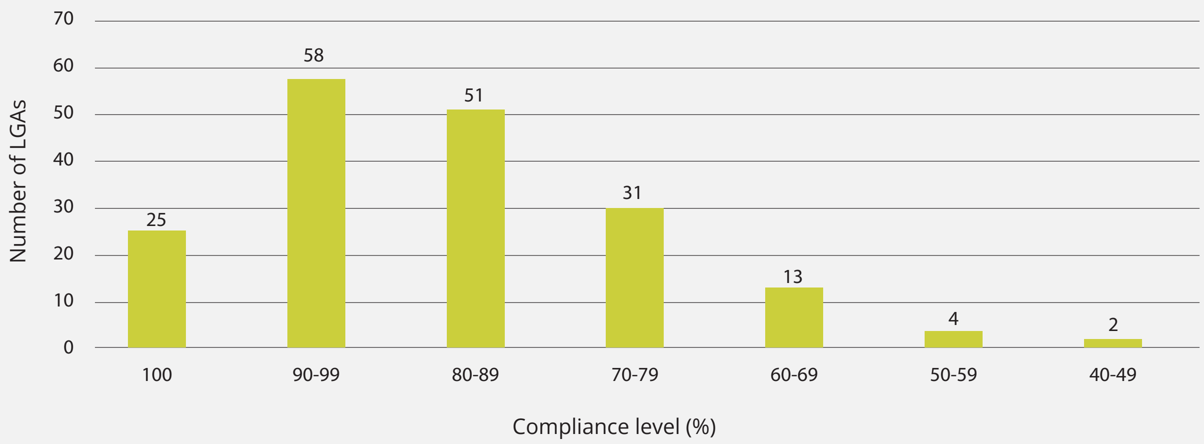

Figure 8: The LGAs Compliance to 10% Budget Allocation for 2021/22

Source: MoFP Data

The statistics indicate that trends in contribution of fund to WYPWDs has been on the decline, for example the contribution in 2019/20 was about TZS5.72 billion, 2020/21 was 6.86 billion and in 2021/22, about TZS5.06 billion was contributed. Moreover, the following shortcomings were noted in the LGAs budget implementation, particularly in 2021/22 financial year:

- About of TZS88.42 billion borrowed by women, youth and people with disabilities (WYPWDs) was not paid back.
- Also, TZS774.66 million provided to 201 WYPWDs groups did not implement the intended projects rather were divided among group members.
- Moreover, there were only 48 groups from 3 district councils that TZS895.94 million was disbursed to.
- A total of TZS2.25 billion unpaid loans was provided to groups, which terminated the activities.
- TZS 20.79 billion were provided without complying to the set ratio of 4:4:2 and TZS147.26 million were provided to ineligible beneficiaries (employed staff).

3.6 Loans to Agriculture Sector

The public institutions lending portfolio to the sector has been increasing since 2016 to 2022, for example, the government through Tanzania Agriculture Development Bank (TADB) disbursed loans to various agriculture value chains actors. Figure 9 shows the TADB disbursement in the last five year, where it has increased from TZS0.34 billion in 2018 to TZS61.74 billion, the declined to TZS48.47 billion. Also, it was indicated that much of the TADB lending goes to coffee, cashewnut, cotton and sugarcane with allocation of 41%, 14%, 9% and 7% respectively (Figure 10).

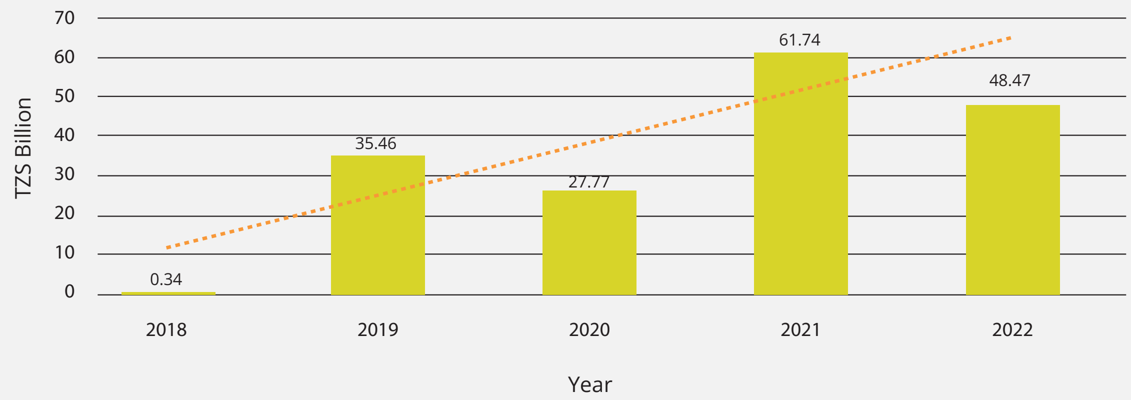

Figure 9: TADB Disbursement in the last five years (TZS Billion), 2018-2022

Source: TADB Data

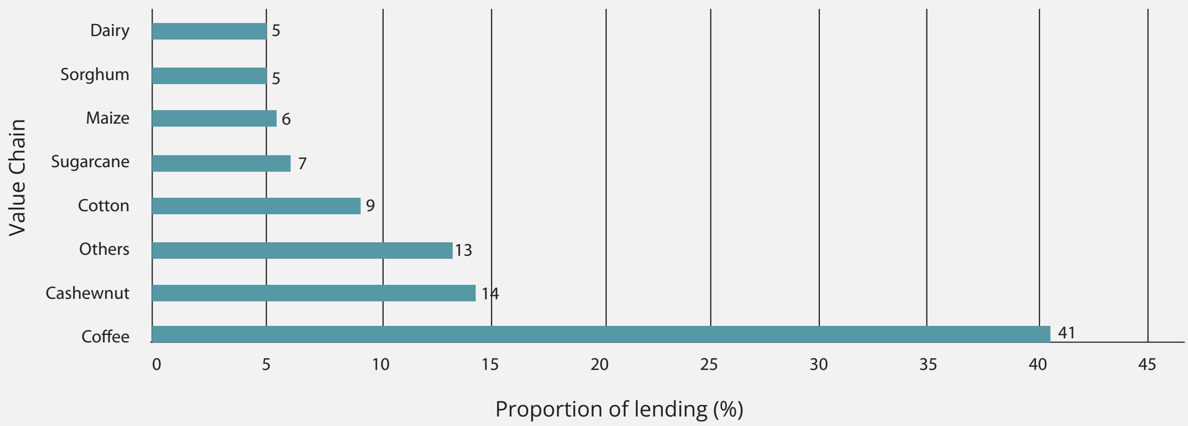

Figure 10: TADB lending by category of value chain (%)

Source: TADB

In 2021/2022 the government had reduced interest rates from between 17% and 20% to 9% for agricultural loans from commercial banks to increase farmers access to inputs on time, revive and establish small-scale value addition industries. In addition, the Banks' lending to private sector activities shows that lending to agriculture increased from TZS952,883.8 million in 2018 to TZS1,592,519 million in 2021 and increased to TZS1,993,626.4 million in June 2022. But the lending to the fishing has been decreasing, for example, the lending to fishing in 2018 was TZS74,022.3 million and declined to TZS37,084.9 million and then further to TZS33,725.3 million in June 2022 (Figure 11).

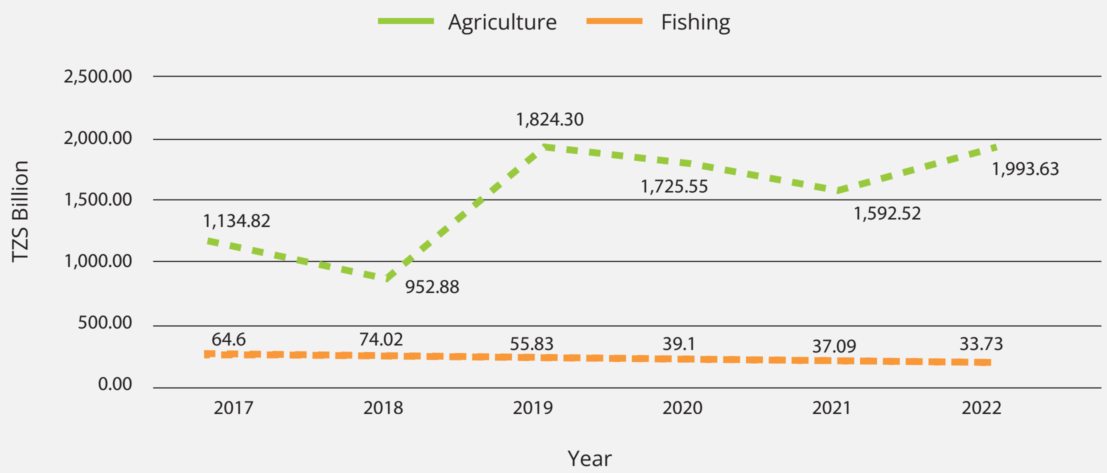

Figure 11: Banks' Lending to Agriculture and Fishing Activities

Source: BoT Annual Reports Data

3.7 The Year 2023/24 Priorities and Focus

The plan for 2023/24 in the agriculture sector intends to start implementing phase II of ASDP II (2023/24-2028/29). This continues to transform the crops, livestock and fisheries subsectors towards higher productivity, commercialization level and SHFs income for improved livelihood, food and nutrition security that contribute to GDP. Furthermore, the budget for 2023/24 intends to enhance access to markets and exports of agriculture products and jobs creation. Also, in the cooperative development, the budget aims at strengthening management and control of cooperative societies. Thus, the strategy has been developed for the establishment of cooperative bank "Kilimanjaro Cooperative Bank" to be revived with budget of TZS5.2 billion and about TZS15 billion are needed to operate nationally. The bank will provide loans to members, the management of commission will be trustee and involve CRDB, where the government will have share.

Based on the budget guideline, the priority areas in the sector including strengthening productive sector including agriculture and increasing the pace of economic revival affected by COVID-19 and ongoing Ukraine-Russia war and addressing the issue of climate change. The climate change led to food insecurity in the year 2022 and high inflation for food stuffs, which subsequently affected the growth of sector. Thus, the public and private financing for 2023/24 expect to revive the agriculture sector growth.

3.8 Budget Execution Challenges

Even though agriculture sector contributes substantially to economy in terms of employment, exports share, food, and industrial raw materials, its priority based on resources allocation still face challenges. The main challenges that deter agriculture sector development include, but no limited to: disbursements not constant and sustainable for key investment areas; low proportion allocation of resources to the development activities; lack of strategy for sustainable government interventions in inputs (e.g., fertilizers subsidies); low investments in agriculture affect the sector growth and food security; little investment for addressing the climate change variabilities; and insistency of fiscal policies affect the investors decision-making, especially in manufacturing industries (agro-processing).

4.0 Policy issues in the specific value chain

Value Chain	Key policy issue	Impact to the sector	Measures needed
Sunflower	✓ Zero rated import tariff for crude palm oils	✓ Poor performance of SMEs in terms of growth, employment and production	✓ Continue protecting domestic sunflower oil industries through tariff on imported crude palm oils until when they become competitive
Coffee	✓ Introduction of the new coffee development levy (CDL) of TZS200 per Kg.	✓ The charge imposes burden to farmers and affect their cash flows because buyers tend to transfer tax (risk averse)	✓ The process of imposing CDL needs further stakeholder discussions to determine the best way of implementing tax.
	✓ Tax for loading container of grade AA coffee	✓ More charge rate (%) to other grades due to their lower prices	✓ The charge should base on the percentage (2.75%) rather than fixed amount.
Rice	✓ Access to quality improved seeds system	✓ Accessibility and reliability of quality improved seeds to farmers	✓ Developing strong system of delivery and adoption sensitization
	✓ Sustainability of current fertilizers subsidies system	✓ Inadequate of fertilizers supply to the farmers because the assessment was not conducted.	✓ Prepare strategic plan with clear need assessment (quantity) by agri-ecological zones.
	✓ Weak system of rice production	✓ Food insecurity	✓ Strengthening QDS system and capacity building for youth ✓ Supporting access to technologies for large scale farming, especially for youth
	✓ Import of duty-free rice (government anticipation)	✓ Effect on the domestic production due to the quality and price of imported rice	✓ Involve the private sector for discussion to identify the extent of food insecurity.

5.0 Recommendations for 2023/24 Budget Focus

1. 2023/24 budget should focus on establishing strong systems such as large-scale farming and cooperatives for high productivity of cereal crops (maize, rice) to address the issue of food insecurity.
2. Budget allocations to key agriculture areas should correlate with the sufficient disbursements to the same for high results realization.
3. Development of long-term policy for agro-processing enterprises is of paramount importance to enable them to have predictable investment decisions.
4. The government to continue to protecting domestic sunflower oils industries, through tariffs until when they become competitive.
5. The process of imposing coffee development levy of TZS200/Kg needs further discussion with stakeholders and analysis.
6. The charge for loading a container of grade AA coffee should base on the percentage rather than fixed amount.
7. Preparation of strategic plan with clear needs assessment for sustainable fertilizers subsidies supply to farmers. This will strengthen the inputs subsidization systems
8. Coordinate the discussions that will involve ministries of agriculture, livestock, fisheries and PORALG on issue of finding the best way capacitating DAICO/DALDO offices and extension services workers at the local levels in terms of resources allocation (20%, 15% and 5%).

Our Partners

Vi Agroforestry

FORMIN.FINLAND.FI
EMBASSY OF FINLAND
DAR ES SALAAM

fcs FOUNDATION FOR CIVIL SOCIETY
Facilitating Partnerships For Development

act!onaid

AGRA
Sustainably Growing Africa's Food Systems

FUNDED BY THE EUROPEAN UNION

Sweden Sverige

AGRI-CONNECT

ANSAF

Agricultural Non State Actors Forum

@ansafforum

ActionAid Tanzania
Makuyuni Street, Plot No.79, House No.15
Mikocheni B Area