

MARKET STANDARDS AND PREFERENCES FOR HORTICULTURAL PRODUCE IN TANZANIA

1.0 INTRODUCTION—STATUS OF THE INDUSTRY

The horticultural export sector in Tanzania is generally regarded as having started in the 1950s with the production of bean seed for selling in Europe, mainly through Holland. Perishable horticultural exports to Europe started in the 1970s, following Kenya's lead in this area. In the mid-1980s, a cut rose industry was established, followed by the development of a cuttings industry based on chrysanthemums. More recently, there have been specialized investments in the propagation of hybrid vegetable seeds, higher value fruits and cut-flowers other than roses.

The sector has registered tremendous growth in the past three years most of which are attributed to the presence of the vibrant Tanzania Horticultural Association. The growth rate for the industry is currently 8-10% per annum. The sector has been recognized as an engine for country's socio-economic growth and a significant contributor in the poverty alleviation mainly in the rural areas.

The following are the few achievements realized in the sector in the past three years

- There has been continuous expansion of existing businesses in the horticultural and mainly floricultural sub-sectors. The industry has also seen an increased number of small growers' participation in the horticultural value and supply chain e.g. Contract farming, etc.
- There has been new foreign direct investments (61% increase) and expansion rate for existing investments (23%). These are new horticultural businesses established in the country and expansion of existing farms in the past four years consecutively.
- An improved working relationship between the government and the private sector in an attempt to create an enabling environment for horticultural operations in the country.
- The foreign income earned by the industry has increased from US \$ 1.4million per annum in 2002 to 348 million in 2009.
- Employment rate has significantly increased by 67% in the past four years which has also resulted to the increase of the per capita income of different societies.
- Various development programmes in addressing critical challenges impeding the industry growth i.e. airfreight, policy issues, infrastructure, accessibility of agro inputs, promotion, etc.

MANAGEMENT OF STANDARDS IN TANZANIA

The management of Standards in for horticultural produce in Tanzania is done by a number of stakeholders in the country each with a distinct issue to address on standards. These usually range from

SPS standards to quality matters, regulation, capacity building, research and compliance by the horticultural producers and processors themselves.

The management of phyto-sanitary standards in Tanzania is the mandate of the Ministry of Agriculture Food Security and Cooperatives (MAFC) through its Plant Health Services Unit which also acts as the National Plant Protection Organization. The unit has gazetted inspectors who are distributed in different inspection offices in the country. Tanzania became a member of the IPPC in 2005 and has since then worked through the PHS to ensure compliance to the IPPC standards. The efforts of the PHS are supplemented by the Tropical Pesticides Research Institute (TPRI) which is in charge of the import quarantine services and manages the Post Entry Plant Quarantine Station.

There are a few other agencies or organs dealing with regulation of standards in the country. The Plant Breeders Registrar's office is a key department at the MAFC dealing with the regulation of breeding activities in the country in compliance with the set standards by the Union of Protection of New Plant Varieties (UPOV). There is also the Tanzania Official Seed Certification Institute (TOSCI) which offers seed testing and sampling services to ensure that the seeds used in the industry are up to the required standards.

When it comes to inspections of chemical substances against chemical and metallic hazards, the mandate attracts many more actors. TPRI does a lot of work on Pesticides starting with the monitoring of the field trials, registration of new chemical pesticides, inspection of agro-dealer shops, capacity building on different aspects of pesticide trade and safe use to confiscation and disposal of obsolete products. However, the Tanzania Atomic Energy Commission is also tasked with ensuring that the chemical substances including pesticides and fertilizers are free of hazardous metallic substances.

Since, horticultural produce consist of fresh and processed produce for export and domestic markets, the standards related matters for processed products are taken care of by the Tanzania Bureau of Standards (TBS) and the Tanzania Food and Drugs Authority (TFDA). While the TBS is more concerned with the standardization and quality matters, TFDA works more around food safety and the protection of the consumer's health.

Apart from the regulatory matters, there are also research and development efforts to ensure that the horticultural produce in Tanzania comply with international standards. These activities usually range from seed production and breeding activities, soil, water and chemical analyses to pest management research activities. In Tanzania, the Sokoine University of Agriculture (SUA), TPRI, the World Vegetable Centre, the Horticultural Tengeru Institute, the Selian Agricultural Research Institute and the Mikocheni Research Institute are among the institutes that support the horticultural producers and processors with research related services for their compliance to standards. It is however worth noting there is a need to build the capacities of some of these institutions to provide services that are compliant to international standards and continuously changing market preferences. This has forced some of the horticultural producers to seek these services from other providers in Europe.

There are also efforts to build the capacity of the producers in complying with the set domestic and international standards. In Tanzania the Standard Oriented organizations most of which are also private

sector oriented include Traceability Tanzania, Tancert, Envirocare and Tanzania Organic Agriculture Movement (TOAM). Tancert also offers audit and accreditation services to a number of international standards.

THE STANDARDS CRISIS

Despite the great efforts that are made at the National Level to ensure that horticultural producers comply to the market standards, their multiplicity has been viewed as a challenge by some producers and even termed as a technical barrier to trade for others. This challenge is strongly felt by the producers dealing in fresh horticultural produce for the export markets.

Voluntary market standards continue to make matters complicated for horticultural exporters however voluntary they may look. For instance, a vegetable exporter from Tanzania undergoes at least six other audits and certifications apart from the general phyto-sanitary inspections required by the importing countries. These include GlobalGAP, Global standards for Food Safety, an environmental standard LEAF, TNC and F & F. Movements like the Soil Association have also come up with the food miles and the carbon foot prints which is now a big threat to fresh horticultural exports from the country which are mostly airlifted to Europe

Considering that the vegetable exporters in Tanzania largely depend on out-growers for their production, most of these out-growers are smallholder farmers with small pieces of farms, as small as a quarter of an acre. Such farmers therefore find accreditations to voluntary standards a very expensive venture due to their small incomes and limited technical knowledge. One of the measures that have been taken by the horticultural industry through TAHA is the formation of grower groups in which collectively such farmers are given the technical and sometimes financial support to have private standard audits and accreditations.

The absence of a national GAP in the industry which benchmarks on these standards has been seen as a setback in the fight for easier compliance by horticultural producers. Furthermore, produce from Tanzania still undergo double inspections (one at the point of exit in Tanzania and one at the point of entry in Europe) making things even slower and more involving. All these underscore the need to have a National GAP which will attract more trust from the global markets and even ease inspection and audit procedures.

While the cost of compliance has proved to be somehow high for vegetable exporters and small growers, the voluntary standards have had some positive impacts in some of the flower farms in Tanzania. Subscription to standards like the Max Haveller, FFP and the Fair Trade have enabled some farms earn premiums which have positively impacted on their employees, neighboring societies and the image of the farms. However, not all the flower farms have subscribed to the standards due to the subscription costs and compliance requirements.

It is amazing to mention that despite the massive efforts being made to comply to international standards and preferences there is very little going on in regard to the domestic markets. The domestic markets for horticultural produce are still seen as places to dump export rejects and sell left-overs. The consumer awareness on food quality and safety is very low and the regulation and capacity building of producers is left to most government agencies, no wonder they do not fetch the prices. It is also important to note that while this is one side of the coin, on the other side there is a chicken egg situation of price and quality in the domestic prices. While horticultural producers might want to sell their quality and healthy produce to these markets, the domination of the markets by middlemen, cartels and cheaper imports is a reality that makes this venture a tall order. This phenomenon has made most producers believe that horticultural production for export horticulture is another complicated venture meant for a certain class of educated and economically advantaged clique.

NATIONAL INITIATIVES

In an effort to bring standards even closer to horticultural producers, give them more confidence and even promote stronger compliances, there are a number of efforts that have been made at the national level:

1. With the support of the Tanzanian and the Dutch government, a PPP project was initiated with an aim of improving the inspectorate system in Tanzania. This project aims at improving on the legal framework of the inspectorate and building the capacities of inspectors to offer more market oriented standard inspections. The project has therefore prepared an inspection manual which will be approved and used by the phyto-sanitary inspectors. Other achievements include the rehabilitation of inspection units and the preparation of a training program for the inspectors. This is monitored by a Partnership Committee which consists of members of the public and private sectors
2. The Ministry of Industry Trade and Marketing which is the WTO focal point for Tanzania has established a National SPS Committee. This is a platform for routine and ad hoc consultations among stakeholders on specific sanitary or phyto-sanitary issues. It is also meant to advise the government on policies and regulatory frameworks related to SPS issues, monitor promulgation and implementation of national SPS measures and ensure adoption of international standards and guidelines. The committee brings together stakeholders from both the private and public sectors working on standard related matters.
3. With the great efforts of TAHA, a GlobalGAP National Technical Working Group has now been formed in Tanzania. This working group will be a platform to address GlobalGAP related matters and communicate with the GlobalGAP headquarters in Europe. GlobalGAP has sometimes been viewed by farmers as another European standard which does not take into consideration the situations of farmers in their respective countries. The NTWG will therefore be a good opportunity to bring standards closer to horticultural producers in Tanzania.

4. In 2003, Tanzania initiated a traceability program. Initially the focus was on major export products to EU, i.e. cut flowers, fish and marine products; coffee; tea and cashew nuts. Stakeholder workshops were held for each sector, involving role-players of the respective supply chains. Workgroups, whose members represent the different types of businesses in the supply chain, reviewed current practices in the light of requirements, prepared supply chain diagrams and established documentation and traceability systems. The supply chains differed depending on the product. Products from small scale producers generally posed challenges as a result of fragmented production systems and farmers being unable to produce exportable quantities. This increases the risk of non-compliance with the required standards. There were and are challenges in record keeping at all stages of the chain. Complying with standards and having traceability has contributed to increased exports of fish fillets, coffee, honey and fruits and vegetables. There has been a very strong and positive involvement of SMEs and more products meet traceability requirements e.g. Spices, Beef production, Honey, Fruits and Vegetables. The Ministry of Livestock Development and Fisheries [MLDF] has established a fully fledged Department of Traceability, with the responsibility of ensuring that live animals and livestock products meet traceability requirements.
5. Tanzania is currently in the final stages of establishing a GS1 Tanzania. GS1 is another fully integrated not-for-profit global organization that develops standards for identification of goods and services. The standards are used by companies of all sizes in many industries and by whole supply chains. The process of establishing a GS1 Tanzania is championed by a steering committee comprising of members from both the private and public sectors.

There is an opportunity for Tanzania to improve marketing strategies for fresh products such as vegetables and fruits, increase awareness of the value of traceability for accessing export markets, and preparing a cohesive official food safety framework and system. There is also a need to organize production and supply where productivity is too low to meet market demand, and it would be wise to review areas of production that may not be sustainable. Infrastructure in supply chains needs to be improved at many levels - cold storage, ware houses, road systems and other appropriate transport facilities, and communication facilities and increased use of technologies.

REGIONAL INITIATIVES

With a strong East African Community, several initiatives are ongoing on harmonizing inspectorate procedures among the member countries. However, most of these initiatives are at the government machinery levels and have a priority on cross border trade.

The horticultural industry in Tanzania is part of the ongoing study being carried out by UNIDO and NRI on the standard systems, protocols and procedures in East African Countries. It is expected that this study will be another catalyst for the harmonization of standards to facilitate trade in the region and the promotion of trade between the East African countries and other trading blocs.

There have also been initiatives through the SADC block mainly aiming at harmonizing SPS standards. This has basically involved import regulations of the importing countries or bloc of countries and compliance practices in the SADC countries.

Considering that a large part of standards that affect horticulture is on voluntary standards, having regional initiatives and regional technical committees is desirable. So far Kenya has a KenyaGAP, the rest of the member states don't. Instead of Tanzania having a TanzaniaGAP and Uganda having its own, having an East AfricanGAP which benchmarks on both the IPPC standards and the voluntary standards is something that the horticultural industry in Tanzania intends to pursue.