



# **HORTICULTURAL REGIONAL TRADE IN EASTERN AND SOUTHERN AFRICA**

## **TANZANIA POSITION**

# INTRODUCTION



- Horticultural industry in Tanzania is among the fastest growing agriculture subsector
- The industry earns the country more than USD 340 million per annum with the growth rate of 8% per year.
- FDI has increased by 61% since 2003
- Tanzania horticulture participates well in the regional trade through export and imports of vegetables, fruits and flowers to neighbouring countries.

# TZ EXPORTS TO THE REGIONAL MARKETS



- Horticultural produce specialized for the regional markets include tomatoes, onions, oranges and bananas.
- 50% of onions consumed in Kenya (Wakulima market) come from TZ
- More than 130 tons of tomatoes annually – 30% sold in the dominant regional markets- Kenya, Malawi and Comoros
- 160 tons of oranges averagely produced per annum (more than 85 tons sold in Kenyan markets and other destinations like comoros
- Exports more than 2200tons of bananas annually to African counterparts.

# EXPORTS...



- **Tanzania also exports more than 210 tons monthly of fresh beans to Kenya through Kenyan companies doing direct business with Tanzania horticultural farmers. i.e Homegrown, etc.**

# IMPORTS



- Tz regional horticultural imports are dominated by South Africa and Kenya.
- Supermarkets chains import fresh fruits and juice fro South Africa i.e apples, grapes, mangoes, seedless oranges, avocados, and small quantities of vegetables
- Vegetables and tropical flowers imported from Kenya for DSM and Zanzibar
- ZNZ has been seen to be an end market for reasonable quantities of produce from Tz mainland, Kenya and RSA

# TRADE MANAGEMENT



- Trade is dominated by cartels of traders and middlemen... end profit margin to farmers remain very narrow.
- Actors along the horticultural regional trade chain include: transporters, C/F agents, TRA, Immigration departments, MAFC, Atomic Energy and the police force.
- MITM- Tantrade, TBS, TIRDO
- Ministry of EA Cooperation-- harmonization

# NATIONAL INITIATIVES



1. **WSSD PPP PROGRAMME**– initiated with the aim of improving the inspectorate system (legal framework and capacities)
1. **National Technical Committee on SPS**
1. **MAFC –Trade Promotion Unit**
1. **Better Regulation Unit (MITM)**

# NATIONAL INITIATIVES



5. Investor Complain Bureau– Presidents Office
6. USAID Programmes – farmers capacity building and market linkages
7. World Bank Projects
8. Kilimo Kwanza declarations-budget allocation to support agricultural investment and promotion
9. National horticultural policy



# REGIONAL INITIATIVES



- 1. East Africa common market: trade facilitation policies**
- 2. On going initiatives to harmonize SADC, COMESA and EAC**
- 3. Compete Programme**
- 4. One Stop Centre for Trade Facilitation**
- 5. Maintenance of the Arusha-Nairobi road**
- 6. UNIDO project- Trade capacity building in agro industry products for the establishment and proof of compliance with international markets requirements.**

# OPPORTUNITIES



- ❖ **EAC common market**
- ❖ **Harmonization of the three economic blocks**
- ❖ **Development partners support to horticulture**
- ❖ **Global food security agenda**
- ❖ **All Africa Horticultural Congress**

# CHALLENGES



- **Formalization: a large part of horticultural regional trade is still informal, dominated by middlemen**
- **Inadequate flow of information**
- **Low levels of compliance standards**
- **Unsupportive national policies and regulatory framework—room for corruption and unnecessary delays**
- **Inadequate infrastructural support**
- **Police road blocks**
- **Uncoordinated boarder operations**
- **Inadequate awareness on inter trade policies and protocol**

# WAY FORWARD



- Translation of the regional block standards and protocol in simple language and format for easy understanding by farmers
- Harmonization of systems and procedures at the border
- Governments support in infrastructure and standards
- Private sector involvement in trade related policies formation processes
- Promoting the establishment and development of the central database traceability system.
- National and regional capacity building and awareness creation programmes



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