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# Impact of Covid-19 in Agriculture and Food Systems in Tanzania

Policy Implications to Mitigate the Impact  
and Build Resilience for Future Pandemic  
Outbreaks

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**IMPACT OF COVID-19 IN AGRICULTURE AND FOOD SYSTEMS IN TANZANIA  
POLICY IMPLICATIONS TO MITIGATE THE IMPACT AND  
BUILD RESILIENCE FOR FUTURE PANDEMIC OUTBREAKS**

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# IMPACT OF COVID-19 IN AGRICULTURE AND FOOD SYSTEMS IN TANZANIA

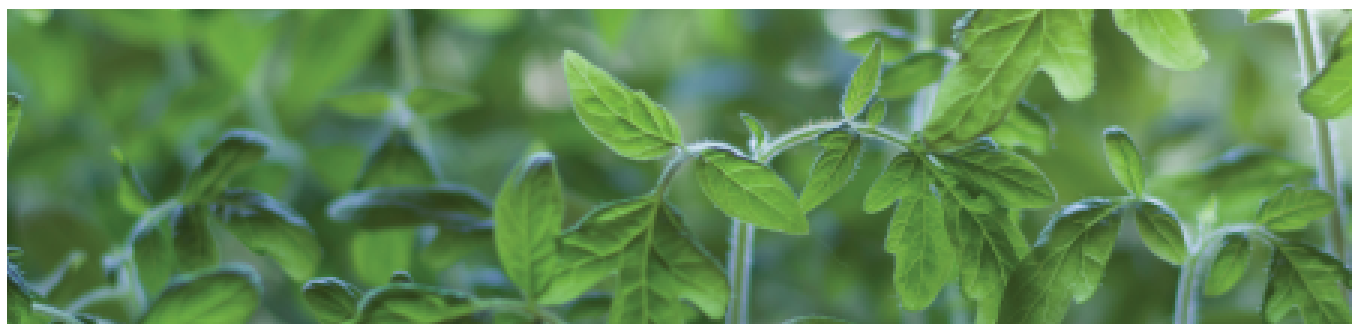
## POLICY IMPLICATIONS TO MITIGATE THE IMPACT AND BUILD RESILIENCE FOR FUTURE PANDEMIC OUTBREAKS

### Key Messages:

- Agriculture is expected to drive economic recovery from Covid-19 pandemic as compared to other sectors such as tourism and mining
- Most of the recent Covid-19 studies in Tanzania are focusing on the potential impact of the pandemic (ex-ante) while a few studies are assessing the actual impact (ex-post). This trend could be attributed to the short timeline since the outbreak of Covid-19, the challenges in conducting in-personal interviews amid the pandemic and stringent regulatory requirements in the issuance of research permits
- The research gap to assess if there are changes in consumption and nutrition is quite evident. Since Tanzania on average has food surplus in the last two decades, there is a cautious optimism in food security as predicted food shortage in the region could be a market opportunity for Tanzania. In food security, Covid-19 seems to have more pronounced effects in food access than in food availability and utilization due to its impact on food supply chains and household income
- There is more uncertainty in traditional export crops (e.g. cashew nut, cotton, etc.) due to weakening global demand than in staples and food crops (e.g. maize, rice, etc.) where Tanzania is self-sufficient with a surplus for regional export
- The zoonotic nature of Covid-19 poses high risk in livestock and fisheries sector. Moreover, reduction in imports opens up opportunities for local producers
- Import substitute commodities such as sugar, edible oil and wheat have also relatively high risk due to export ban among some of the major global exporters. Moreover, inflation has increased from 3.5% in 2019 to 3.56% in 2020 (BoT, 2020).
- There is also a high risk in the poultry sector due to its dependency on importation of parent stock and ingredients for feed manufacturing
- Fertilizers might benefit from lower petroleum price arising from weakened global demand but Tanzania's dependency on imports poses a new threat
- Tanzania needs to focus on policies to enhance the competitiveness of the agricultural and food sector rather than protectionist policies
- Based on the degree of dependency on global markets and limited alternative market or supply the value chain groups are ranked into: High risk (traditional exports and import substitutes), moderate risk (on-traditional exports and farm/livestock input), and low risk (food crops; livestock and fisheries)
- Based on the synthesis the following key recommendations are made: Food crops (address cross-border trade challenges enhance productivity and public stocks) traditional exports (e-commoditize) on-traditional (diversify markets) import substitutes (establish modest public stocks enhance domestic production) Livestock and fisheries (invest in product value addition), and Farm input (invest in domestic production).

## 1. INTRODUCTION

Since the outbreak of Covid-19 in the country in early 2020, several analytical studies have been conducted to assess its effect and potential impact on agriculture and food systems in Tanzania. Central to the analysis is the recognition of the importance of agriculture which is the main source of livelihood for two-thirds of the population and contributes to 29% of GDP (NBS, 2019). Also, the Tanzanian households spend 60 percent of their budget on food (HBS, 2018). This policy brief synthesizes the recent Covid-19 studies with a purpose of drawing policy implications to mitigate its impact on agriculture and food systems while building resilience for future pandemic outbreaks. Most of the studies are analyzing potential impact (ex-ante) of Covid-19 in agriculture and food systems based on the analysis of secondary data. There are limited studies collecting primary data (post-ante) using mobile phone surveys and value chain case studies, reflecting challenges of collecting primary data in the wake of Covid-19 and probably the short timeline since the outbreak of the pandemic.





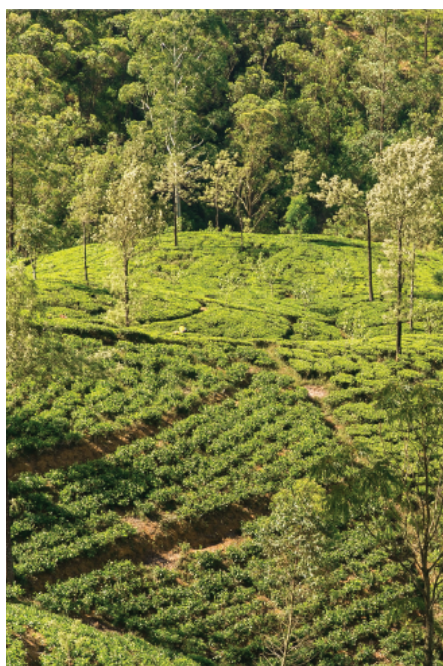
## 2. STAPLES AND FOOD CROPS

Food crops are important for food security in Tanzania as 64% of farmers (4.5 million farms) grow such crops as maize, rice, beans, etc. Food crops are important for poverty reduction due to a greater participation rate of farmers in their production. Also the predominance of the informal sector makes it easier for entry and exit of farmers and the small and medium-sized enterprises (SMEs) in the value chain.

Tanzania has for the past 20 years been self-sufficient in food with an average annual surplus of about 20%. In the 2019/20 cropping season, Tanzania was estimated to have a 15-20% surplus in food production. The country's annual food requirement is about 13 million tonnes while production is about 16 million tonnes, leading to a surplus of about 3 million tonnes. Of the 16 million tonnes, cereals constitute about 9 million tonnes of which maize and rice are 6 million and 1.5 million tonnes, respectively (MoA, 2020). The production pattern has not changed much during the last two decades maintaining a surplus of from 15% to 20%. Cereals post-harvest losses are estimated to be about 30% (MoA, 2019). In contrast, the Eastern, Central and Southern Africa was projected to have pandemic hunger with over 18 million people needing food support due to the compounded effect of Covid-19, drought, floods, locust outbreak and conflicts. The dire prediction is likely to persist in the 2020/21 cropping season (WFP 2020, AGRA, 2020). Tanzania could benefit from the regional food market (commercial and food aid); however, disparities in the Covid-19 policy and regulations among the East African Community (EAC)/the Southern African Development Community (SADC) members have hampered optimal operations in regional trade (EAGC, 2020). Moreover, Tanzania's marginal food surplus and incoherent food standards including sanitary and phytosanitary standards (SPS) have undermined regional trade.



## 3. TRADITIONAL EXPORTS



Tanzania's traditional export crops are grown by 1.5 million farmers and include cashew nut, cotton, coffee, tobacco, tea, sisal and pyrethrum. Annual export earnings of these crops range from USD 700 million to USD 1 billion. The sub-sector is predominantly formal and hence easier to regulate and enforce standards. It consists of local and international export companies. Export markets for Tanzania are diverse (Asia and Europe) which is an advantage in a situation of crisis. However, recent studies have shown a mixed picture. On the one side, there is weakened global demand and the resulting slump in global market price will have a negative repercussion to farmers. For example, global supply of raw cashews is plenty (from Vietnam and West Africa); however, there is a reduced consumption of cashew kernels due to Covid-19 pandemic. In the first two months of 2020 global exports of cashew kernels declined by 1.6% in volume and 13% in value (????). Moreover, global prices for cotton declined by 10% in the first quarter of 2020 compared to the same quarter in 2019. The decline was attributed to increased production accompanied by low demand. On the other hand, there are other dynamics in the market that are likely to positively affect traditional exports prices. For example, according to Bloomberg, excessive rains in Brazil are likely to reduce coffee supply and hence triggering higher global prices. The Food and Agriculture Organization of the United Nations (FAO) indicates that demand for new products made from sisal has been growing at a very fast rate in the world market over the past decade. Besides, projections by Statista (2020) show that the tobacco global market is expected to grow annually by 2.1% between 2020-and 2023 (SERA BORA Project, 2020). Based on review of various reports, there is cautious optimism in traditional export commodities despite Covid-19 (SERA Project, 2020). The cashew nut study by ANSAF-Tanzania strengthens these observations (ANSAF, 2020).



#### 4. NON-TRADITIONAL EXPORTS

Tanzania earns about USD 700 million annually from horticultural crop exports. The sub-sector is important as 4 million farmers, especially youth and women, are engaged in various activities along the value chain. Export of most horticultural produce is by air-freight (though sea-freight for avocado is common) and hence adversely affected by the grounding of airline services in the wake of Covid-19. Since the outbreak of Covid-19 horticultural exports have been disrupted due to lack of or unpredictable cargo flights. For example, in April when KLM suspended their daily flights to Europe, TAHA had to arrange for an alternative cargo flight through Ethiopian Airlines. Moreover, the Government intends to purchase a cargo plane through the national carrier – Air Tanzania Corporation. TAHA and TradeMark EA have recently commissioned a study on how to improve the competitiveness of air and ocean freight for horticultural produce from Tanzania. Assessment by TAHA indicates a threat to a loss of \$150 million export earnings and over 12,000 jobs. The domestic fresh juice market in tourist hotels has collapsed after closure of most tourist hotels since the outbreak of Covid-19. Some new markets for fresh produce are emerging in the Middle-East and domestic markets as international supply chains are curtailed by air-freight challenges. Based on the analysis, there are threats and cautious optimism in non-traditional exports especially for horticulture (TAHA 2020).

#### 5. IMPORT SUBSTITUTES

Despite domestic production, Tanzania spends about USD 650 million annually on food imports mostly edible oil (USD 270 million), sugar (USD 135 million) and wheat (USD 225 million). There has been a consistent shortfall of these essential commodities over the years. For example, total production of wheat averages 94,073 tonnes against the requirements of 1 million tonnes hence imports of 900,000 tonnes. Total production of edible oils is estimated at 216,000 tonnes per annum while actual requirements are about 600,000 tonnes. The shortfall of 420,000 tonnes is imported. For the case of sugar, annual demand is estimated at 630,000 tonnes while total production is only 300,000 tonnes hence annual imports of 330,000 tonnes (ASPIRES Project, 2020). The local media in Tanzania has reported consumers' concern on rising prices of sugar and edible oil. For example, CIF price of edible oil at Dar es Salaam port has increased from USD 700 per tonne in December 2019 to USD 1,030 per tonne in December 2020 (MIT, 2020). Moreover, inflation has increased from 3.5% in 2019 to 3.56% in 2020 (BoT, 2020).

The food import sector is highly concentrated and oligopolistic. Imported wheat and edible oil are further processed domestically while the sugar value chain cascades into confectionary and soft-drink industries and supply chain hence providing employment to potentially 50,000 Tanzanians. Tanzania's dependency on imports (wheat 91%, edible oil 66% and sugar 52%) poses some risks due to potential disruption of global supply chains resulting from Covid-19. Global markets for these commodities are threatened by trade restrictions. Analysis by the International Food Policy Research Institute (IFPRI) indicates that over 20 countries including wheat exporters have imposed export restrictions in the wake of Covid-19. In recent months, Tanzania has experienced a rapid price rise of the import substitutes. Prices of these commodities are likely to rise or become unstable for the foreseeable future. Wheat, sugar and edible oils are essential commodities in Tanzania and their price increases could negatively impact households, especially those with low income. Monitoring of domestic retail markets has shown price increases and occasional shortages as consumers exhibit panic purchase since the outbreak of Covid-19. Covid-19 might be a blessing in disguise for Tanzania to boost its domestic production and competitiveness of these commodities.



## 6. LIVESTOCK AND FISHERIES

Tanzania has the third largest livestock population in Africa with 32.2 million cattle, 20 million goats, 5.5 million sheep and 80 million chickens. Livestock contributes about 4% of GDP and there are 4 million livestock keepers. The analysis by Dalberg (2020) indicates potential Covid-19 risk especially in the poultry sector due to its dependence on importation of parent stock, veterinary medicines and ingredients for feed manufacturing. Disruption in the supply chain may negatively impact the sub-sector. Also, regional food deficits may lead to increase in prices of maize and hence raise the price of feed as well as livestock and fish products.

The consumer base for beef is anchored on the domestic market, which has experienced economic shocks and therefore depressed demand. The importation of inputs and the reliance on crowded aggregation centers to supply to non-production zones have posed challenges to the dairy industry. The regional export market for hides and skins has witnessed delays due to increased border checks, leading to potential increases in cost. With disruptions in the global supply chain and increased border controls, there has been low input supply and slowdown in beef trade. Overall, there has been a slowdown in beef trade and potential increases in price. Given restrictions in border access, export of live cattle or processed beef has been constrained. For example, truck drivers at the Namanga (Kenya-Tanzania) border have reported longer queues than usual due to increased health checks. Given that drivers can only deliver goods within a 20km radius of the border, there is requirement for additional last-mile delivery services of the goods. This has subsequently increased production cost. For the domestic market, depressed spending and closure of or reduced people density in crowded areas such as hotels and mines, have lowered market demand.

There has also been disruption of open auction markets and milk collection centers: Supply from producers to markets rely on aggregation centers, including open auction markets for beef and milk collection centers for dairy. These are characterized as highly crowded spaces. With potential closure of and/or limited operating hours of crowded spaces, the supply of cattle and milk to markets beyond production zones has been disrupted.

Export of Nile-perch and other fish products to Europe has stopped because of lack of cargo-freight service. Currently six fish processing factories in the Lake Zone are processing less than their installed capacity. Exports of fish products from Tanzania have declined sharply by 66%. If the situation continues the decline in exports could increase to 90% and processing plants may close down resulting in loss of hundreds of jobs (Ministry of Livestock and Fisheries, 2020).

Given the contraction in the global economy, the export market for captured fish has witnessed a decline in demand driven by reduced private spending. With the anticipated global recession, the fisheries sector has witnessed reduced demand for premium products (e.g., Nile Perch) in export markets. Due to the closure of restaurants and hotels, aquaculture farms have witnessed a reduced demand. Consequently, demand for premium fish products has declined; however, demand for cheaper protein alternatives have increased.

The reduced demand for premium protein sources such as chicken and beef has presented an opportunity for increased demand for cheaper protein alternatives such as sardines, tilapia and catfish. There is also a possibility for the recovery of marine and freshwater resources. With potential decline in demand, there is an opportunity for fishery reserves to recover from years of utilization. This is especially the case for over exploited marine resources such as prawns. Marine and freshwater reserves can expect to see an increase in resources over the next few months (Dalberg, 2020).





## 7. FARM INPUTS

Tanzania imports over 95% of its fertilizer spending annually USD 155 million. Most of the fertilizer which include Urea, DAP and NPK is imported from Saudi Arabia, Russia, Morocco and Norway. Since the outbreak of Covid-19, oil prices have slumped because of the weakening global demand. Despite a recent agreement by OPEC and oil exporters to regulate exports, prices are likely to remain low due to weak global demand. Most of the factories in the major producing factories are not optimally functioning due to disruptions of Covid-19, resulting in a 15% percent increase in prices compared to 2019. Delays or importing at higher prices have negatively affected productivity in 2020/21. Pesticides and chemicals are usually imported from mostly China, Italy, Turkey and India; their availability and prices have also been affected by Covid-19 (Ministry of Agriculture, MoA, 2020). In the first quarter of 2020, more than 50% of fertilizer factories in China had closed down due to challenges related to transportation of fertilizers and raw materials. A number of them in the European countries followed suit (ARA, 2020).

About 60% of the imported fertilizer is used in the Southern Highlands for maize and rice production. Unreliable fertilizer supply may reduce food production despite the fact that only 18% of farmers have adopted inorganic fertilizer. In view of the fact that usually, fertilizer price is a lagged price of oil, farmers might benefit from declining fertilizer price. However, reliance on fertilizer imports is risky due to disruption in fertilizer manufacturing and trade logistics. It should also be noted that transportation cost in developing countries constitutes over 50% of marketing cost. Cheaper oil price may enhance the competitiveness of agricultural exporters. Tanzania is likely to benefit from the current cheaper global energy price and potential lower prices for fertilizers in the near future.

In view of the anticipated disruptions in the upcoming agricultural inputs market sector that includes maize seed, fertilizer and crop protection inputs, it is likely there would be an increase in counterfeit products. Also, if high-quality products are subject to price spikes, a substitution effect would occur. With the anticipated economic slowdown, there will be an increased burden on Tanzanian research institutions/private sector to offset import demand for agricultural inputs, which will strain their already limited resources and likely lead to a reduction in production levels for the cereals market in 2020/2021 cereals cropping season in the Southern Highlands. During this period, it would be expected that the NFRA would have to use their grain reserves to offset market deficiencies and stabilize commodity prices.



## 8. CONCLUSION AND POLICY IMPLICATIONS

Based on the foregoing synthesis, the six value chain categories are ranked by the risk level taking into consideration the degree of dependency on global markets and limited alternative markets or supply sources. Then policy recommendations are made accordingly.

**Table 1: Ranking of value chain categories by the degree of risk**

Value Chain	Risk Level	Justification	What is at Stake	Recommendation
Food crops	Low	<ul style="list-style-type: none"> <li>• Self-sufficient</li> <li>• Surplus exported regionally (&gt;20%)</li> </ul>	<ul style="list-style-type: none"> <li>• 4.5 million farming HH</li> </ul>	<ul style="list-style-type: none"> <li>• Address cross-border challenges</li> <li>• Improve productivity</li> <li>• Enhance public stock management</li> </ul>
Traditional exports	High	<ul style="list-style-type: none"> <li>• About 100% dependent on export markets</li> </ul>	<ul style="list-style-type: none"> <li>• 1.5 million farming HH</li> <li>• \$700 - \$1,000 million export revenue</li> </ul>	<ul style="list-style-type: none"> <li>• De-commoditize produce by investing in domestic value addition</li> <li>• Diversify markets</li> </ul>
Non-traditional exports	Moderate	<ul style="list-style-type: none"> <li>• Segmented into export and domestic market</li> </ul>	<ul style="list-style-type: none"> <li>• Over \$300 million export revenue</li> <li>• 2 million farming HH</li> </ul>	<ul style="list-style-type: none"> <li>• Diversify export markets from Europe to middle-east and Asian countries</li> </ul>
Import substitutes	High	<ul style="list-style-type: none"> <li>• Over 50% dependent on</li> </ul>	<ul style="list-style-type: none"> <li>• \$650 million food</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen market intelligence</li> </ul>

Value Chain	Risk Level	Justification	What is at Stake	Recommendation
		imports	import bill <ul style="list-style-type: none"> <li>• 2 million farmers</li> <li>• 11 million HH as consumers</li> </ul>	<ul style="list-style-type: none"> <li>• Accelerate policy reforms to enhance competitiveness of domestic production</li> </ul>
Livestock & fisheries	Low	<ul style="list-style-type: none"> <li>• Predominantly traditional sector</li> <li>• Importation of vet medicines, feed ingredients and poultry parent stock</li> <li>• Importation of high-value processed livestock products – milk, cheese, butter, sausages, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• 500,000 farmer of improved livestock, poultry and aquaculture heavily depending on imported inputs</li> <li>• 3.5 million HH keeping livestock</li> </ul>	<ul style="list-style-type: none"> <li>• Promote domestic investment in livestock farm input e.g. vet pharmaceuticals, feed, etc.</li> <li>• Invest in livestock processing industry</li> </ul>
Farm input	Moderate	<ul style="list-style-type: none"> <li>• High dependency on imports: Fertilizer (90%), seed (60%), pesticide (90%), vet pharmaceuticals, feed ingredients, poultry parent stock, etc.</li> <li>• Risk level lowered as only 15% of farmers use fertilizer, improved seed and pesticide.</li> </ul>	<ul style="list-style-type: none"> <li>• 15% of farming households</li> <li>• Input intensive crops e.g. maize, rice, horticulture, coffee and tobacco</li> </ul>	<ul style="list-style-type: none"> <li>• Invest in farm input industries –fertilizer, seed, pharmaceuticals, poultry parent stock, etc</li> </ul>



Based on the synthesis of various studies on the impact of Covid-19 on agriculture and food systems, the following policy implications are drawn so as to provide short-term food relief while contributing to the longer term food security and agricultural transformation:

## Food Security at Household Level

- Strengthening market information and its dissemination is essential for farmers to understand and take advantage of market dynamics and emerging opportunities in regional food trade.
- Strengthening the Warehouse Receipt System (WRS) to increase crop value, reduce damage and enable the farmer to access credit while waiting for prices to pick up.

## National Food Security

- During the pandemic, Tanzania could take advantage to accelerate reforms that would provide food relief in the short-time while providing long-term impact in food security.
- There is a need to increase food storage capacity of the National Food Reserve Authority (NFRA) to at least 200,000 tonnes.
- There is a need to increase food storage capacity of the National Food Reserve Authority (NFRA) to at least 200,000 tonnes.
- The NFRA should be funded well in advance to purchase produce during harvest time before prices rise.
- The NFRA could engage in a forward contract with the World Food Program (WFP) to offload half of its stock towards the end of the year as the Vuli (short rains) season sets in.
- Tanzania could increase its food surplus from the current 20% to 50% so that it could trade without the risk of domestic food insecurity. One such strategy is to enhance productivity of cereals as the current yields are about only 1 tonne per hectare.
- Since 80% of fertilizers and 60% of seeds are imported, relaxing some of trade regulations, such as bulky fertilizer procurement, would be important in times of crisis such as Covid-19 pandemic. There is a potential risk to rely on a single importer during such a crisis time.

- Tanzania could fast track deregulations in farm inputs to reduce the timeline and cost of registration for improved seed variety, pesticides, veterinary medicine and fertilizer.

## Mitigating Price Shocks in Food Markets

- The Marketing Section at the Ministry of Agriculture (MoA) should be strengthened to monitor marketing trends locally, regionally and internationally.
- The private sector should be involved so as to monitor both public and private grain stocks.
- The NFRA should maintain modest but strategic stocks for import substitutes such as sugar and edible oil to mitigate price shocks as supply chains are disrupted and consumers make panic purchases.
- The MoA needs to initiate negotiations with neighboring countries such as Kenya, Uganda, Rwanda, Burundi, Zambia and the DRC to create an enabling environment for food trucks crossing the borders.





## Enhancing Tanzania's Agricultural Competitiveness

- Tanzania should focus on policies that would enhance the competitiveness of agricultural exports and import substitutes rather than protectionist policies.
- There is need for improvement of the national database (covering issues around food security and nutrition, production patterns etc.). Availability of reliable data will allow the country to do some forecasting as well as making informed decisions.
- Tanzania should capitalize on the emerging commercial and food aid grain market in the eastern and southern African region and also the Middle East (cereals, fish, horticulture, and poultry) and China for soya beans and cassava. The fragile nature of food security in the region means that Tanzania could really take advantage of it.
- Establish more certifications and standards to access export markets targeting the newly emerging markets in China and the Gulf. Special efforts should be made to ensure that the small-scale farmers are able to benefit from these new developments.
- Improve logistical infrastructure for export produce: Tanzania needs reliable air freighter services to facilitate export of horticultural crops. The Government intends to purchase a cargo plane that will facilitate airfreight of horticultural produce and other perishables to the overseas markets. This intervention will not only address the challenges of lifting cargo during the pandemics, but could also catalyze the cargo freight sector.
- Bilateral arrangements on logistics in high value markets in the region using EAC and SADC: It is important for the Government to provide an enabling environment for sectors that have a huge opportunity to thrive as a result of Covid-19 (such as horticulture and other agricultural exports) by utilizing the ready markets within the regional blocs. This could be done by granting tax breaks to companies seeking to increase their capacity to produce import substitute goods (sugar and edible oils), which could even mean zero-rating VAT for a specified period.

## Livestock and fisheries sector

- Improve supply chain efficiencies in the livestock and fisheries sector to keep micro, small, and medium enterprises (MSMEs) afloat, while monitoring the situation for potential opportunities. Specific measures should include: supporting efforts towards bulk ordering of inputs to lower operational costs and delays in supply; encourage businesses to adopt digital market linkages given potential closure of aggregation points; refocus markets towards net oil importers; re-focus markets towards cheaper protein alternatives such as fish (e.g. dagaa/sardines); support potential Government interventions on deferrals for SMEs, such as extending moratorium loans or lowering interest rates over brief periods of time; continue to monitor the situation and its impact on businesses; continue efforts towards market diversification and consider local manufacturing for products that are potential import substitutes.
- Institute “targeted” policy measures relevant to different segments of the livestock value chain as summarized in Table 2.

PRODUCTION	PROCESSING	MARKETS
Promote bulk ordering of inputs to ensure national orders are prioritized by global suppliers	Review and adapt biosafety measures to Covid-19 and provide these as a checklist to processors (e.g., slaughterhouses)	Promote collective aggregation and marketing to maintain demand for products, e.g., by increasing access to e-commerce platforms for milk
Enlist inputs suppliers as essential workers during outbreaks when movement restrictions are imposed	Support processors to attain certifications for export markets	Ensure export harmonization with trade partners and continue to negotiate border movement during outbreaks
Promote local content to limit reliance on global supply chains, e.g., for feed, stock supply and veterinary products	Extend tax exemption on inputs and exports to provide relief to processors, e.g., import tax exemption on feed machines	

*Source: DALBERG, COVID Policy Response on Livestock and Fisheries Sector, December 2020*

### **Institute policy measures to limit the potential spread of zoonotic diseases. These may include the following:**

- Review and update biosecurity and biosafety requirements and disseminate them widely to farmers, livestock and live animal markets, slaughterhouses and animal health professionals
- Maintain the capacity of national reference laboratories to support surveillance, diagnosis, early detection and response to outbreaks
- Introduce/maintain ICTs, including online platforms, to facilitate livestock farmers contacting veterinarians and livestock husbandry consultants in order to obtain advice
- Encourage veterinary services to continue supporting farmers, including real-time communication using technologies such as WhatsApp

### **Nutrition and food security**

Minimize impact on nutrition and food security. Given the correlation between livelihoods, malnutrition, infectious and non-communicable diseases, there is a possibility for Covid 19 to further aggravate the crisis among the poorest and most vulnerable people and communities in Tanzania. It is therefore critical to ensure that nutrition is an integral part of the Covid-19 response, both to mitigate the impact of the current crisis, as well as to build resilience against future shocks, especially among the most vulnerable.

### **Restructure the financial services – cash initiatives to support the private sector**

Targeted measures to cushion the private sector: Because of the potential loan defaults or delayed payments from the 2019/20 harvesting season the Government should work with ongoing donor initiatives to assess scope for loan forgiveness or use of “cash transfer” initiatives to support the country’s private sector. Loan restructuring is also necessary to sustain horticultural exporters during the crisis.

## Fiscal incentives

Introduction of affordable loan products for the sector: The Tanzania Agricultural Development Bank can provide bridge financing products for agricultural businesses. The Government can provide a “stimulus package” for highly affected value chains. Other fiscal incentives proposed for businesses in the agricultural sector due to the impact of Covid-19 include reliefs in tax, fees, levies and charges (Dalberg 2020)

## Targeted measures to address loss of income

Scale up social protection programs: These safety net programs should be augmented with safe and direct food distribution. This should apply in cases where measures described above fail to deliver safely functioning food markets. The social protection programs should be accompanied by advisories/messages on nutrition, social distancing, hygiene, etc.

## Technologies and innovation:

Post Covid-19 era: The future of businesses (including agriculture and food systems), will certainly be “online”. To be globally competitive, businesses will have to take advantage of the most recent technologies and innovation and drive the industry in that space.

Promote digital marketing and commodity exchanges: As part of Covid-19 response, there is a need to promote digital marketing in the agriculture and food systems in Tanzania. Value chain actors should be empowered on how to trade more digitally than physically. Market linkages can be promoted through establishment of “digital marketing platforms”.





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The background of the cover is a photograph of a vegetable market stall, overlaid with a semi-transparent green filter. Several woven baskets are visible, filled with various types of fresh produce. In the upper left, a basket contains yellowish-orange items, possibly tomatoes or small peppers. To the right, a basket holds long, green, pointed vegetables, likely okra. The central part of the image shows a large basket filled with light-colored, leafy vegetables, possibly lettuce or cabbage. In the foreground, a large basket is filled with long, green beans. A small, handwritten tag is visible in one of the baskets, with the word "Sprouts" clearly legible. The overall scene depicts a vibrant and fresh agricultural market.

# ASPIRES Tanzania

*Agricultural Sector Policy and Institutional Reforms Strengthening*