

UNLOCKING THE CASSAVA TREASURE: A Path to Elevate Export Revenues in Tanzania

Executive Summary

Over the past 15 years, Tanzania has developed the Agricultural Marketing Policy (2008), which provides legal and regulatory guidance to the government and private sector actors in enhancing the quality standards and competitive prices of agricultural commodities. Nevertheless, there is limited information on how this policy guideline is implemented by market actors at the local level. These knowledge gaps underscore the necessity for a rapid market survey carried out in July 2023, with dried cassava chips used as a case study on agricultural commodities exported to neighbouring countries.

The results showed that the average export of dried cassava chips was 209,778 tons in 2020–2022, and the average annual value of exports is estimated at TZS 144.84 billion. However, in contrast to priority policy actions stated in the Agricultural Marketing Policy (2008), evidence in the field indicates that market actors have limited awareness of quality protocols, and the marketing of dried cassava chips is informal and uncoordinated, creating structural transaction inefficiencies and limiting revenue to the government and smallholder producers. There is also limited capacity for border post clearance procedures and infrastructure due to low operating equipment/technologies.

In conclusion, despite Tanzania having existing policies that provide regulatory guidance to market actors, quality standards are not adequately enforced. Therefore, this policy brief calls for 1. the review of quality standards for local adaptation and implementation; 2. the strengthening of farmer organizations to meet business opportunities; and 3. the investment in infrastructure and technology at border posts.

Policy Issue and Analysis

Smallholder producers play a significant role in many economies, particularly in countries like Tanzania. Empowering them through effective policy implementation can contribute to economic growth, poverty reduction, and improved livelihoods. In this context, policies, such as the Tanzania Agriculture Marketing Policy (2008), aligned with broader national development frameworks such as the Tanzania Development Vision (TDV – 2025), call for policy actions by the government and private sector to build the capacity of smallholder producers to meet quality, volumes, and facilitate business interaction with other actors for collective sale and enhanced competitiveness. However, despite the existence of such policies and frameworks, there is a gap in understanding how these policies are adapted and implemented at the local level, particularly concerning non-traditional agricultural commodities like dried cassava chips that are exported across borders, including to neighbouring countries and China.

Addressing this knowledge gap is crucial for several reasons which include: (a) Effective implementation, notably in local contexts where challenges and opportunities vary, and policies need to be adapted accordingly for successful outcomes; and (b) Enhanced competitiveness with a deep understanding how market actors interact and engage in collective sales is critical for fostering efficient market systems. This knowledge can inform strategies to improve quality, strengthen value chains, promote cooperation among stakeholders, and facilitate access to markets.

Against this background, a rapid market survey was carried out in six regions (see Figure 1), which interviewed: (a) around 130 market actors involved in the production, aggregation, transportation, and trade of dried cassava chips; and (b) at least 20 policy experts and border officials from Tanzania.



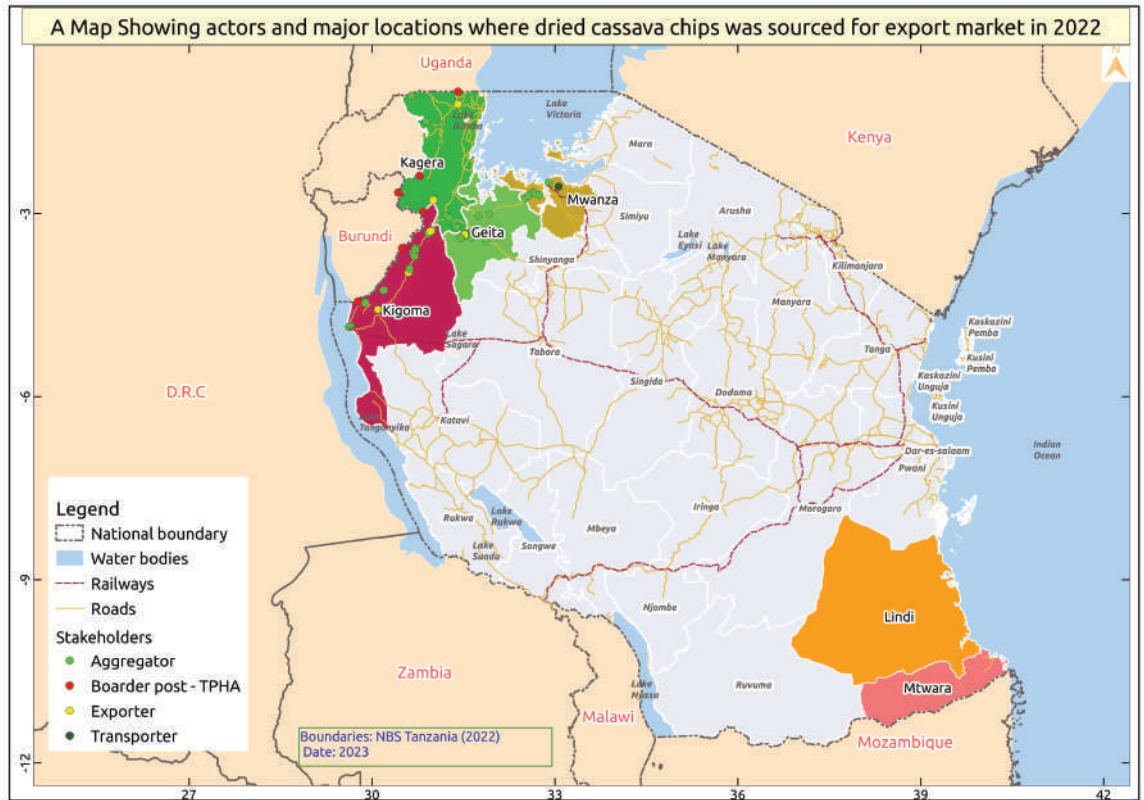


Figure 1: Map showing locations where the market survey was conducted.

Analysis and Findings

The results show that over the past three years (2020–2022), the average export of dried cassava chips was 209,778 tons, and the average annual value of exports is estimated at TZS 144.84 billion. The main destinations for agricultural commodities from Tanzania were Burundi, the DRC Congo, Kenya, Rwanda, South Sudan, and Uganda. However, policies and priorities to support smallholders to improve quality and competitiveness, such as those stipulated in the Agricultural Policy (2008), are not locally adapted and implemented by market actors. As discussed below, poor quality and disorganized producer organizations are among the root causes of market inefficiencies, and recommended policy actions are necessary to improve quality and enhance the competitiveness and sustainability of the value chain and generate more revenue for the government.

Limited local adaptation of quality standards

Despite the existence of policies and protocols aimed at ensuring the quality and safety of products like dried cassava, there are challenges in their effective implementation at the local level. For instance, the Agricultural Policy (2008) cited a need to ensure the quality of nontraditional agricultural commodities and a need for smallholder farmers to be organized for collective marketing (price negotiation). In addition, the East African Community developed a harmonized protocol for dried cassava in 2010 (EAS 739 (2010)) to address regulatory bottlenecks to the transboundary movement of cassava products. Nevertheless, these protocols and standards established at the international, regional, or national level are not effectively adapted to local contexts. Even if standards exist, they are outdated, and actors also lack the technical expertise to understand and implement relevant procedures, such as testing and quality control measures. EAS 739 (2010) is the standard protocol for the East African Community developed in 2010, and among other things, it guides for testing for hydrogen cyanide levels, which requires specific expertise and equipment (such as DEAS 744), which is not readily available or understood by key stakeholders in the supply chain.

Poor infrastructure and technology constraints

According to interviewed market actors, the lack of access to washing and drying facilities or appropriate technologies is the main root cause of poor quality. As seen in the figure below, inadequate infrastructure forces farmers to dry their products on bare ground and assemble them in open spaces, which increases the risk of contamination and reduces the quality of the final product. Traders indicated that they normally offload the bags and sort them into grades A, B and C, and each higher grade gets premium prices between 20 to 30%.



Figure 2a: Due to lack of appropriate drying technologies, farmers use bare ground to dry their cassava chips



Figure 2b: Aggregation in open spaces along the main roads

Marketing of dried cassava chips is informal and disorganized, creating structural transaction inefficiencies.

The marketing system is in contrast with the policy and guidelines, such as the Agricultural Marketing Policy (2008), which emphasize quality and smallholder farmers' organising through their Cooperative Societies for collective marketing and enhanced competitiveness. Conversely, marketing of dried cassava chips is informal and disorganized, creating structural transaction inefficiencies. As shown in *Figure 3*, dried cassava chips are sourced from individual farmers by small brokers, locally known as *Chingas* or *Machingas*, who conduct house-to-house scouting with motorbikes. This is evidence that a large proportion of the sub-sector is informal and disorganized.

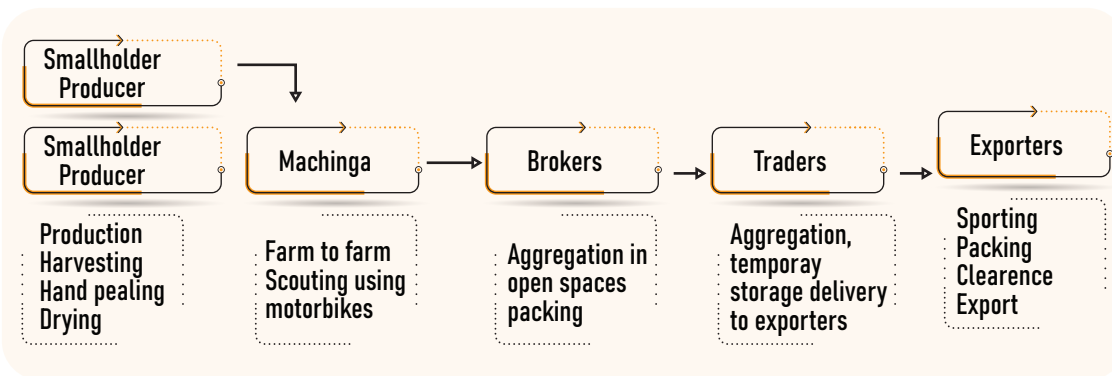


Figure 3: Market actors for dried cassava chips and their supporting functions

Limited infrastructures at border posts

Due to limited infrastructures at border posts, inspection is done manually which creates congestion. According to policy experts interviewed, investment in infrastructure and technology at border posts is crucial for enhancing trade efficiency and reducing congestion. This includes constructing additional lanes for trucks, improving roads leading to the border, and upgrading existing infrastructure such as inspection bays and parking areas. A larger number of traders sometimes opt to use informal border posts to avoid congestion.

Policy Recommendations

Review of quality standards for local adaptation and implementation

Market actors have no understanding of these standards and enforcement mechanisms are limited at the local level. Recommended policy actions include (a) the conduct of technical workshops with neighbouring countries to review and harmonize mycotoxin standards and protocols; and (b) the identification and strengthening of aggregation centers, the provision of training to enhance knowledge on food standards, phytosanitary certification, tax requirements, and post-harvest management, and the development of protocols and guidelines in local languages (local adaptation).

Strengthening of farmer organizations to meet business opportunities

To strengthen farmer organizations for the export of dried cassava chips to neighbouring countries, especially through collective sales and aggregation, several steps can be taken as per the Agricultural Policy 2008 priorities which are currently not adapted and implemented. Actionable interventions include the introduction of low-cost and locally adapted technologies that ensure that cassava chips are properly dried to prevent mycotoxin contamination, such as introduction of solar dryers and high-efficiency mobile cassava slicers. These interventions can raise the competitiveness of Tanzania's dried cassava chips in markets through improved quality and grade of the products.

Investment in infrastructure and technology at border posts

Investment in infrastructure and technology at border posts is crucial for enhancing trade efficiency and reducing congestion. In addition, investment in training programs to enhance the skills and capabilities of border officials involved in clearance procedures is crucial. Training should cover areas such as risk management, handling of advanced inspection technologies, and customer service. Well-trained personnel are essential for efficient border operations and fostering positive trade relations.

Overall, these policy recommendations require collaborative efforts involving government agencies, private sector stakeholders, and development organizations. They are essential to elevate export revenues in Tanzania and promote local economic growth of Small and Medium Enterprises (SMEs) and smallholder producers.

SSUCORETA project

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