

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

Executive Summary

Over the past 15 years, Tanzania has implemented 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 exists a gap in understanding 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, this market study suggests that market actors possess a low level of awareness regarding quality protocols, and in most locations, the marketing of dried cassava chips is informal and uncoordinated, which affects revenue streams for stakeholders. Additionally, there is limited capacity at most of the border posts, primarily attributed to limited modern operational equipment and technologies.

In conclusion, this policy brief calls for the following interventions, which have the potential to enhance competitiveness and promote sustainability within the value chain, thereby generating more revenue for stakeholders: 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, where agriculture is a major sector. These individuals typically cultivate small plots of land and engage in various agricultural activities, ranging from crop production to marketing. 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 regulations and interventions 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 international markets such as 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 of how market actors interact and engage in collective sales. 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.



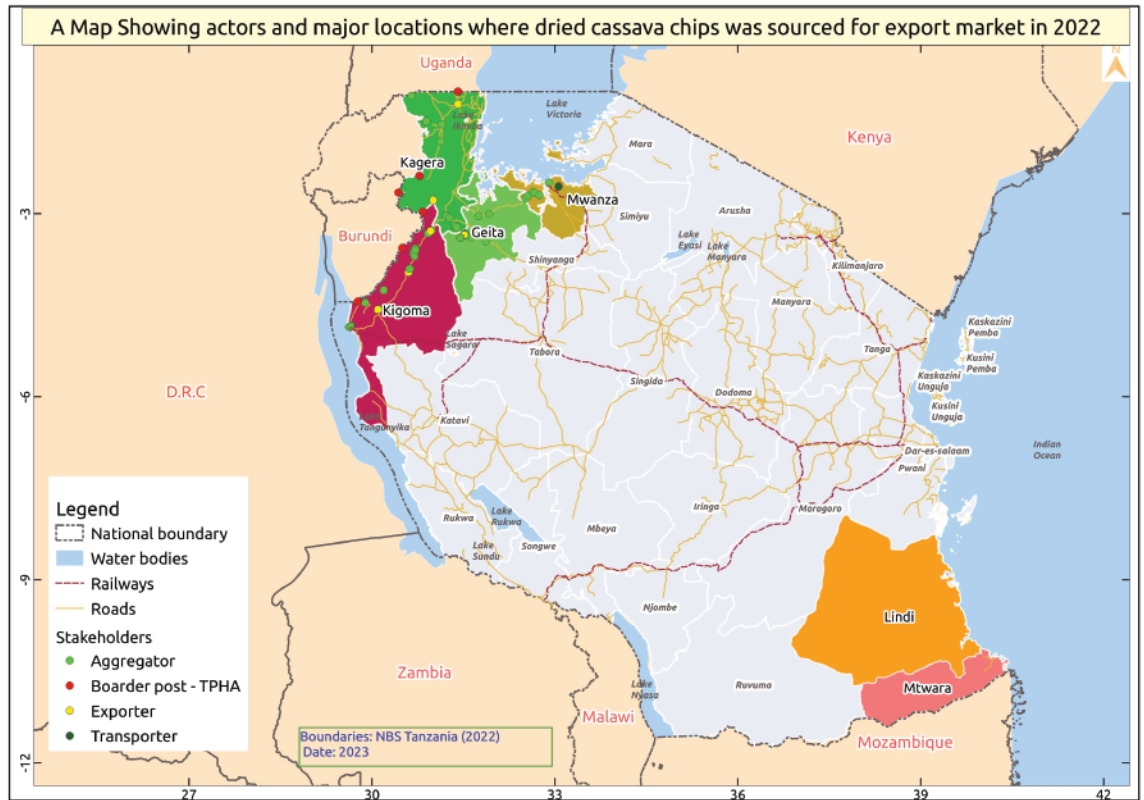


Figure 1: Map showing locations where the market survey was conducted.

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. Poor quality and disorganized producer organizations are among the root causes of market inefficiencies, and recommended policy actions are necessary to improve the competitiveness and sustainability of the value chain and generate more revenue for the national stakeholders.

Limited local adaptation of quality standards

Despite the establishment of policies and protocols at national and regional level aimed at ensuring the quality and safety of agricultural products, including dried cassava, challenges persist in their practical implementation at the grassroots level. The Agricultural Marketing Policy of 2008 emphasizes the importance of quality assurance for non-traditional agricultural commodities, advocating for the organization of smallholder farmers into collectives to improve marketing effectiveness and price negotiation. Additionally, the East African Community introduced the harmonized standard EAS 739 (2010) to facilitate the transboundary movement of cassava products by addressing regulatory obstacles. Nevertheless, these directives often encounter difficulties in local adaptation and application due to factors such as outdated regulations, insufficient technical proficiency among supply chain stakeholders, and inadequate resources for implementing essential procedures like testing and quality control measures. As an example, EAS 739 (2010) mandates testing for hydrogen cyanide levels, a process requiring specialized expertise and equipment. However, such resources are not readily accessible or understood by key players in the cassava supply chain, presenting a significant barrier to compliance.

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 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.

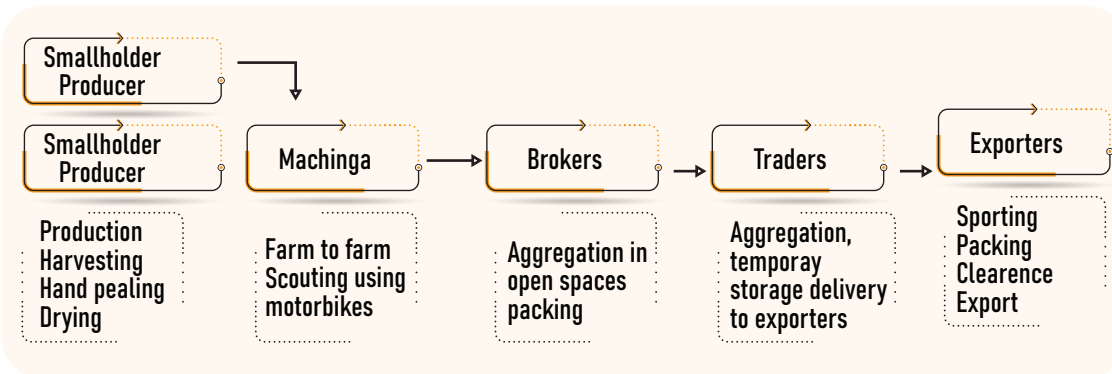


Figure 3: Market actors for dried cassava chips and their supporting functions

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 at times opt to use informal border posts to avoid congestion.

Policy Recommendations

Review of quality standards for local adaptation and implementation

Market actors have limited understanding of these standards and enforcement mechanism are restricted at the local level. Recommended policy actions include (a) the organization of technical workshops with neighbouring countries to review and harmonize mycotoxin standards and protocols and guidelines in local languages (local adaptation); and (b) the identification and strengthening of aggregation centers.

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 Marketing Policy 2008 priorities. 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 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, 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 improve export revenues in Tanzania and promote local economic growth of Small and Medium Enterprises (SMEs) and smallholder producers.

SSUCORETA project

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¹ International Institute of Tropical Agriculture (IITA)

² Tanzania Agricultural Research Institute (TARI)

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