



The United Republic of Tanzania  
Agriculture Sector Lead Ministries

# 4<sup>TH</sup> ANNUAL AGRICULTURAL POLICY CONFERENCE [AAPC]

## Integrating Food and Nutrition Security into Economic Transformation and Industrialization Agenda:

How can agriculture be the driver rather  
than follower of economic transformation in  
Tanzania?



**New Dodoma Hotel, Dodoma**

**14<sup>th</sup> - 16<sup>th</sup> February, 2018**



MICHIGAN STATE  
UNIVERSITY

ANSAP  
Agricultural Non-State Actors Forum

AGRA  
Growing Africa's Agriculture

AMDT  
Agricultural Modernization and Development Trust

TAHA  
TANZANIA HORTICULTURAL ASSOCIATION

MAFAP  
Ministry of Agriculture, Food and Fisheries

TRADE MARK  
EAST AFRICA  
Growing Prosperity Through Trade

iesc

ReSAKSS

Dalberg

FSDT  
Food Security Development Trust

ACT  
Agricultural Council of Tanzania

tpsf

EAGC  
EASTERN AFRICA GRAIN COUNCIL

ILRI  
International Livestock Research Institute

REPOA  
Rural Enterprise Promotion Organization

SAGCOT  
SPECIAL AGRI-CULTURAL GROUPS  
DEVELOPMENT OF TANZANIA

AfricaLead

Scaling up for food security in Africa



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# **Policy options to improve market access for Tanzanian pigeon peas**

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COUNCIL**



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# Outline of the Presentation

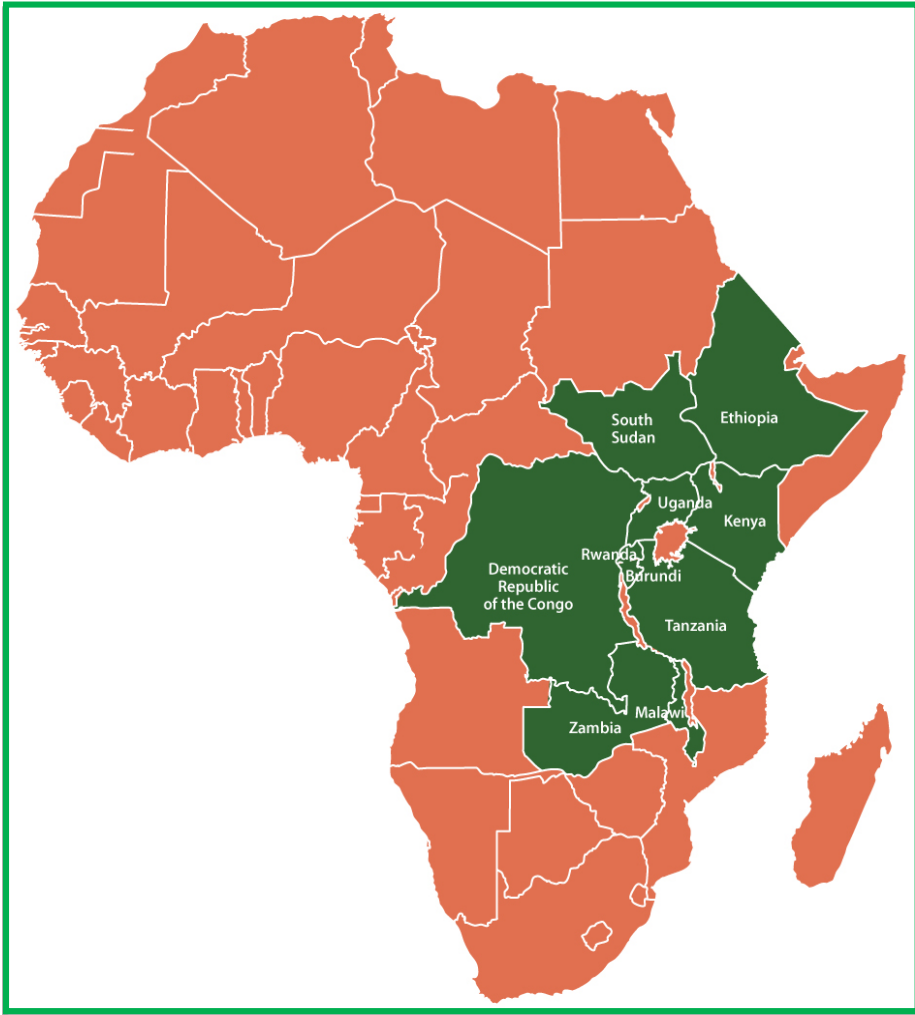
1. About EAGC
2. An overview of pigeon peas
3. The pigeon peas import ban by India
4. The rapid assessment of pigeon pea market in Tanzania
5. Recommendations



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### 1. About EAGC



- Regional, non-profit, membership based organization for the **Grain** value chain in the Eastern and Southern Africa
- Established in 2006
- **Objective:** To facilitate efficient, structured and **profitable** grain trade in the Eastern Africa region for optimum stakeholder benefits



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## EAGC Service Pillars



A service of  
**EAGC**  
EASTERN AFRICA GRAIN COUNCIL



**EASTERN AFRICA  
GRAIN  
INSTITUTE**  
Advancing expertise & innovation in grain industry

A specialized Training and Capacity Building Division  
of



Agricultural Trade Policy Advisory Forum for Eastern & Southern Africa

A Service of





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## EAGC Partners



**USAID**  
FROM THE AMERICAN PEOPLE

EAST AFRICA  
**TRADE + INVESTMENT HUB**



Sida



**AGRA**  
Growing Africa's Agriculture



**IFC**

**International Finance Corporation**  
WORLD BANK GROUP



**FoodTrade**  
East and Southern Africa  
*Facilitating regional trade in staple foods*



**Kilimo Trust**



**ASARECA**  
Transforming Agriculture for Improved Livelihoods

**ReSAKSS**



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# EAGC IN TANZANIA

- 71 member organisations
- 15+ local Partner organisations

### EAGC work in the pulses sector

- Implementing partner in the pulses sector for the UN-ITC SITA project
- Development of Pulses Value Chain Roadmaps 2016-2020
- Hosts the Tanzania Pulses Network
- Market linkage activities – pulses trade linkages worth **USD 12.4 million (TZS 27.7 billion in 2017)**
- Policy advocacy – use of methyl bromide for export consignments; pigeon peas market access
- Market information through EAGC RATIN



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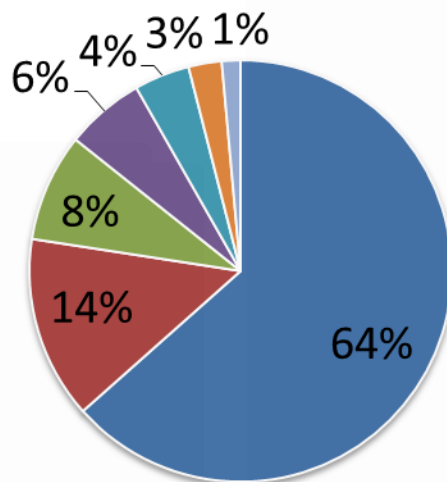
## 2. An overview of pigeon peas

### Global snapshot

- Approx. 4.5 million MT produced (2016)
- Major producers: India, Myanmar, Malawi, Tanzania, Kenya and Haiti

### 2016 production

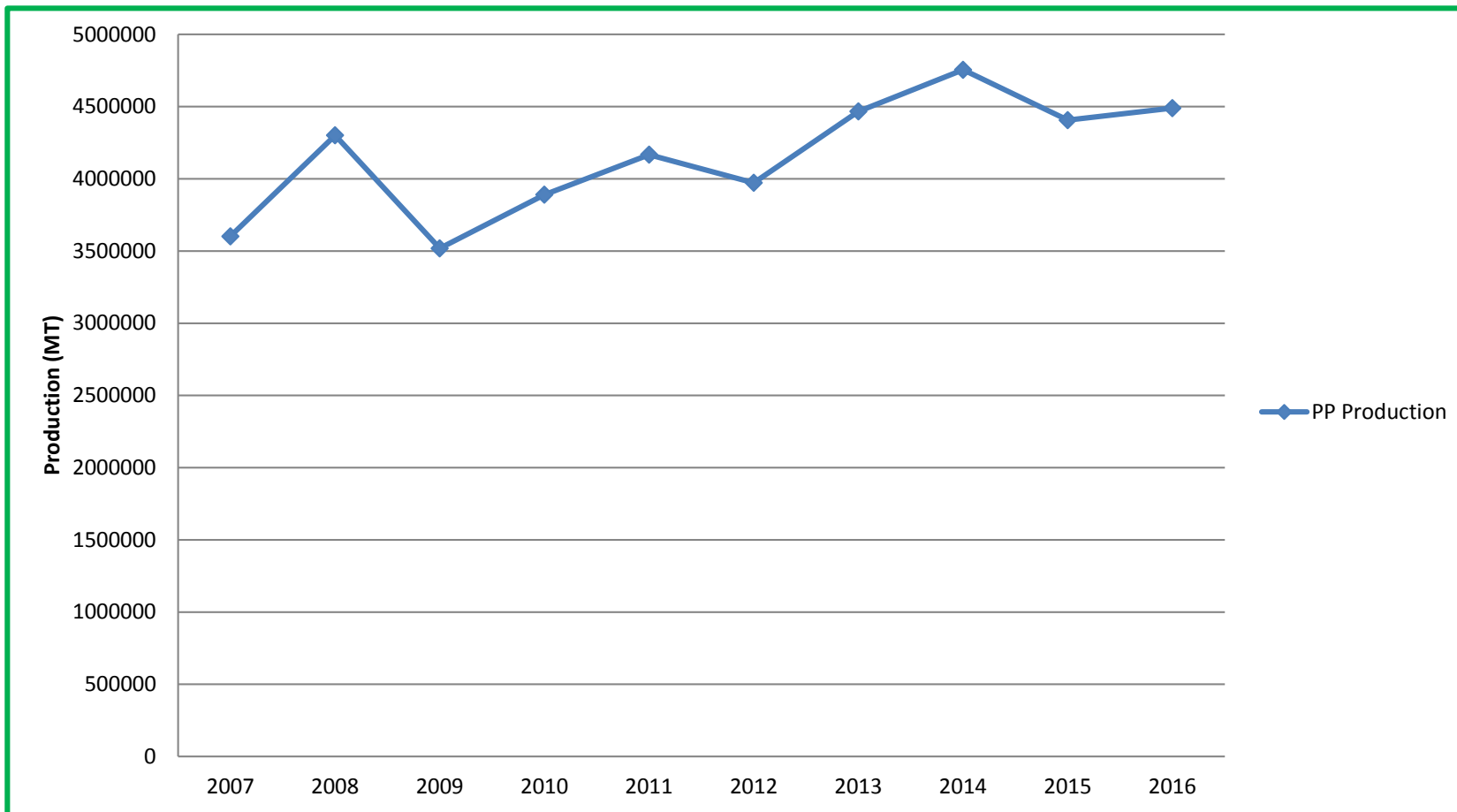
■ India ■ Myanmar ■ Malawi ■ Tanzania ■ Kenya ■ Haiti ■ Others







## Global pigeon peas production

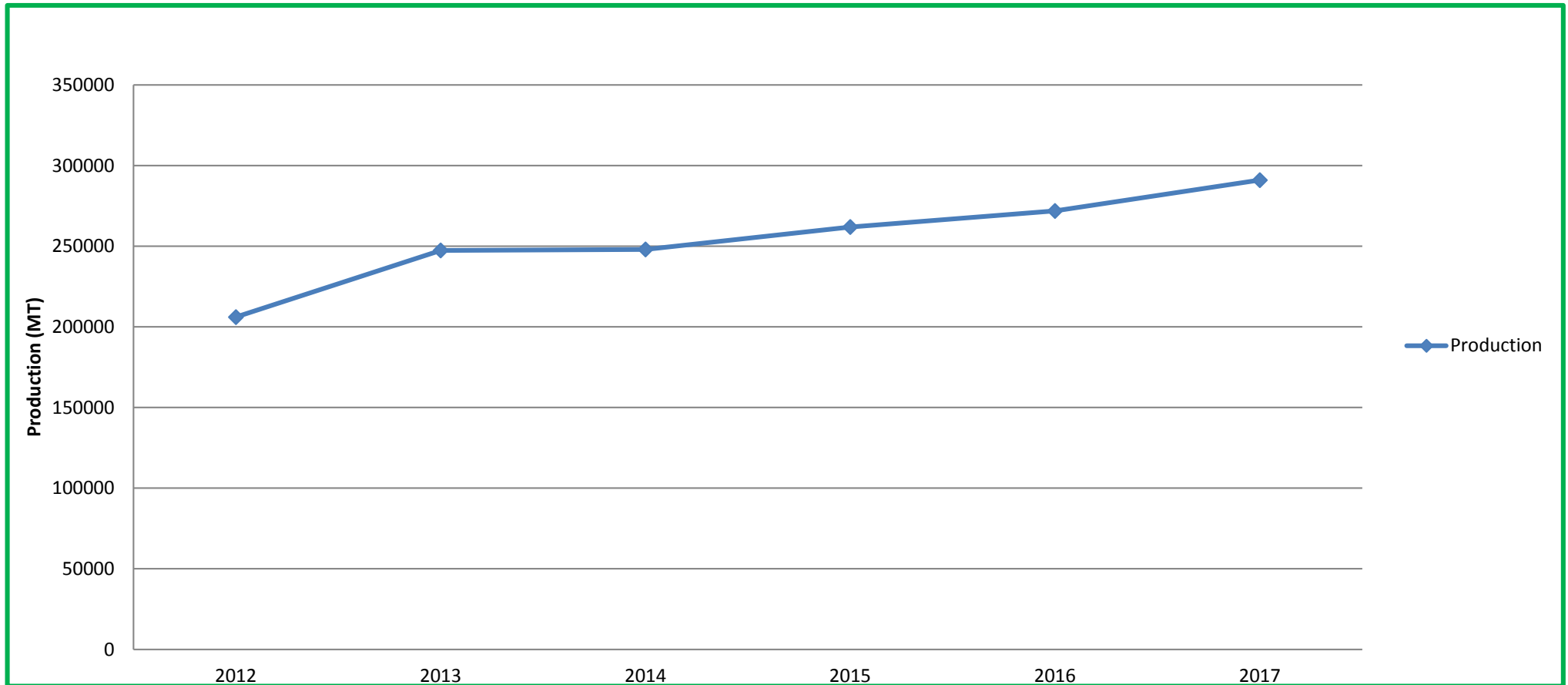


FAOSTAT





## Pigeon peas production in TZ, 2012-2017



Source: MoA/FAOSTAT and derived estimates

# 3. The pigeon peas import ban by India

### Timeline

- **July 2016:**
  - India Prime Minister visits Tanzania
  - encourages production of pulses for export to India
- **August 5, 2017**
  - India restricts Pigeon peas imports (import quota of 200,000 MT)
- **August 11, 2017**
  - India's bans pigeon pea imports
  - Countries with MoU/Bilateral agreement exempted from ban
- **August 28-29 2017**
  - Bilateral trade meeting between India and Tanzania in New Delhi

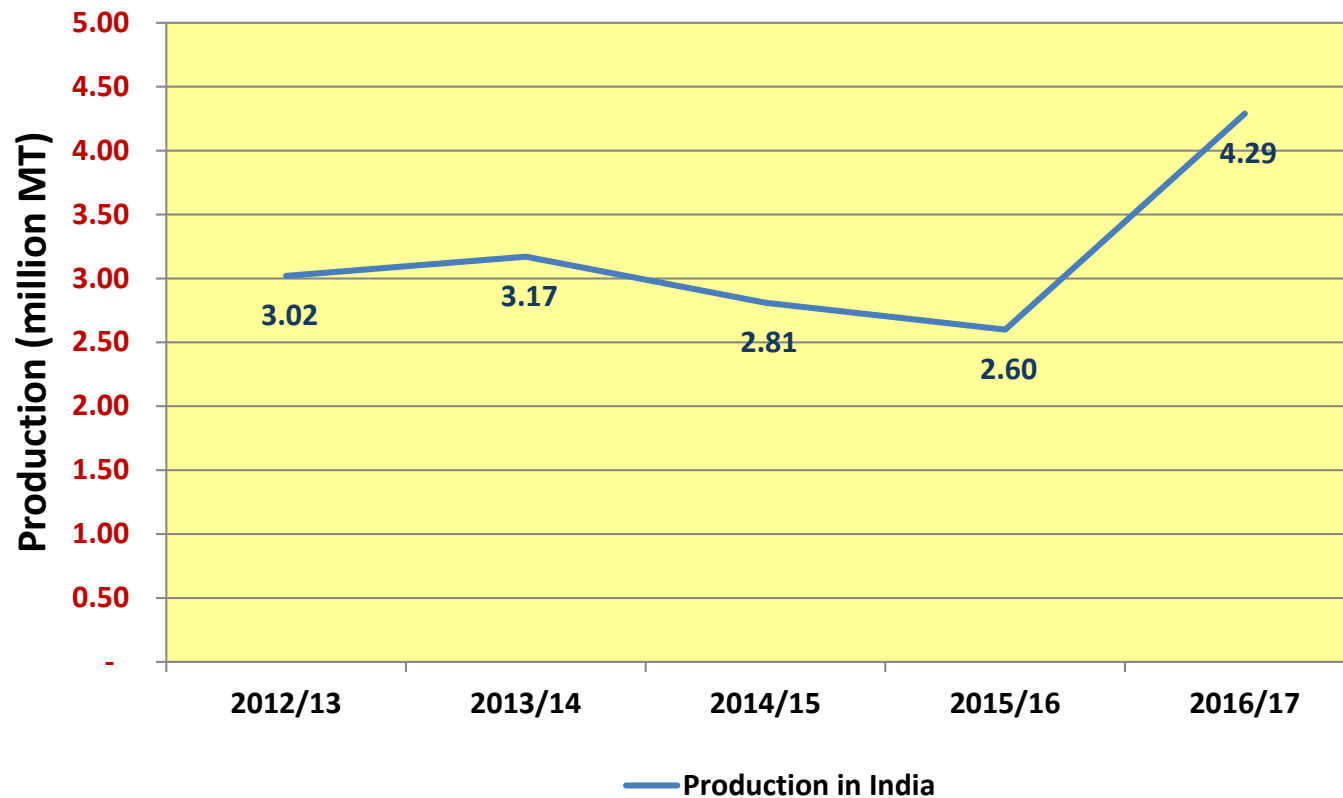
### India's justification for Import Ban

PP import ban introduced as a protectionist measure:

- Significant production increase in 2016/17 compared to previous seasons
  - Follows govt policies to boost production
  - 62% increase between 2015/16 and 2016/17
- Significant price decline in the local market
  - Almost 50% year-on-year decline



## Pigeon peas production trends in India



Source: Agriwatch India



## Price movements for major pulses in India

Major Pulses	Mandies	Feb-17	Jan-17	Feb-16	% Change (over previous month)	% Change (over previous year)
Chickpeas	Delhi	5277	6476	4624	-18.51	14.12
	Indore	5218	6617	4409	-21.14	18.35
	Bikaner	5605	7138	4500	-21.48	24.56
Lentil	Kanpur	4448	4858	5347	-8.44	-16.81
	Delhi	4514	5168	5282	-12.65	-14.54
	Indore	4409	4578	4846	-3.69	-9.02
Tur	Gulberga	4583	4822	8473	-4.96	-45.91
	Indore	4275	4574	8142	-6.54	-47.49
	Amravati	4442	4580	8450	-3.01	-47.43
	Vijaywada	4239	4493	7694	-5.65	-44.91
Urad	Jargaon	NA	NA	NA	--	--
	Jaipur	5459	6092	9104	-10.39	-40.04
	Delhi	NA	NA	NA	--	--
Moong	Vijaywada	NA	NA	NA	--	--
	Indore	4645	4761	6742	-2.44	-31.10
	Jaipur	NA	NA	NA	--	--



# 4. The rapid assessment of pigeon pea market in Tanzania

### Objectives:

- To assess the pigeon pea market situation in Tanzania
- Provide basis for informing potential remedial measures

### Methodology:

- Field visits to:
  - Morogoro (Kilosa and Mvomero districts)
  - Dodoma (Kondoa and Chemba districts)
  - Manyara (Babati and Kiteto districts)
  - Mtwara (Masasi and Newala districts)
- Key informer interviews:
- Conducted during December 2017 and January 2018



## Key findings

### Production:

- Slight increase in production in 2017 vs 2016
  - 2016 production = 292,000MT est.
  - The increase despite delayed rains
- Approx. 25% of crop left unharvested (73,000MT est.)
  - Due to collapsed price following India import ban
- Harvested crop in relatively good condition
  - Exception being at retail level
- Approx. 163,000MT of harvested production still requires a market





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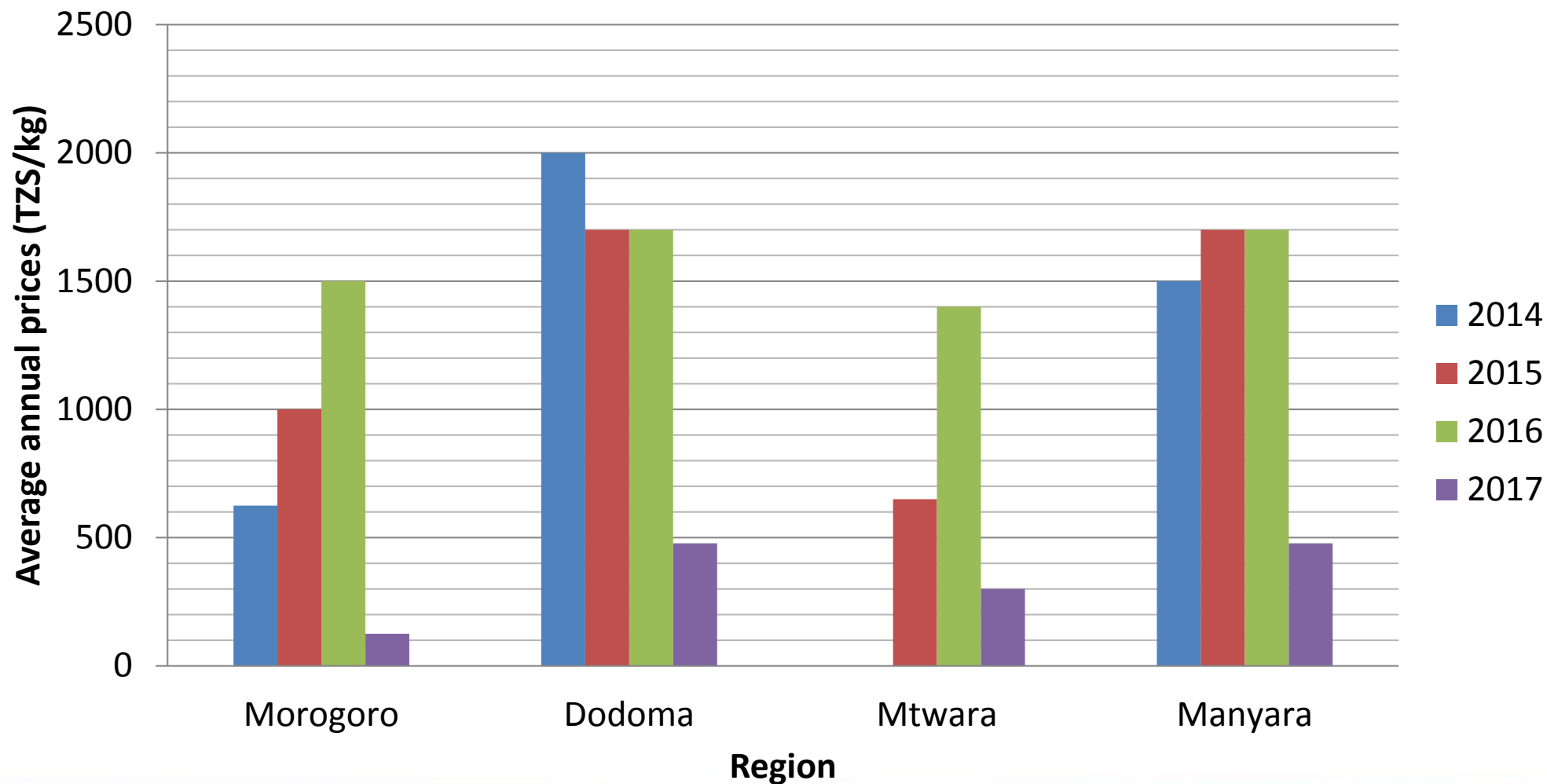
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Unharvested pigeon  
peas in Masasi District,  
Mtwara



## Prices in Tanzania have collapsed following India import ban...



Source: field survey

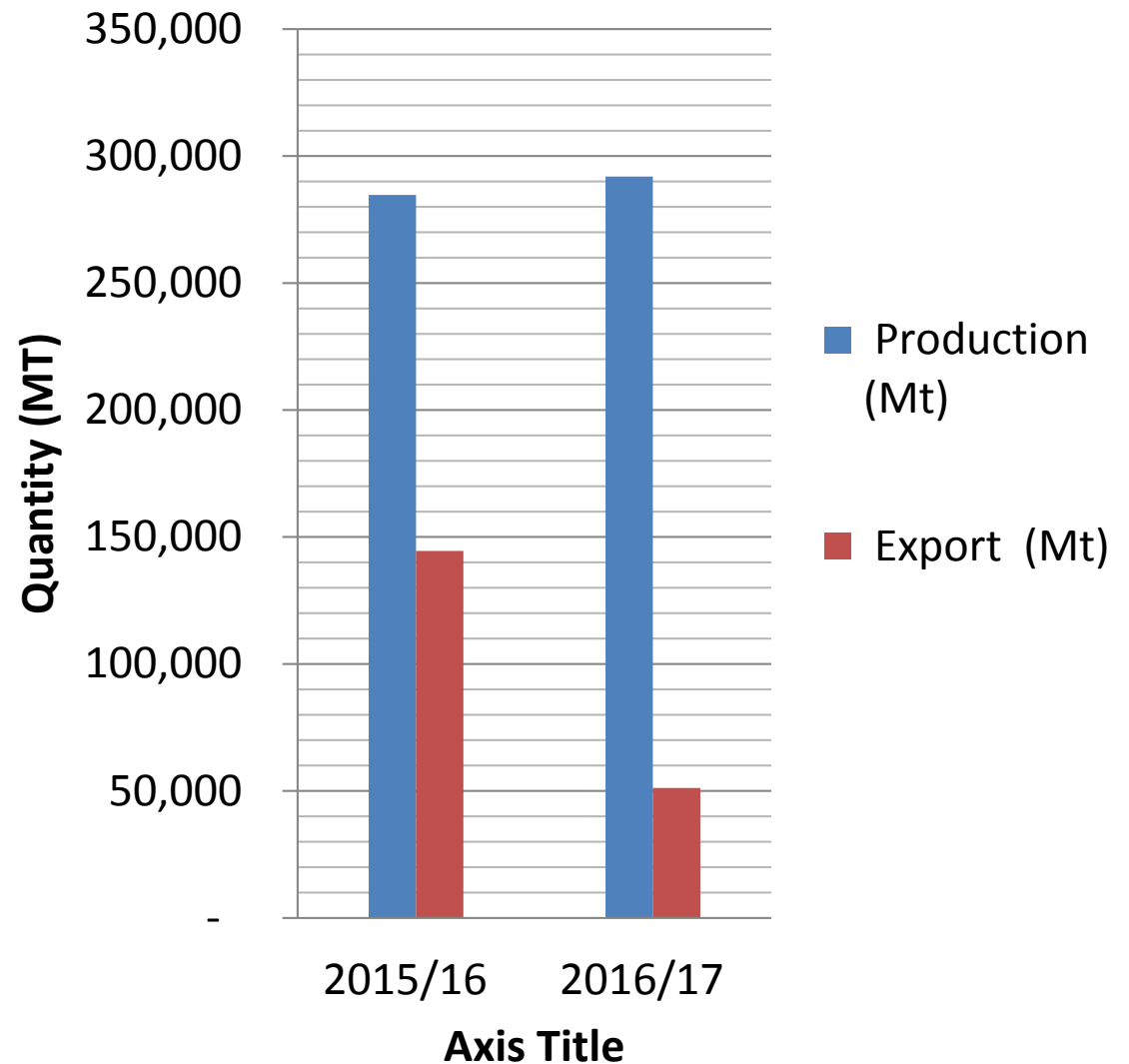


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### Trade performance has declined significantly:

- Significant decline in exports
- 51,000MT exported in 2017
  - 65% decline compared to 2016
  - Most exports are typically in Q3 and Q4 of calendar year (the period after the ban)





## Impact of ban on pigeon peas value chain

Value chain segment	Percent	Loss (TZS Million)	
		From un-harvested PP	Harvested but not sold PP
		102,054	139,779
<b>Farmers</b>	51%	51,864	71,036
<b>Middlemen</b>	6%	6,049	8,285
<b>Logistics services</b>	19%	19,251	26,367
<b>Labour (casual)</b>	7%	6,693	9,167
<b>Banks interest</b>	6%	6,480	8,875
<b>Exporter overheads and other costs</b>	11%	11,718	16,049
<b>Total</b>	100%	102,054	139,779

Grand total loss = approx. TZS 241.8 billion (approx. US\$ 109 million)



## Case study

- **The Case of a Trader in Kondoa district, Dodoma**
  - Took a loan of Tshs 100 million to buy 800 bags of pigeon peas (approx. Tshs 1,040-1,250/kg)
  - Had drawn down Tshs 20 million at the time of the ban
  - Currently remains with 800 bags of pigeon peas and the loan
  - Negotiating with the bank to restructure the loan
  - Currently repaying the loan from other income sources



A pigeon peas trader with plenty of unsold stock



## 5. Policy Recommendations

### Short/immediate term

#### i. **Promote local consumption to provide a local market for pigeon peas**

- Purchases through CPB and/or NFRA to provide a market for farmers and traders
- Consumption by public institutions (e.g. Govt schools, prisons service, police, military barracks)

#### Illustration

Assuming one average secondary school consumes 3MT of beans per month.

- 100 schools = 3,000MT per month
- 200 schools = 6,000MT per month

For 6 months,

- 100 schools = 18,000MT
- 200 schools = 36,000MT

Replacing beans with pigeon peas can save schools 40% in food costs at prevailing prices, other factors remaining constant.



- ii. Negotiations with India
  - Conclude the bilateral MoU for pulses trade
- iii. Diversification of export markets

## Medium/long term

- i. Promoting domestic consumption of pigeon peas
- ii. Promote pigeon pea usage in animal feed

# THANK YOU



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Dalberg

