

## **From Artisanal Processing to Agro-based Industrialization: The Search For Tanzania's Pathway - Lessons from 20 Value Chain Studies from 5 Countries by Julius Gatune**

Agro-based industrialization is a key plank of Tanzania industrialization strategy as elaborated in the Integrated Industrial Development Strategy (IIDS) 2025. However this pathway is not without significant challenges. Success along this pathway requires a strong farm production sector able to deliver consistent supply and consistent quality and at reasonable low price. However the subsistence sector that characterize Tanzania agriculture is hard pressed to deliver this. Yields are low, quality is generally poor and rainfed agriculture and poor logistics means that supply cannot be guaranteed. Thus developing a strong agro-processing sector on the back of subsistence agriculture remains a challenge. All the same potential strategies for overcoming these challenges exist. Twenty agricultural value chain studies done by ACET across 5 countries including Tanzania points to a number of strategies including: (i) Supporting the emergence of medium scale farmers that able to develop cottage industries; (ii) business model that link processors and farmers in symbiotic relationship; (iii) business models that can link rural based artisanal processors to urban based Small and Medium Enterprises (SMEs); (v) supporting SMEs to become contract manufacturers for emerging supermarket chains. However for this to happen there is need for greater alignment of agriculture and trade and industry policies. At the same time there is need to rethink government and development partners support. From supporting farmers to a more holistic focus on supporting key value chain actors that can foster the emergence of this new value chain arrangements. This paper will be reflection of lessons learned and also policy options needed to take advantage of these pathways and catalyze the emergence of inclusive and strong agro-processing sectors