

**SPEECH BY HONOURABLE MIZENGO P. PINDA (MP), PRIME MINISTER OF THE UNITED REPUBLIC OF TANZANIA AT THE OPENING OF REPOA'S 15<sup>TH</sup> ANNUAL RESEARCH WORKSHOP WHITE SANDS HOTEL, DAR ES SALAAM, 18 MARCH 2010**

Professor Esther Mwaikambo, Chairperson of the Board of Directors of REPOA;

Your Excellency Dr. Ad Koekkoek, Lead Development Partner for REPOA;

Excellencies, Ambassadors and Members of the Diplomatic Corps;

Professor Joseph Semboja, Executive Director of REPOA;

Professor Hans Binswanger, Tshwane University of Technology, Pretoria;

Distinguished Guests;

Ladies and Gentlemen.

It is a pleasure to be here again at REPOA's 15<sup>th</sup> Annual Research Workshop. Let me take this opportunity to thank the Leaders of Research on Poverty Alleviation (REPOA) and Organisers of this Workshop for extending an invitation to me again in this occasion. I recall last year's interesting discussions on Growth and the Role of the State. Likewise, I expect a fruitful and stimulating event at this year's plenary session on ***Kilimo Kwanza: Promoting Agriculture for Economic Transformation in Tanzania***.

**Madam Chair and Distinguished Participants,**

The relevance of REPOA's Annual Research Workshop to our Country's Policies and Programmes need no much emphasis. Both topics – **Growth and the Role of the State and *Kilimo Kwanza***, are key and congruent to the National

Development Vision 2025, the National Strategy for Growth and Reduction of Poverty - NSGRP (MKUKUTA I), as well as to the succeeding strategy currently under preparation (i.e. MKUKUTA II) and the Millennium Development Goals.

I am told that this years event has brought together intellectuals from within and outside Tanzania. On behalf of the Government, I graciously welcome all participants, especially those from outside our border. I trust that you will all effectively participate in this rich opportunity for knowledge sharing and networking.

**Madam Chair and Distinguished Participants,**

The Government of Tanzania has always recognised that it is fundamental to address Agriculture Sector as the Weapon to combat poverty, due to the fact that poverty levels are highest in Rural areas where predominant activity is Agriculture. According to the 2007 Household Budget Survey, **74** Percent of the poor in Mainland Tanzania are dependent on Agriculture for their livelihood. The Survey indicate that, about **38.7** Percent among those households which depend on Agriculture as their main activity are poor.

### **Madam Chair and Distinguished Participants,**

Since Independence, the Government has initiated Programmes to improve Agricultural productivity and to raise the incomes of farmers. This was to ensure food security, and to encourage an important source of growth for social economic development. The Tanzania Development Vision 2025 includes the aim to transform Agriculture into a modern competitive sector of the economy by the year 2025.

However, this transformation requires that Agriculture becomes a profitable source of income, and a business, rather than a survival activity. The Organisation of Capital and Markets, and capacity building for farmers and the supporting human resource must therefore, focus on achieving this objective. This distinction between agriculture as business and profitable enterprise rather than simply living off the land for sustenance is vital for achieving agricultural transformation.

This transformation will take some time – it will require changes to traditional systems of farming which have supported us for a long time, systems to which there are strong cultural attachments. Changes are also required in policy, strategies and supporting institutions so that farming can provide decent living standards for farmers and their families.

### **Madam Chair and Distinguished Participants,**

Last year the Government launched *Kilimo Kwanza* and instructed Government Departments and Agencies to reflect the concept in their development plans and budgets. *Kilimo Kwanza* is not a Policy as others are trying to put it, but a strategy to energize efforts being expended by the Government, Peasants and other Stakeholders in implementing the Agriculture Sector Development Programme - ASDP. However, *Kilimo Kwanza's* uniqueness lies in the active involvement of the Private Sector. Various activities have since been implemented by the Central Government, and Local Government Authorities have been instructed to ensure that staffing and funding for agriculture is a priority and is properly reflected in their allocation of resources. For example, the Agricultural Sector's Budget increased significantly from 2.9 Percent in 2001/2002 to 7.0 Percent in 2009/2010. Furthermore, during the 2009/2010 Budget session an extra Tshs 19 Billion was allocated to boost Agriculture, and a special window for Agricultural activities credit managed through the Tanzania Investment Bank (TIB) was put in place.

### **Madam Chair and Distinguished Participants,**

Many of us present here can recall past plans for Agricultural transformation. I am aware that there can be a tendency to regard the current plan with a jaded attitude. Most of the constraints to agricultural transformation we face today are disappointingly familiar to us; we know them well from times past.

The **first** category of these constraints reflects our inability in the past to allocate sufficient resources to infrastructure especially irrigation infrastructure facilities and transportation network. This means that much of agriculture today is still depending on rain-fed and Markets are generally not easily accessible.

The **second** category of challenges relates to restrictive laws which unnecessarily impede agricultural business. Some of our laws have not kept up to speed with the ever-changing modern practice. An example is land law in relation to land tenure, which has a negative impact upon those wishing to invest in Agriculture and obtain credit. Similarly, viable business practice is hampered by some existing non-tariff barriers which hinders production and business activities relate to Agriculture Sector.

The **third** category is partly beyond the Government's sphere of influence. Entry barriers by importing Countries, especially developed world thereby limiting the opportunity for Developing Countries to expand exports of processed products. Remaining as primary exporters makes us

vulnerable to low and price fluctuations. The new highly profitable market niches opening up in export markets – for example, for organically grown, and for ‘fair trade competition’ food products provide an opportunity for us.

Our problem is that, we need efficient quality control and certification systems to be in place if we are to compete in those new markets. No individual Private Sector producer can be big enough to establish a national reputation for quality. The Government should play a key role in maintaining quality standards in this area.

As a result of these constraints we face a fourth category of constraints – the Financial Sector where key investors do not find Agriculture as an attractive Sector in which to invest. Similarly Financial Institutions find it hard to extend credit to the Agricultural Sector coming to risks involved.

### **Madam Chair and Distinguished Participants,**

Tanzania’s Agriculture operates within an environment which exacerbates the effects of these constraints. The rural population operates in an environment of low access to information and extension services advice, low level of literacy, poor quality of education as well as the nature of this education. Studies indicate that, inadequate education and extension services to farmers are not only clear barriers to modernization of Agriculture in Tanzania but also barriers in improving farmers access to technologies and services.

Therefore, the overarching challenge is how to transform our rural economy into a 21<sup>st</sup> Century Agricultural system by combining the best of the past with the best of the future.

Small farmers in Tanzania are traditional, but they know their land and their own specific farming conditions far better than anyone else. Their “**traditional knowledge**” summarizes the practical experience of generations of their ancestors - but we need to combine it with the best lessons of modern science and technology. I believe that this is not an insurmountable challenge, especially if we recall our situation during the 1960s and early 70s. At that time the institutions that supported agriculture maintained strong links with producers. Producer owned cooperatives operated within a framework of an integrated system of innovation, production, processing, transportation and marketing. Practical monitoring was provided at each stage.

### **Madam Chair and Distinguished Participants,**

The institutional framework of hands-on involvement with the smallholder has recently been observed to be successful in a well-designed of what is known as **outgrower model**. This system has two important components:

**First** is the linking of national and global systems and institutions with local knowledge to produce further innovations.

**Secondly**, there is a cohesive link between the various stages of production, transportation, processing, and marketing to ensure that maximum returns are achieved. These two components combine to achieve a practical, productive and more profitable business orientation. Outgrower schemes grounded in local conditions operate successfully.

### **Madam Chair and Distinguished Participants,**

A major advantage of this model is the mentoring that takes place. This is vital for passing on information and training. Additionally, this system removes the constraints that smallholders face in accessing finance and markets and provides opportunities for taking advantage of economies of scale.

A further benefit is that the farmers are enabled to participate without endangering their personal ownership of the land. Researchers present today will be pleased to note that, the

system also recognises research as an important part of business development - research is viewed as a public good promoted in the context of scale and shared costs.

**Madam Chair and Distinguished Participants,**

Any government has an important role to play in promoting the Agricultural Sector. Few areas I have outlined above shows that Poor Countries such as Tanzania face specific constraints which actually call for Government to play a substantive role. Let us use this opportunity offered by REPOA's 15<sup>th</sup> Annual Research Workshop to review critically the issues facing all stakeholders in Agriculture with a view to transforming our economy.

**Madam Chairperson, Distinguished Participants,**

Allow me to propose some few areas of which you may wish to discuss in this workshop in order to contribute to **Kilimo Kwanza** initiative:

- i) We know that there is market failure, especially for both agricultural inputs and outputs. Yet in the medium to long-term we would like to see a stronger role for the market to encourage efficient use of resources in the development of agriculture. What should be the role of the State in the short to medium-term?
- ii) We have seen success with some outgrower models. Is it possible to replicate these models across other crops? If not, what institutional framework could be applied to those crops that do not easily fit into the outgrower model to ensure upscaling and promotion of an integrated system?
- iii) Scale of operation is important for cost saving and enhancing competitiveness. However we also know that, land ownership is important for all Tanzanians. How can we promote agricultural competitiveness within the framework of smallholdings?
- iv) Lesson from the past is that, the most successful cooperatives were those which organically and democratically grew from the smallholders themselves, rather than those handed down from the top. What are today's impediments to the growth of cooperatives?

**Madam Chair and Distinguished Participants,**

I see a crucial role for research to provide sound and balanced information which leads to informed discussion and policy development on this vital issue. I believe that the discussions at this 15<sup>th</sup> REPOA Workshop will make a valuable contribution to the future of agriculture in Tanzania.

May I suggest that REPOA continue to tune your Research and Development activities to solving the practical challenges that our farmers and the Country face in modernising the Agriculture Sector through Kilimo Kwanza. I would therefore, strongly urge REPOA to critically work at the challenges facing the Agriculture Sector (in its broad perspective – Agriculture, Livestock, Fishing and Beekeeping) and undertake research on value chain from production, processing, marketing and advise the Government accordingly.

Likewise, REPOA should put more emphasis on research related to Equity and Wealth sharing in the Country so as to advise the Government on relevant Policies that will help Rural People in the Agricultural Sector escape the traps of poverty. I think you will agree with me that currently the wealth is much more skewed to the few business class rather than to the majority people in the Agriculture Sector. We need more advise from REPOA on how the Government can change this phenomenon.

**Madam Chair and Distinguished Participants,**

furthermore as I said time and again, doing research is one thing, but sharing the results of the research you conduct to me, is even more important. My plea to you again is to share your results with people you are researching for. As I said earlier, **74** Percent of Tanzanians depend on the Agriculture. If you are doing research in Agriculture, you are doing for them. Let them know what you did for them in a simple language and at the right time. Don't lock the knowledge in the shelves and in the language which these poor Farmers do not understand.

Let me reiterate my appreciation on behalf of the Government of Tanzania to our development partners including the Governments of the Countries of the Netherlands, the United Kingdom, Sweden and Finland for their support of REPOA's Strategic Plan for 2010 - 2014. It is reassuring to know that we can all continue to rely on REPOA's contribution to research, training and policy development for the next five years.

**Madam Chair and Distinguished Participants,** with these few remarks, it is now my honour and privilege to declare **REPOA's 15th Annual Research Workshop** officially open.

**Thank you for your attention**