



TANZANIA COFFEE INDUSTRY

DEVELOPMENT STRATEGY 2011/2021



AMENDED
VERSION
(2012)



My vote of thanks goes to the members of the Task force Committee who have been tirelessly taking their valuable time attending the monthly meeting to provide support to completion of this document. Their logos are hereby attached for appreciation (by alphabetic order).

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Table of contents

Executive summary	1
Introduction	3
1. The overall context of the Tanzanian coffee sector.....	4
1.1 Opportunities for the Tanzanian Coffee Industry on the World Markets.....	4
1.2 Tanzania coffee situation	7
1.3 Key challenges facing Tanzania coffee industry.....	13
2. The Coffee Sector Development Strategy: Vision, Objectives and Strategic Thrusts	17
2.1 Vision of the Strategy.....	17
2.2 Objective of the Strategy	17
2.3 Strategic thrusts.....	18
3. Implementation plan for the strategy.....	21
3.1 Key implementation activities	21
3.2 Proposed implementation framework.....	28
3.3 Prioritization of interventions and preliminary cost estimates	32
3.4 Possible evolution scenarios and socio-economic impact of the strategy.....	37
Appendixes	39

List of abbreviations

ASDP	Agricultural Sector Development Plan
ASDS	Agricultural Sector Development Strategy
CBB	Coffee Berry Disease
CLR	Coffee Leaf Rust
CPU	Central Processing Unit
CWD	Coffee Wilt Disease
DALDO	District Agriculture and livestock development officer
GAP	Good Agricultural Practices
GIS	Graphical Information System
MKUKUTA	Tanzania's Growth and Poverty reduction strategy
NGO	Nongovernmental Organization
SACCOS	Savings and Credit Cooperative Society
TaCRI	Tanzania Coffee Research Institute
TCB	Tanzania Coffee Board
TSH	Tanzanian Shilling
TCA	Tanzania Coffee Association
USD	United States Dollar

Executive summary

Coffee is one of Tanzania's primary agricultural export commodities accounting for about 5% of total exports value, and generating export earnings averaging USD 100 million per annum over the last 30 years. The industry provides direct income to more than 400,000 farmer households thus supporting the livelihoods of an estimated 2.4 million individuals.

Average yearly production over the past thirty years has stagnated at a level of about 50,000 tons, while yields have continuously decreased, and quality potential has not been fully exploited, thus contributing to low farm gate prices, and the development of rural poverty.

Considering the existing opportunities on the international market, and the excellent quality potential at the country level (including Mild Arabicas as well as Robustas) **Tanzania would face very few difficulties in selling larger coffee volumes at highly remunerative prices provided production is increased.**

Aware of this great opportunity, the Government of Tanzania, together with the Coffee Industry Stakeholders under the leadership of the Tanzania Coffee Board has launched a national consultation in order to agree on a national strategy for the development of the coffee sector (2011-2021) As a result of the participatory process, the national coffee stakeholders have agreed on the following vision for the strategy:

“The Tanzanian coffee industry aims to build a long term sustainable and profitable coffee industry to all stakeholders, producing internationally recognized high quality Arabica and Robusta coffees and making a significant contribution to macro-economic stability, poverty reduction and improved Tanzanian livelihoods.”

The document sets out the mission on how to **increase coffee production from the present average of 50,000 tons to at least 80,000 tons by year 2016 and reach 100,000 tons by year 2021.** It is envisaged that the increase in production volumes will go hand in hand with increase in quality from the present 35% premium coffee to at least 70%.of the total production.

Increased production will be reached through improvement of productivity which will allow for better economic profitability for producers thus guaranteeing economic sustainability. It is estimated that the progressive replacement of old coffee trees with improved varieties, together with the application of good agricultural practices (including stumping, pruning, weeding, mulching, fertilizing) would allow to increase by +100% the average yields from the current level of 225 kgs of clean coffee per hectare to the figure of 450 kgs of clean coffee per hectare in 2021 (+55% in 2016). This only would mechanically induce an increase by about 50,000 tons of the national production. In the meantime production could be expanded in various areas. A total of 10,000 hectares will be planted by both small holders and large scale investors from now to 2021 which means at least 1,000 hectares per year. This replanting, intensifying, and expansion strategy should go hand in gloves with TaCRI seedlings multiplication program whereby, about 20 million seedlings have to be availed annually on this period. There is also a need for increased coffee agronomy extension support on the field. This can be achieved through Training of Trainers and capacity building

of extension officers to facilitate technology transfer to farmers in their groups through village based training.

In order to build a competitive and sustainable coffee sector, it is crucial to increase the value chain efficiency through optimization of the internal marketing system and improvement of the overall business environment. The objective is to suppress unnecessary intermediaries and diminish transaction costs so that the farmers may receive at least 75% of the FOB price by 2021. Improved profitability of the sector will ultimately result in enhanced capacity of the actors of the industry to invest in improvement of their own value chain. To this end, the strategy plans for improved regulations, set up of a functional market information system and provision of necessary advisory services.

There is in parallel an opportunity to increase coffee quality through adoption of better harvest/post harvest practices and enhanced processing equipment including central pulper units (CPU). This can enable Tanzania to achieve its status in the Colombian Milds group and secure higher premium prices for the entire value chain, and particularly producers.

Lastly, the strategy plans for enhanced promotion of Tanzanian coffees on export markets in order to improve price premiums as well as exploration of new market opportunities. The growing attention given by the international industry to sustainability should also be taken into consideration as the world leading actors are increasingly committing to increase the share of sustainable coffees in their sourcing. It appears crucial for Tanzania to keep pace in this domain as well as to guarantee preservation of the environment and future socio economic/gender equity.

To summarize the above, the following thrusts have been identified under this strategy: increased productivity (1) enhanced internal marketing process and business environment (2), improved quality (3), and development on new markets including sustainable coffee (4).

If the coffee strategy is implemented, **it is expected to bring additional revenues of at least +150 M. \$US per year** (+223 M. \$US at current price) to the national industry through export earnings. Of the total 250 M. \$US generated annually by the coffee industry (335 M. \$US at current price), at least 75% would be redistributed to coffee farmers. **This would almost double (+95% increase) the coffee incomes of an estimated 400,000 households** thus contributing to the reduction of poverty and creating a sustainable capacity for self improvement of the coffee industry.

Introduction

A strategy developed in a participatory manner and aligned with other national policies

The Tanzania Coffee Industry Development strategy 2011-2021 is the result of a collaborative effort by industry stakeholders. It comes as the continuation of various recent developments in the coffee industry over the last few years.

In 2009 the parliament ratified the crop boards reforms which had initially been proposed in 2006. This resulted in the “Amendment to the CROP BOARD ACT NO. 23 of 2009”. The Tanzania Coffee Board was prepared by having new appointments of Leadership to handle the challenges from the crop Boards reforms (2008). The new leadership started by taking stock in order to analyse the Industry situation, and identify the main bottlenecks and gaps explaining the stagnation of the sector. One of the key conclusions was the need for the coordination of Private Public Partnership (PPP) forums in tackling the “shared functions” in the sector.

Stakeholders were therefore invited in December 2009 to a National Coffee Conference (NCC) not only to share information but also to build consensus around a shared vision of the future. At the NCC meeting, the stakeholders among other things, decided to create a New Industry Development Strategy 2011-2021 based on the new COFFEE ACT and shared functions (PPP).

The strategy was developed through consultation with all members of the value chain (farmers, cooperatives/buyers, processors, exporters, Research, extension services, LGAs, government, Tanzania Coffee Board, associations representing the private sector). Meetings were held in main producing regions to discuss existing issues and agree on priority interventions: Arusha, Manyara, Kilimanjaro, Iringa, Mbeya, Kagera, Kigoma, and Ruvuma. (Summary of recommendations are provided under appendix 3) These meetings were attended by 600 stakeholders, from 28 districts. The strategy was adopted by more than 120 representatives of the industry during the NCC on May 27th 2011. The current amended version including a detailed implementation plan was validated in April 2012.

The document sets out the strategy to improve the industry and thus create a long-term economically sustainable and profitable Tanzanian coffee industry for all stakeholders. The core of the strategy is improving incomes and livelihoods of Tanzanian coffee farmers and improving the industry by increasing the quantity and quality of coffees produced in Tanzania.

This strategy aims to align with key national policies/initiatives such as:

- 1) Tanzania’s economic growth and poverty reduction strategy (MKUKUTA),
- 2) Agricultural Sector Development Strategy (ASDS) and Agricultural Sector Development Program (ASDP) and,
- 3) ‘Kilimo Kwanza’ the agriculture first strategy aimed at increasing agricultural production across Tanzania.

1. The overall context of the Tanzanian coffee sector

The strategy was developed in consideration of existing international market opportunities, and taking into account the current situation of the Tanzanian coffee sector as well as the main problems facing the industry.

1.1 Opportunities for the Tanzanian Coffee Industry on the World Markets

Coffee is a significant source of export earnings to many nations including Tanzania. It accounts for approximately US\$ 16.5 billion in the global economy (2010) World production is currently estimated to reach over 130 million 60 kg bags. Brazil and Vietnam lead production and together represent slightly less than half of world volume. Africa produces about 12% of world volume; the Tanzanian share is less than one percent of the world production (0,6 % in 2011)

The world coffee trade is mainly dominated by two types, Arabica and Robusta. Arabica represents approximately 60% of all coffee exports (about half of this is natural/semi-natural, and the other half is mild Arabicas) whereas Robusta represents approximately 40% of the total.

Considering the following trends on the international coffee markets, the Tanzanian coffee industry has great opportunities for its future development.

1.1.1 Sustainable growth of the world coffee demand, particularly on emerging markets

Growth in world coffee consumption has been relatively steady at roughly 1.5% to 2% per year over the last decades. Recession and economic crises have not had a detrimental impact on this continued increase, mainly thanks to the fast-paced development of coffee consumption in emerging and producing countries (Brazil, China, India, Eastern Europe etc.) On the contrary, there has been little increase in demand from traditional markets (Europe, US, Japan). This seems to indicate a progressive change in the world coffee trade geography, which could possibly lead producing countries such as Tanzania to further encourage promotion of their coffees on new markets.

In the same time, the production potential at the world level (notably in Brazil and Vietnam) being limited by urbanisation, competition from other crops, and shift to other economic activities, there is a possibility, corroborated by several ICO analysis, that continued growth in demand will not be fully met by production of traditional countries, therefore opening up an opportunity for other producers with unexploited potential such as Tanzania to increase their volumes.

1.1.2 The development of “specialty coffee” niche markets at the international level

The last ten years have seen the rapid development of niche markets for the highest quality coffees on consumers markets (United States, Japan, Europe, Emerging countries). This has been fuelled by the multiplication of coffee shops, as well as by the fast growing use of singleserve pod systems (capsules) at home. These coffees are often referred to as

“speciality coffee” or “gourmet coffee” although there is no clear universally accepted definition of these terms. As a result the actual growth rate of these sectors as well as current market share is difficult to quantify. Specialty coffees are however generally considered to account for about 10% of world consumption (ITC, The Coffee Exporter’s Guide).

Tanzanian mild Arabica is renowned for its bright acidity and its flavorful character and benefits from a positive image on the international scene. Specialists generally consider that it has a similar potential to its Kenyan neighbor, however it may at times lacks consistency. The Tanzania Peaberry coffee from Mt. Kilimanjaro and Mt. Meru has also attracted attention on the US specialty coffee market, selling with important price premiums.

Tanzania can capitalize on this excellent coffee quality potential to place an increased share of its production on the specialty niche markets. Historically coffee prices have had significant volatility, due to the overdependence on Brazil as a supplier (frosts, droughts, currency exchange rates etc.), as well as the destabilizing effect of financial speculation. Recent studies have demonstrated that specialty coffees markets for the highest quality coffees are less prone to price volatility. Although certainly not a total solution, the specialty coffee segment therefore presents Tanzanian coffee farmers with an exciting opportunity.

1.1.3 Increased importance of sustainability issues and socio-environmental responsibility guidelines (certification, verification, code of conduct)

In addition to quality aspects, the coffee world is moving quickly towards sustainable standards (Organic, FLO, UTZ, 4C, Rainforest etc.), particularly in high value specialty segments. Adherence to these standards can offer opportunities to secure price premiums and may increasingly be a requirement to be active in the industry.

As an example UTZ certified program reported that they had seen an increase in demand for certified coffee of +49% in 2010 and that their market share in the Netherlands and Switzerland now reaches 40%. Although this sector is fast growing, the dimension of its market potential at the global level needs to be put into perspective. Even if considered as the world largest sustainability program the UTZ certified coffee only represent about 1,5% of the world production.

Tanzanian coffee farmers will need to be convinced that it is possible for them to ensure both high yields in a profitable manner while enforcing such standards. It thus might be illusory to expect the Tanzanian coffee industry to entirely convert to international sustainability standards in a few years time. Several initiatives clearly demonstrate the potential gains to be obtained from application of sustainability standards: the progressive introduction of Good Agricultural Practices (GAP) and Good Management Practices (GMP) could support the preservation of the environment for the future generations, socioeconomic equity, as well as the emergence of more efficient farming systems leading to better productivity.

1.1.4 Potential competitive advantages of Tanzania on the international coffee markets

Tanzania mainly produces three types of coffee: washed mild Arabica (about 55% of total production), sundried Robusta (about 40% of total production), as well as a small quantity of

sundried natural Arabica (less than 5% of total production). Over 90% of the coffee produced is exported on the international market. Volume of exports has fluctuated between 600,000 and 950,000 bags over the last two decades. The prime destination is Japan (about 30% of the exported value) followed by the US (about 15% of the exported value), then Germany, Italy and Belgium (about 10% of the exported value each). The remaining 25% is split among a wide geographic diversity of countries ranging from Finland to Swaziland. The total export value reached about US\$ 145 million in 2011 (ITC COMTRADE)

In this context Tanzania benefit from several competitive advantages that could be further developed over the next years.

A potential competitive advantage over Central American competitors on the mild Arabica market

Tanzania is a “Colombian Mild Arabica” producer. Colombian Mild only totals 9% of the world’s production, it is however considered the top quality bean and commands the best prices on the international markets. Colombia and Kenya are the only other producers of this quality. Tanzania accounts for roughly 6% of the Colombian Mild group production. Other competitors include the “Other Milds” Group dominated by Central American countries. Japan and Germany represent the two main export destinations of Tanzanian mild Arabica coffee. Taken together they account for about 60% to 70% of mild Arabica coffee exports while the share of new markets such as USA, Italy, and Belgium seems to increase. **Tanzania has the theoretical capacity to export mild Arabica as early as from July/August, ahead of the Central American season, when the world market is short of supply for fresh quality Arabicas.** There is a great potential for the national industry to utilize this position to secure higher price premiums provided that the current time needed to export the coffee is reduced. Current transportation issues, marketing process, and administrative hurdles have to be considered as serious bottlenecks in that matter.

A unique position on Japanese markets thanks to the “Kilimanjaro” coffee appellation.

“Tanzania benefits from a unique position in Japan thanks to the existence of a “Kilimanjaro” appellation. According to a recent study from PROMAR,

“Kilimanjaro” is a widely recognized and well-liked type of coffee in the Japanese market, and the word “Kilimanjaro” has strong marketing power.

While it initially referred to a Mild Arabica coffee from the Kilimanjaro region of Tanzania the All Japan Fair Trade Council decided that all mild Arabica coffee produced in Tanzania could be labelled as "Kilimanjaro" coffee, regardless of whether it is grown in Kilimanjaro or in the southern highlands (1991). In addition, blended coffee comprised of 30% or more Tanzanian mild Arabica beans could equally be labeled as "Kilimanjaro". This decision also meant that coffee produced in other African countries could not be sold in Japan under the “Kilimanjaro” label. This has strongly contributed to an increase of Tanzania coffee exports towards Japan over the last twenty years.

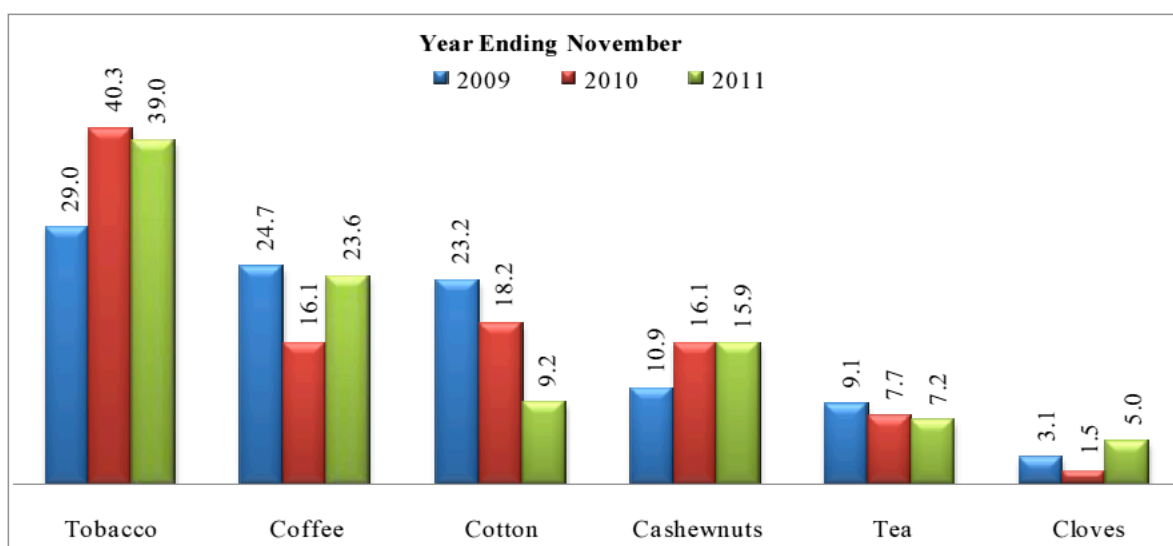
The Tanzanian coffee industry could consider a full range of initiatives in order to enhance this unique position on the Japanese market, including direct partnership agreements, promotion campaigns, etc.

1.2 Tanzania coffee situation

1.2.1 Importance of the coffee sector

Coffee is one of Tanzania’s primary agricultural export crop representing about 5% percent of total exports, 24% of traditional cash crops and generating export earnings averaging 100 million \$US per annum over the last 30 years (about 145 M. \$US in 2011). More than 90% of Tanzanian coffee originates from smallholder farmers. The industry provides direct income to more than 400,000 farmer families and benefits indirectly the livelihoods of 2.4 million Tanzanians.

Figure 1: Coffee as it features among traditional export crops (percentage of total traditional crops exports value)

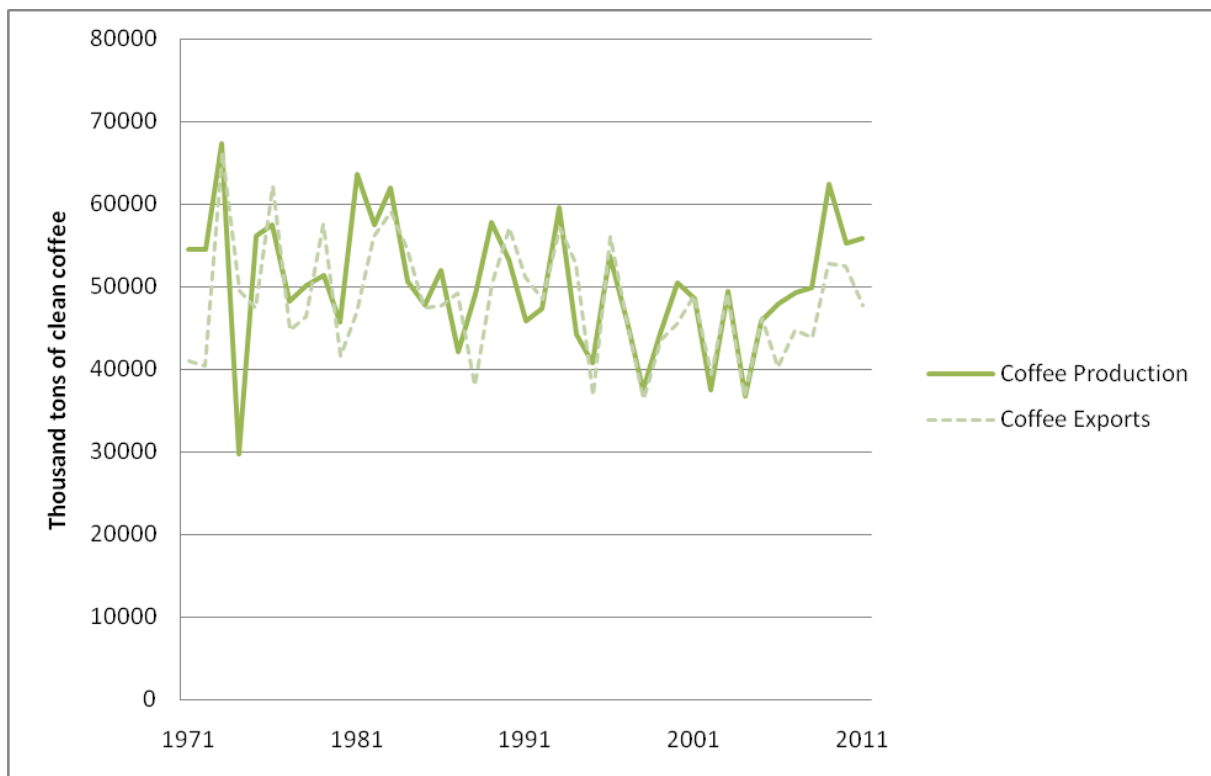


Source: Monthly economic review, Bank of Tanzania, 2011

1.2.2 Main evolutions in production figures over the last decades

Current production levels do not significantly differ from the average yearly production of 50,000 tons recorded over the past thirty years (1980-2010). In the past, biannual troughs have led production to swing between 33,000 and 68,000 metric tons. About 90% of the national production is usually exported.

Figure 2: Evolution of Tanzania Coffee Production / Exports (1971-2011)

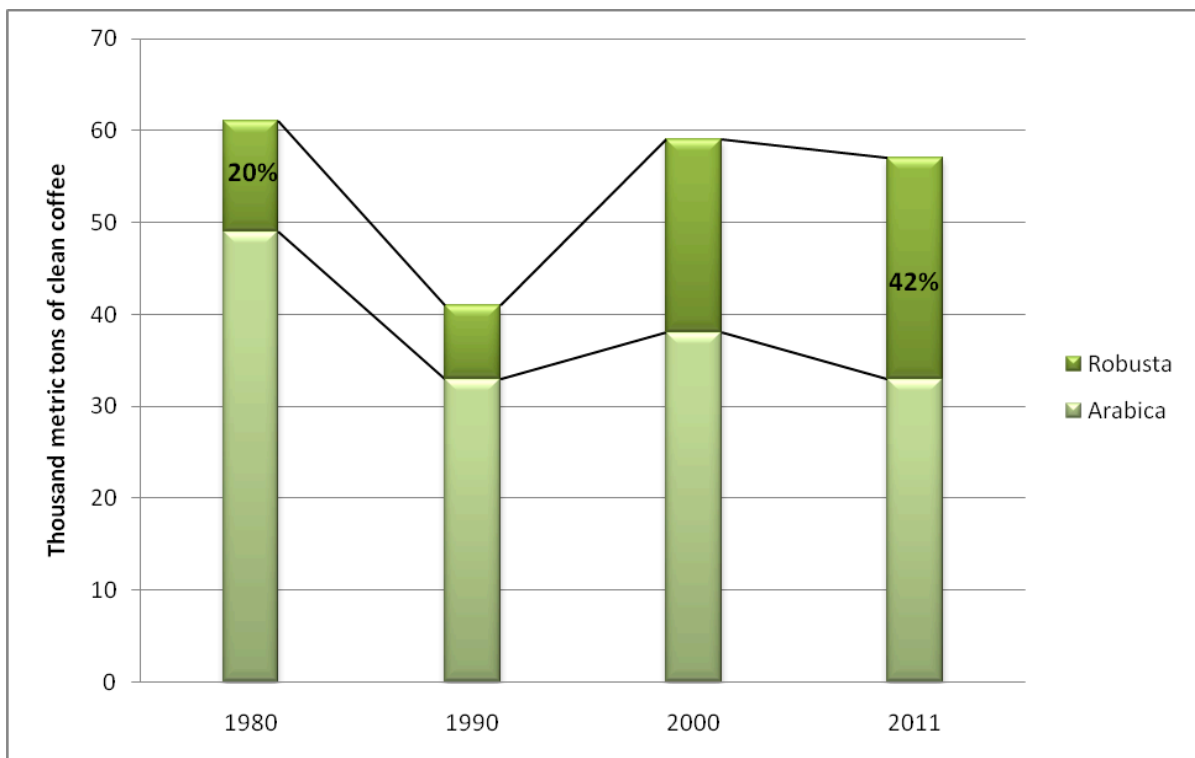


Source: USDA figures 2011

While production figures may seem relatively stable, major changes have occurred in the composition and origin of Tanzanian coffee production:

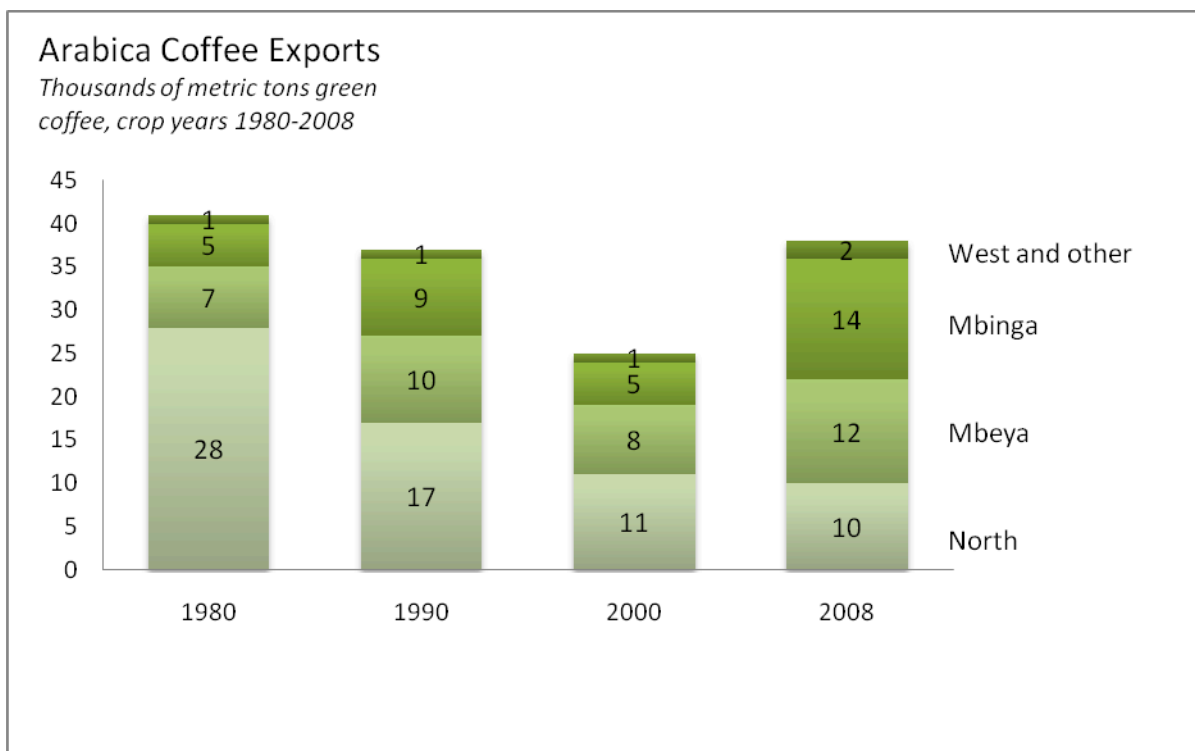
- The share of Robusta in overall coffee production has doubled over the last thirty years
- Regarding Mild Arabica, the production in the Northern area (Kilimanjaro, Arusha, Manyara and Tanga) has severely dropped, while the Southern areas of Mbeya and Mbinga have seen a strong increase. Production of natural hard Arabica (Tarime) has seen little evolution

Figure 3: Changes in Relative Shares of Arabica and Robusta in the overall Tanzanian Coffee Production (1980-2011)



Source: TCB statistics 2011

Figure 4: Evolution of the contribution from each production areas to total Tanzania Arabica exports (1980-2008)



Source: TCB statistics 2009

1.2.3 Production areas and specificities

Tanzania is endowed with abundant land with appropriate altitude, temperature, rainfall and soil suitable for high quality Arabica and Robusta production. The major Arabica growing regions are Kilimanjaro/Arusha, Mbeya, and Mbinga/Ruvuma. Robusta is mainly produced in the Kagera region. Other growing regions include Tanga, Iringa, Morogoro, Kigoma, Manyara, Mwanza, Rukwa and Mara.

Throughout the country coffee is produced under three main production systems:

- Pure stand / smallholder (mainly in the South)
- Intercropped Coffee Bananas / smallholder (mainly in the North and the West)
- Estate sector (less than 10% of total production)

A short description of the situation in each production area is provided below.

Northern zone (Kilimanjaro, Arusha, Manyara, Tanga)

This region grows some of the world's finest mild Arabica coffees. Area under cultivation is estimated to reach 83,000 ha with an average production of about 7,500 to 10,000 tons of parchment per year. The production system is mixed between a majority of smallholders (intercropping with bananas) and a few large estates located mainly in the region of Arusha.

Specific strengths/issues:

- + Excellent quality potential recognized internationally
- + Long tradition of coffee growing and excellent know how
- + Availability of processing facilities, curing plants, good transport infrastructures etc.
- + Possible rehabilitation of run down CPUs
- Coffee trees are in vast majority over aged
- Yields are very low: about 100-125 kgs of clean coffee per hectare
- Competition from other crops (the area is suitable for several agricultural productions) and general discouragement of coffee farmers (uprooting)

Mbinga District, Ruvuma in the Southern highlands of Tanzania

While it used to produce commercial "Amex" coffees in the past, the region now produces among the country's finest mild Arabica coffees. About 70% of the districts economy relies on coffee production which reaches about 10,000 tons annually. The harvested area is estimated at 35,000 hectares and lands are available for further expansion. The district, with rainfall ranging from 1,000 to 2,000 mm per annum, has a suitable climate for high quality coffee production.

Specific strengths/issues:

- + Excellent quality potential
- + Increasing number of CPUs
- + Production of screen 19
- Difficult access to finances
- Lack of improved varieties planting material and certified inputs

Mbeya Region.

Mbeya is now considered as the first mild Arabica producing region with an estimated 12,000 to 15,000 tons annually. It is an expanding coffee growing region with about 51,000 hectares under cultivation and a growing number of CPUs.

Specific strengths/issues:

- + Increasing number of CPUs
- + Sustainability projects (UTZ, Organic, etc.)
- Difficult access to finances
- Lack of improved varieties planting material and certified inputs

Area of Kagera

This area covering the districts of Muleba, Karagwe, Misenyi and Bukoba is mainly a producer of Robusta. It has an estimated production of 21,000 tons of clean coffee per year grown on an area of about 51,000 ha. Average yield reaches about 500 kgs of clean coffee per hectare.

Specific strengths / issues:

- + Good quality potential
- + Proximity with Uganda
- + Possible pilot testing for the production of washed Robusta coffee (ecological compact CPU due to low water availability)
- Impact of Coffee Wilt Disease and need to replant with CWD resistant varieties
- Regulations to be adapted to ensure efficient and legitimate trade with Uganda

Area of Tarime

Tarime is known for its Hard Arabica coffee processed through the natural dry method. The district has an estimated production of less than 1,000 tons of clean coffee per year grown on an area of about 2,900 ha. There are about 8,000 producers. Climate is well adapted with bi-modal rainfall of between 1200-1600mm (highlands) and 900-1200mm (midlands).

Specific strengths/issues:

- + Quality is sometimes compared to sun-dried Sidamo
- + Production could potentially be expanded on an additional 35,000 ha (TACRI)
- Difficult coffee collection and transportation during rainy season
- Low production
- Low profile (unknown on most international markets)

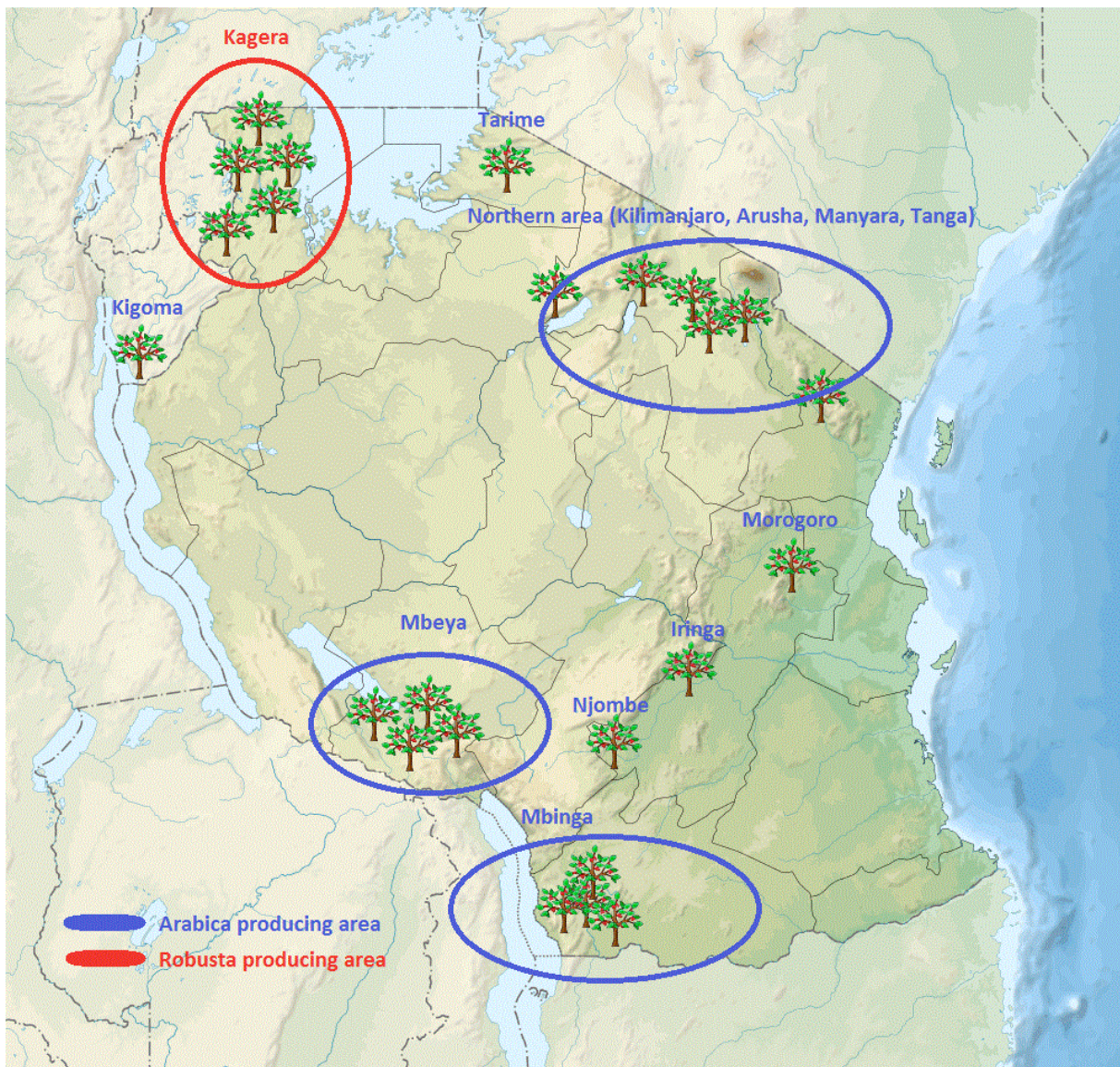
Area of Kigoma

Coffee production in Kigoma is at a nascent stage with about 4,000 families involved. Production is still low with about 1,000 tons of coffee being produced every year on an area estimated to reach 6,600 hectares.

Specific strengths/issues:

- + Excellent quality potential (won the 2010 “Tast of Harvest award for East, South and sub-Saharan Africa”)
- + Vast suitable areas for high quality coffee production are available for expansion
- + Proximity from Burundi, DRC, Rwanda (on the shores of Lake Tanganyika)
- The area is quite isolated and transport is difficult (road, railway etc.)
- Low production volume (coffee is recent in the area) therefore few actors and nascent local coffee industry

Figure 5: Map of main coffee production areas in Tanzania



Source: KPN

1.3 Key challenges facing Tanzania coffee industry

Tanzania coffee industry faces various challenges including low productivity, insufficient farm gate prices due to non optimal functioning of the internal marketing system/business environment, under-exploited quality potential as well as threats from climate change.

1.3.1 Low productivity and economic profitability of coffee farms

Tanzania's stagnated coffee production is largely the result of declining yields. One of the main causes for this problem is the age of the coffee trees as well as deficient husbandry practices. It is usually considered that a coffee tree becomes economically unprofitable when it passes the age of 20-25 years. In Tanzania, most of the 240 million coffee trees around the country have exceeded this age. (Friedrich Erbert Stiftung 2004). Their productivity has therefore slowly declined over the years, largely causing the continuously decreasing yield at the national level. This is generally exacerbated by poor farm maintenance practices including insufficient pruning and stumping of trees and poor management of pests and diseases (mainly CWD in Robusta areas and CBD and CLR in Arabica areas). While in the South new coffee trees have, to some extent, been planted/replanted (average age of trees is about 25 years), most of the North and particularly the Kilimanjaro region suffers from this problem (average age of trees is above 40 years). In these areas, the problem is reinforced by improper intercropping with banana and other crops, causing soil depletion and overshadowing.

This absence of replanting is largely the consequence of insufficient support by extension services on specific coffee agronomy issues. Coffee extension services used to be provided by TCB until the early 1980s. They are now under the responsibility of LGAs which provide general agricultural extension services for all crops. The quality of these services varies from one area to another but they are often under-staffed and lack at times the specific expertise on coffee husbandry. This may lead to improper use of inputs and phytosanitary products and eventually to high farm losses due to pests and diseases. This represents an important bottleneck for any effort aiming at large scale rejuvenation of coffee trees throughout the country. A large scale initiative to replant coffee trees of improved varieties appears though necessary as it would allow to reduce production cost (decreased used of inputs, pesticides, fungicides) while increasing yields allowing coffee farming to become economically profitable.

Another dimension of the problem is the limited access to authentic quality inputs (fertilizers, pesticides, fungicides). The wide spread replanting of coffee farms with improved varieties could help to address this issue by reducing the quantity of inputs needed while providing increased incomes to coffee farmers thus improved financial capacity to procure these products.

1.3.2 Low farm gate prices due to non optimal functioning of the internal marketing process and high transaction costs

According to a recent survey (Coles and Mhando 2010) some Tanzanian coffee farmers may receive as low as 50% of the auction price for the coffee that they produce. More generally, it is estimated that coffee farmers receive an average 65% to 70% of the FOB price. The main consequence of this low share of income for coffee farmers is that coffee farming is currently not an economically profitable activity. Therefore farmers do not have any incentives to invest time or capital in order to improve productivity and quality.

This situation can be seen as the consequence of complex interactions between various factors:

- Important delays induced by the internal marketing system and business environment (it is estimated that about 3 months are needed to move coffee from farm gate to FOB)
- Insufficient market information and transparency
- High domestic transportation costs / local taxation
- Less than optimal functioning of cooperatives

The auction system is believed to have multiple advantages including better prices for the value chain as well as better control over exports. Under the present form it can also entail some delay between the moment when the coffee is bought from the producer (farm gate price) and the moment when it is actually sold and paid in the auctions. This long period creates a serious price risk for the coffee buyer (cooperative or private) because of the international price volatility as well as uncertainty on the final price and possible premiums he will obtain as a result of the auctions. As a result, coffee buyers tend to manage price risk by offering exaggeratedly low farm gate prices which is not always compensated by a second payment when the final price is good. This is a very serious bottleneck for the Tanzanian coffee sector.

Insufficient market information prevents at times coffee farmers to have a clear vision of what fair price they should receive for their product. It is particularly true in areas where there is insufficient competition among local buyers/cooperatives.

High transport costs strongly affect the price farmers receive as well as their productivity (problematic access to inputs). This is largely the result of the transport infrastructure being inadequate, roads being impassable in the rainy season, and poor quality of roads. Tanzania coffee producing areas cover a massive land area. This requires having in place an infrastructure or road and rail network that ensures that coffee is transported efficiently at a low cost. The country has seen major improvement in road conditions over the last few years including tarmacked highways between Dar es Salaam and Mwanza and Dar es Salaam and Lindi. In the same pattern the sea port of Dar es Salaam has been recently upgraded although it still suffers from congestion.

Infrastructural impediments are not the only obstacles. Other issues include movement restrictions, lack of storage capacity, and contract enforcement problems. Local taxation and other administrative hurdles also contribute to increasing transaction cost and therefore lowering farm gate prices.

Finally, there are some cases of cooperatives that impose unnecessarily high administrative costs to the producers thus reducing the farm gate price because of poor management practices or deficient governance.

1.3.3 Under-exploited quality potential

In Tanzania, it is estimated that about 90% of the coffee is currently home processed (Hans R. Neumann Stiftung) which results in inconsistent and heterogeneous quality because of deficient post harvest practices, Large international buyers therefore tend to currently use Tanzanian coffees in blends rather than developing Tanzania single origin coffees.

It was previously seen (Chapter 1.1) that Tanzania has a potential competitive advantage on the international market thanks to its quality potential. By many aspects the overall quality of Tanzanian coffee remains however moderately good as reflected by the coffee price differentials. This should not however mask the existence of various conflicting trends:

- The agronomic constraints such as low usage of inputs, poor husbandry practices seem to reduce the proportion of sound heavy beans (cf. statistics on the coffee grades) particularly in Northern producing areas
- Regarding mild Arabica small holder processing, the lack of clean water is a serious problem in some producing areas as well as the insufficient number of drum pulpers and drying tables. This has resulted in a notable degradation of quality over the years (characteristic sour/fruity flavor)
- Regarding mild Arabica CPU processing, there is an insufficient number of functional central pulperies, particularly in the Northern area and some of them face management problems (collection of cherries, pricing, insufficient number of drying tables).
- Regarding Robusta (Kagera area) the entirety of the production is currently sundried and quality is overall fairly good. There have been talks in the past to introduce washing stations to produce washed robusta but the water availability is limited and the price premiums that could be obtained are not yet clearly demonstrated.

Considering the limited availability in water throughout the country, and necessary adaptation to climate change, it is suggested to use the latest ecological coffee washing technologies with mechanical mucilage removers wherever possible. Such ecological coffee

washing stations are documented to use only 10% of the water normally used by traditional CPUs.

Finally, it is worth mentioning that sundried coffee or hand pulped coffee are not necessarily inferior to CPU washed coffee in terms of quality when properly processed. The management of the process is however much more complicated and requires an important amount of care and attention to details.

1.3.4 The impact of climate change

Surveys of coffee farmers conducted over the last years (Hanns R. Neumann Stiftung 2010, AdapCC 2007) show their perception that climate is changing with rainfall patterns becoming increasingly irregular and leading to lower productivity.

The various scientific studies published on the matter have presented seemingly conflicting conclusions. They however agree on the following elements:

- Coffee production is likely to move to higher altitudes due to the increase in temperature, which is a certain feature of climate change. This would entail a significant geographical redistribution of coffee growing areas across the country with the minimum altitude for Arabica production possibly increasing by up to 400 m (Hagar, Schepp, University of Greenwich 2011)
- Changes in rainfall patterns are less clear due to the important differences between the models. It is likely that climate variability will increase in conjunction with the El Nino/La Nina cycle. This could generate an aggravation of extreme weather patterns (droughts, floods etc.) Irregular rainfalls might all the more strongly affect Tanzanian farmers as only 3% of the farms have irrigation facilities.

Such effects of climate change could have considerable socio-economic impacts as farmers may have to adapt their livelihoods, which would in turn have adverse effect on the high altitude eco-systems as coffee production progressively needs to expand at higher altitude.

2. The Coffee Sector Development Strategy: Vision, Objectives and Strategic Thrusts

2.1 Vision of the Strategy

As a result of the participatory process, the various actors of Tanzania's coffee value chain have agreed on the following vision for their strategy:

“The Tanzanian coffee industry aims to build a long term sustainable and profitable coffee industry to all stakeholders, producing internationally recognized high quality Arabica and Robusta coffees and making a significant contribution to macro-economic stability, poverty reduction and improved Tanzanian livelihoods.”

2.2 Objective of the Strategy

The core objective of this strategy is:

“To increase national coffee production and quality so as to improve incomes for the entire value chain, particularly coffee farmers.”

Quantitative targets are as follow:

- Increased annual clean coffee production from the present average of 50,000 tons to at least 80,000 tons by year 2016 and 100,000 tons by year 2021
- Improved coffee quality demonstrated by an increase in the share of coffee sold with price premiums on export markets, from the present 35% of the total volume to at least 70% by year 2021
- Farmers' share of the net FOB price on coffee exports is improved to reach at least 75% by year 2021

2.3 Strategic thrusts

In order to reach the objective and contribute to the realization of the vision shared by the national coffee stakeholders, the following thrusts have been agreed upon:

Strategic thrust 1: Increase coffee productivity and overall production

Considering the objective to increase production volume to 80,000 MT/year by 2016 and 100,000 MT/year by 2021 there is a clear need to improve productivity. Better yields also act positively by enhancing economic profitability of coffee farming for smallholders.

This will be achieved through carrying out activities such as rejuvenation of existing coffee farms (replanting with improved varieties), improving husbandry practices through enhanced support by extension services, and intensification of fertilizer application as well as better pest and disease control.

Coffee productivity in Tanzania is currently estimated at 150-200 kgs green coffee per hectare for Arabica or approximately 150 grams per tree. The productivity for Robusta is approximately 550 kg/ ha. The combination of the interventions listed above has the potential to at least double productivity from the present average 200-300kg/ha to 400-500kg/ha. Increasing productivity will require a number of interventions including: better understanding and application of good agricultural practices by farmers, use of appropriate and authentic inputs such as fertilizers, fungicides and insecticides, and most importantly replanting with disease resistant varieties to replace old trees.

At a lesser level, the planting of new coffee farms (particularly estates) could help boost the national production. There are a number of regions suitable for coffee expansion in Tanzania, these are: Mara, Kigoma, Rukwa, Iringa, Manyara, Tanga, Morogoro and Mwanza. Preliminary survey indicates that 15,000 hectares are available for coffee expansion in the above mentioned regions. Attracting farmers in expansion areas to see the benefits of growing coffee will be a challenge for all stakeholders given a 2-3 year start up period for coffee.

Indicators of success:

- Average coffee yield at the national level increases to reach at least 450 kgs of clean coffee per hectare by year 2021 (+100% increase)
- At least 10,000 hectares of new coffee farms are planted by year 2021

Strategic thrust 2: Improve efficiency of the value chain

Coffee producers could receive a higher share of the export price if the internal marketing system was improved. The main areas to be looked at so as to ensure better incomes to farmers are suggested as follows:

- a) Address existing issues in terms of transaction costs (transport, administrative hurdles, price risk management)
- b) Reduce the complexity and length of the value chain to enable farmers access better markets
- c) Promote transparency through market information system (actors, prices, volumes)
- d) Improve governance of the value chain through private-public multi-stakeholder process
- e) Strengthen efficiency of cooperatives/buyers through capacity building
- f) Credit facilitation and reduced price risk (increased speed of flow for the coffee from Farm to Export)

Improved business environment could also unlock the economic potential of the Tanzanian coffee sector allowing for higher investments along the value chain.

The COFFEE ACT, regulations and marketing strategies should be reviewed periodically to encourage private sector participation and to ensure alignment with the changing business environment. To encourage further investment in coffee, particularly the areas of taxation, customs and land ownership procedures require reform. Improvement of critical support functions and infrastructure is also essential for example ports, transit times to key market destinations. Monitoring and enforcement of regulations should focus on creating a level playing ground for business competition. Strengthening cooperative societies and the possible use of the warehouse receipt system (WHS) could also improve the business environment.

Indicators of success:

- By 2021 the average time needed to move the coffee from farm-gate to FOB is reduced from the current average 3 months to less than 2 months
- By 2021 the Average share of transaction costs from Farm-gate to FOB is reduced from the current 35% to 25%

Strategic thrust 3: Support overall coffee quality improvement

Price premiums can be increased by producing better coffee quality. This will require farmers' adherence to good agricultural / harvest / post-harvest practices and improvements in the utilization of processing equipments including central pulper units (CPUs)

This strategy recognizes the opportunity of improving the overall quality of Tanzanian coffees, through:

- Development of clear quality norms through public/private consultation
- Quality based pricing at the farm level
- Capacity building and support to the equipment of producers

- Support to the establishment of central pulperies (CPU) where relevant
- Generalization of quality self control by cooperatives/buyers using adequate tools (moisture meter, scales, etc.)

Also given recent developments towards washed Robusta coffee and the emergence of a niche market segment, the introduction of fully washed Robusta could be pilot tested.

Indicators of success:

- By 2021 a minimum of 70% of the coffee produced in Tanzania is of classes 1-7 (according to Tanzanian classification)
- By 2021 a minimum of 75% of the Arabica coffee produced in Tanzania is processed through CPUs

Strategic thrust 4: Explore new market opportunities including the development of sustainable coffees

Considering the potential quality of Tanzanian coffees there are various opportunities to explore in order to create shared value for all the industry stakeholders.

There is at the same time a need to ensure a long-term sustainable coffee industry by addressing challenges in the areas of environment, child labour, gender equity and participation of youth in coffee farming. Encouraging farmers to produce an increased quantity of sustainable coffee would not only be beneficial to the Tanzanian coffee sector on the long term by ensuring preservation of the environment and socio economic and gender equity, it could also represent an economic opportunity to seek price premiums on the international markets.

The continued promotion of Tanzanian coffees abroad, including emerging new markets (China, India, Brazil, Eastern Europe, Pacific Asia etc.) could also bring many economic benefits as well as the development of economic partnerships with relevant countries (Japan, US, Europe etc.).

Finally value addition can also be achieved by producing and selling consumer ready products such as roasted beans, roast and ground coffees and instant coffee on domestic/regional markets. Other initiatives could support the development of domestic consumption to that effect.

Indicators of success:

- By 2021 a minimum of 50% of the coffee produced in Tanzania is “sustainable” (e.g UTZ, 4C, FLO, Rainforest, Organic)
- By 2021 domestic consumption is increased in Tanzania and reaches at least 10,000 tons (equivalent of clean coffee)

3. Implementation plan for the strategy

While developing the strategic document, stakeholders have tried to link it with future implementation plans in order to ensure that it does not remain a simple theoretical analysis. The strategy should rather act as a clear roadmap for the coordinated improvement of the industry. A set of activities was identified under each strategic thrust based on a gap analysis (what is being currently done? What experience can we capitalize on?). Actors have also agreed on a possible implementation framework, priority programs to be implemented (prioritization of activities) and have devised estimates of both implementation costs and possible socio economic impact / benefits.

3.1 Key implementation activities

The interventions and activities necessary to achieve the objective are laid out below.

Strategic thrust 1: Increase production and productivity

Production volumes will be increased predominantly by improving yield amongst existing coffee farms. This will be driven by a large scale effort to replace old coffee trees with new disease resistant varieties producing higher yields. This can only be done through close collaboration between research, extension services, and producers' organizations on the field. Lessons from other countries show that the focus should not be put solely on the production of millions of improved varieties plantlets, but as well as on the development of functional extension services to accompany on farm uprooting/replanting and subsequent application of good agricultural practices. The set up of an adequate network of local nurseries will also be a key to success as well as the capacity to create clear economic incentives for farmers to actually rejuvenate. Considering that newly planted trees will only enter into production after four years, there is a need to compensate the induced loss of income through compensation (possibly in kind compensation by providing fertilizers or pesticides) as well as short term crops (beans can provide some income and fix nitrogen in the soil)

Productivity will also be improved through better access to quality inputs (fertilizers, pesticides etc.) This will require soil analysis to determine which inputs to use and better equipment and access to capital such that they will actually apply the inputs. Proper access to inputs will require coordination through a coffee fertilizer program; this can be an opportunity to involve private sector suppliers

Support to the adoption of good agricultural practices (pruning, mulching, weeding, shade management etc.) will presuppose the definition of clear agronomic guidelines at the national/local levels and the recycling of agricultural extension officers on specific coffee agronomy issues.

Implementation of good agricultural practices, application of inputs, and large scale rejuvenation are expected to increase average yield from the current 200-250 kgs of clean coffee per hectare to an average level of at least 350 kgs/ha in 2016 (+55%) and 450 kgs/ha in 2021 (+100%) Detailed breakdown of estimates for each producing area is provided below

Baseline (2011) Source : TCB 2011*				Objectives (2021)				
Area	Yield (kgs/ha)	Area (ha)	Production	Area	Yield (kgs/ha)	Area (ha)	Production	Increase
North	90	83000	7470	North	270	83000	22410	+200%
Kagera	550	39000	21450	Kagera	850	39000	33150	+55%
Mbeya	220	51000	11220	Mbeya	450	53500	24075	+105%
Ruvuma	300	35000	10500	Ruvuma	600	37500	22500	+100%
Other	150	21000	3150	Other	250	26000	6500	+67%
TOTAL		229000	53790	TOTAL		239000	108635	
Average yield per hectare			235	Average yield			455	

* Some figures may appear particularly low due to over estimation of coffee areas (Do a few coffee trees on one hectare should be considered as one hectare of coffee farm?)

An estimated number of 20 millions seedlings/plantlets will be needed on an annual basis in order to conduct large scale replanting as well as intensifying, considering also possible losses at nursery and field level (survival rate is estimated to 70% as an average if application of good practices). In the meantime, expansion of coffee areas will be explored in various districts with the objective of establishing 10,000 hectares of new coffee farms by 2021.

Activities to be implemented in order to achieve the objective:

Activity number	Description of the activity	Lead Agency	Status
1.1	<u>Establish a national program for the large scale rejuvenation of coffee trees through replanting with improved varieties and distribution of fertilizers as a loss compensation scheme</u>		
1.1 a	Acceleration of the multiplication and distribution of improved varieties in order to avail seedlings/plantlets to all coffee farmers in need	TaCRI?	Already existing To be upscaled
1.1.b	On farm support for effective replanting with improved varieties (stumping when applicable) and distribution of fertilizers as a loss compensation scheme	To be defined	Non existing

1.2	<u>Support the dissemination of good agricultural practices for coffee farming throughout the country in order to increase productivity in a sustainable manner</u>		
1.2 a	Develop national coffee agronomy guidelines through Multi-stakeholder process based on existing best practices and recommendations from the research institutions	TaCRI?	Already existing To be compiled
1.2 b	Assess the impact of climate change on coffee growing areas and advise on possible adaptation/mitigation measures and required changes to existing agricultural practices	TaCRI?	Some data available/ To be compiled
1.2 c	Strengthen linkages between Research and district extension services in order to ensure widespread coffee agronomy capacity throughout the country and constantly updated knowledge	TaCRI?	Already existing To be upscaled
1.2 d	Set up a nationwide network of community coffee extension officers (at coops, private operators, farmer groups etc.) through Training of Trainers and support regular trainings at village level including demonstration plots	To be defined	Already existing (capitalize on NGOs) To be upscaled
1.3	<u>Facilitate access to appropriate inputs and their rational use in order to diminish production cost while preserving the environment</u>		
1.3. a	Perform soil and leaf analysis to provide recommendation per region on appropriate fertilizer and other inputs use	To be defined	Already existing To be upscaled
1.3. b	Develop a scalable and sustainable supply chain of certified fertilizers, machineries, farm implements, pesticides, herbicides and fungicides recommended for coffee growing through a coordinated input program	To be defined	Non existing
1.4	<u>Encourage the installation of new coffee farms in areas with great expansion potential, possibly by young agricultural entrepreneurs</u>	To be defined	Non existing
1.4 a	Determine areas suitable for high quality coffee production	To be defined	Non existing
1.4 b	Consider the possibility to set up a coffee development fund	To be defined	Non existing
1.4 c	Foster market linkages for new growing areas	To be defined	Non existing
1.4 d	Establish and support sustainable irrigation scheme	To be defined	Non existing
1.4 e	Attract investment for the installation of about 10,000 hectares of new coffee farms	To be defined	Non existing
1.4 f	Improve youth involvement and promotion of coffee careers	To be defined	Non existing

Strategic thrust 2: Improve efficiency of the value chain

The business environment and corresponding coffee industry regulations need to promote a stable, competitive and sustainable coffee industry. Respective roles of the members of the value chain need to be clarified so that each may contribute by: adding value, reducing transaction costs, and increasing speed of transfer of the coffee from one stage of the chain to the other.

Reducing transaction costs and unnecessary intermediaries will result in improved competitiveness of the sector as well as higher incomes for all members of the industry and particularly farmers. Farmers need to receive an income representing a fair stake of the underlying value of their coffee. This is not only a means to reduce rural poverty and improve livelihoods, but also a crucial economic incentive for them to invest in productivity and quality.

Activities to be implemented in order to achieve the objective:

Activity number	Description of the activity	Lead Agency	Status
2.1	<u>Encourage an attractive and enabling overall regulatory framework for coffee stakeholders</u>		
2.1 a	Encourage private sector investment throughout the value chain	TCB?	Existing To be upscaled
2.1 b	Improve sector governance by setting up multi-stakeholder committees at both national and zonal levels to implement shared functions among stakeholders	TCB?	Existing To be upscaled
2.1 c	Investigate opportunities to foster favorable harmonized tax environment at both national and local levels	TCB?	Existing To be upscaled
2.1 d	Devise interventions in order to lower costs of transport, packaging materials and power tariffs	TCB?	Existing To be upscaled
2.1 e	Ensure adapted regulations to improve farm gate competition	TCB?	Existing To be upscaled
2.1 f	Support improvement of policies/regulations on land tenure and ownership that will benefit coffee farmers	TCB?	Existing To be upscaled
2.2	<u>Improve functioning of the internal marketing system including Moshi auction</u>		
2.2 a	Conduct national private/public consultation to assess possible reforms in order to simplify procedures and reduce time to move coffee from farm to export	TCB?	Existing To be upscaled
2.2 b	Improve the auction by attracting more participants	TCB?	Existing To be upscaled
2.2 c	Investigate remote participation to Moshi auctions	TCB?	Non existing
2.2 d	Consider possible streamlining of existing grading/ coffee classification systems	TCB?	Existing To be upscaled

2.3	<u>Encourage coffee farming as a business and improve capacities and governance of farmers organizations</u>		
2.3 a	Improve access to capital and overall knowledge of finance and risk management (Farmers organizations)	To be defined	Existing To be upscaled
2.3 b	Train farmers on basic financial literacy and savings to increase understanding of costs and revenues	To be defined	Existing To be upscaled
2.3 c	Circulate clear information on costs incurred by farmers organizations: benchmark comparisons and details of best and worst performing groups/coops	To be defined	Existing To be upscaled
2.3 d	Inform farmers of their rights and obligations as members of farmer organizations and under the Coffee Act	To be defined	Existing To be upscaled
2.3 e	Enable contracting of extension services / coffee services providers through public private partnerships	To be defined	Existing To be upscaled
2.4	<u>Improve transparency through better information management</u>		
2.4 a	Conduct regular coffee censuses on production, acreage, tree numbers, available infrastructures including CPUs	TCB?	Existing To be upscaled
2.4 b	Register coffee farmers and issue farmers IDs	TCB?	Existing To be upscaled
2.4 c	Create an integrated industry information database including information distribution system	TCB?	Existing To be upscaled
2.4 d	Increase communication of coffee prices to farmers through newspapers, internet, mobile phones, radio and television	TCB?	Existing To be upscaled

Strategic thrust 3: Support overall coffee quality improvement

Tanzanian coffee currently fetches price premiums for approximately 35% of its coffee production. (source: TCB 2011)

Tanzanian coffees could receive higher prices on the market, by improving the processing methods and general care given to harvest /post harvest practices. In Tanzania approximately 11% of coffee is processed centrally whereas 89% are home processed (Hans R. Neumann Stiftung). In the later case, because of deficient post harvest practices, coffee quality lacks homogeneity and suffers from inconsistency which is a major deterrent to large international buyers. At the moment, the vast majority of Tanzania's coffee is used in blends as the insufficient volume in national production and the heterogeneous quality prevents larger roasters from developing Tanzania as single origin coffees.

Improving quality of the coffees produced through the application of good harvest/post harvest practices while increasing the volume of fully-washed coffees is therefore a priority.

Activities to be implemented in order to achieve the objective:

Activity number	Description of the activity	Lead Agency	Status
3.1	<u>Support quality improvement through capacity building and enhanced equipment for producers</u>		
3.1 a	Define clear national norms/standards on quality processes through private public consultation	To be defined	Existing To be upscaled
3.1 b	Set up a system of quality self control by cooperatives /coffee buyers and support appropriate equipment (moisture meters, scales, etc.)	To be defined	Existing To be upscaled
3.1 c	Encourage quality based pricing at farm level	To be defined	Existing To be upscaled
3.1 d	Provide training on good harvest / post harvest practices and impact on quality	To be defined	Existing To be upscaled
3.1 e	Train coffee cuppers throughout the value chain	To be defined	Existing To be upscaled
3.1 f	Increase availability of regional cupping facilities to improve quality	To be defined	Existing To be upscaled
3.1 g	Develop and disseminate education material (leaflets, posters, radio etc.)	To be defined	Existing To be upscaled
3.1 h	Support the equipment of farmers with hand drum pulpers / drying areas where CPUs cannot be installed	To be defined	Existing To be upscaled
3.2	<u>Promote the development of CPU fully-washed coffee where possible</u>		
3.2 a	Disseminate information throughout the industry on the benefits of fully washed coffees	To be defined	Existing To be upscaled
3.2 b	Setup a policy and technical recommendations to ensure proper locations for the installation of CPUs as well as adequate choice of equipment and construction designs	To be defined	Existing To be upscaled
3.2 c	Utilize opportunities for small-scale ecological CPUs and support sustainable water supply as well as efficient recycling of waste waters / byproducts	To be defined	Existing To be upscaled
3.2 d	Provide training on how to establish and effectively operate CPUs (finances, coffee cherry pricing etc.)	To be defined	Existing To be upscaled
3.2 e	Support construction of CPUs through fund matching grants and lobby for loan guarantee support for capital expenditure investments in CPUs	To be defined	Existing To be upscaled
3.3	<u>Support where possible the development of village/mobile hulling for Robusta</u>		
3.3 a	Setup a policy governing mobile hulling	To be defined	Non existing
3.3 b	Disseminate information throughout the value chain on the benefits of village hulling	To be defined	Non existing
3.3 c	Provide training to small-holders to establish and effectively operate mobile hullers	To be defined	Non existing
3.3 d	Lobby for loan guarantee support for capital expenditure investments in mobile hullers	To be defined	Non existing

Strategic thrust 4: Support the promotion of Tanzanian coffees abroad and explore new market opportunities including sustainable coffees

There is potential for improving the external marketing of Tanzanian coffees on traditional markets through partnerships as well as on emerging markets. The growing attention given by the international industry to sustainable coffee should also be taken into consideration as the world leading actors are increasingly committing to increase the share of sustainable coffees in their sourcing. It is important for Tanzania to keep pace in this domain as well as to guarantee preservation of the environment and future socio economic/gender equity. Lastly, domestic as well as regional markets could well in the future represent important sources of earnings for the Tanzanian coffee industry.

Activities to be implemented in order to achieve the objective:

Activity number	Description of the activity	Lead Agency	Status
4.1	<u>Develop Tanzania Brand and promote Tanzania's origin on export markets</u>		
4.1 a	Determine long-term marketing strategy	TCB?	Already existing To be upscaled
4.1 b	Promote Tanzanian coffees abroad through participation to trade fairs and targeted promotional campaigns	TCB?	Already existing To be upscaled
4.1 c	Conduct market studies on emerging markets and support the development of economic partnerships	TCB?	Already existing To be upscaled
4.1 d	Organize greater number of coffee contests and publicize results internationally	TCB?	Already existing To be upscaled
4.2	<u>Promote adherence to environmental and social responsibility standards and increase production of sustainable coffee</u>		
4.2 a	Conduct multi-stakeholder discussion on possible advantages of existing environmental and social responsibility standards	To be defined	Non existing
4.2 b	Support the production of sustainable coffees (e.g. UTZ, 4C, FLO, Rainforest, Organic, etc.) mainly through advisory services	To be defined	Non existing
4.2 c	Train local experts so as to reduce cost of inspection/certification	To be defined	Non existing
4.2 d	Promote best environmental practices including integrated pest management, organic fertilizer etc.	To be defined	Already existing To be upscaled
4.2 e	Improve gender equity and participation of women at all levels of the value chain	To be defined	Already existing (capitalize on NGOs) To be upscaled
4.2 f	Ensure that there is no child labour in the national coffee industry	To be defined	Already existing To be upscaled
4.3	<u>Promote the domestic consumption and production of roasted and ground coffees</u>		

<u>where economically profitable</u>			
4.3 a	Encourage domestic consumption of roast beans, ground coffees and instant coffees	To be defined	Already existing To be upscaled
4.3 b	Strengthen capacity of local roasting and packaging industry	To be defined	Non existing
4.3 c	Ensure local availability of quality coffees	To be defined	Non existing
4.3 d	Initiate the Tanzania National Coffee Day	To be defined	Non existing

3.2 Proposed implementation framework

In order to achieve the Strategic Goals as laid out in the strategy there must be a close collaboration among all stakeholders in the coffee sector for implementation of the programs (multi-stakeholder process). This plan provides an overview outline of some of the major coffee sector stakeholders' institutions and their expected roles in the implementation.

3.2.1 Coffee Stakeholders Institutions Roles

a) Coffee growers and farmer organizations

Growers and their organizations stand central to this coffee development strategy. Farmers themselves will need to engage and be engaged under good leadership for replanting with improved varieties, adopt good agricultural practices, and ultimately increase yields. They will only do so if they are confident that they will receive a fair share of revenues for their coffee (improved efficiency of the value chain) and that any investment in improved production/quality will materialize in better incomes.

b) Ministry of Agriculture, Food Security and Cooperatives

Responsible for agricultural policy and planning. The Ministry can ensure that coffee Industry strategy aims are aligned with National agricultural policy, presented and discussed at national level and within Agricultural Lead Ministries to ensure linkage with other central government institutions and other crops sectors. The Ministry will also play a key role by supporting a favourable environment to coffee growing (taxes, regulations, agricultural policy) and by possibly supporting the implementation of the strategy through various means (financial support, subsidies for coffee inputs, advocacy to international donors)

c) Tanzania Coffee Board (TCB)

The role of the TCB is central to the implementation as it is expected to lead overall coordination of the strategy implementation and ensure proper dialogue between all actors of the industry (multi-stakeholder process). By doing so it will ensure that shared functions are implemented as envisioned in the Coffee Act and new coffee regulations. It will also provide necessary favourable business conditions to all stakeholders and will seek to optimize the functioning of the value chain (internal marketing and sector regulations). Ultimately the role of the TCB will also be to provide advisory services and promote Tanzanian coffees on existing/new markets.

d) Tanzania Coffee Research Institute (TaCRI)

TaCRI will play a key role in the implementation of the strategy by developing adapted technology through research and ensuring its dissemination to all stakeholders and particularly farmers. The emphasis will be on leading large scale replanting program by working together with public and private coffee stakeholders to ensure that the ambitious objectives are met through sufficient seedling production and distribution. It is also expected to coordinate with other involved actors so as to ensure effective replanting at the field level.

e) Private sector - traders/exporters/millers/roasters

Private sector companies (buyers, processors, exporters etc.) can be a powerful driving force for the actual implementation of the strategy. Through the implementation of shared functions and public private partnerships these parties will be able to participate in the improvement of the efficiency of the value chain and act as a useful relay for improvement of agricultural / harvest /post-harvest practices on the field.

g) Local Government Authorities (LGAs)

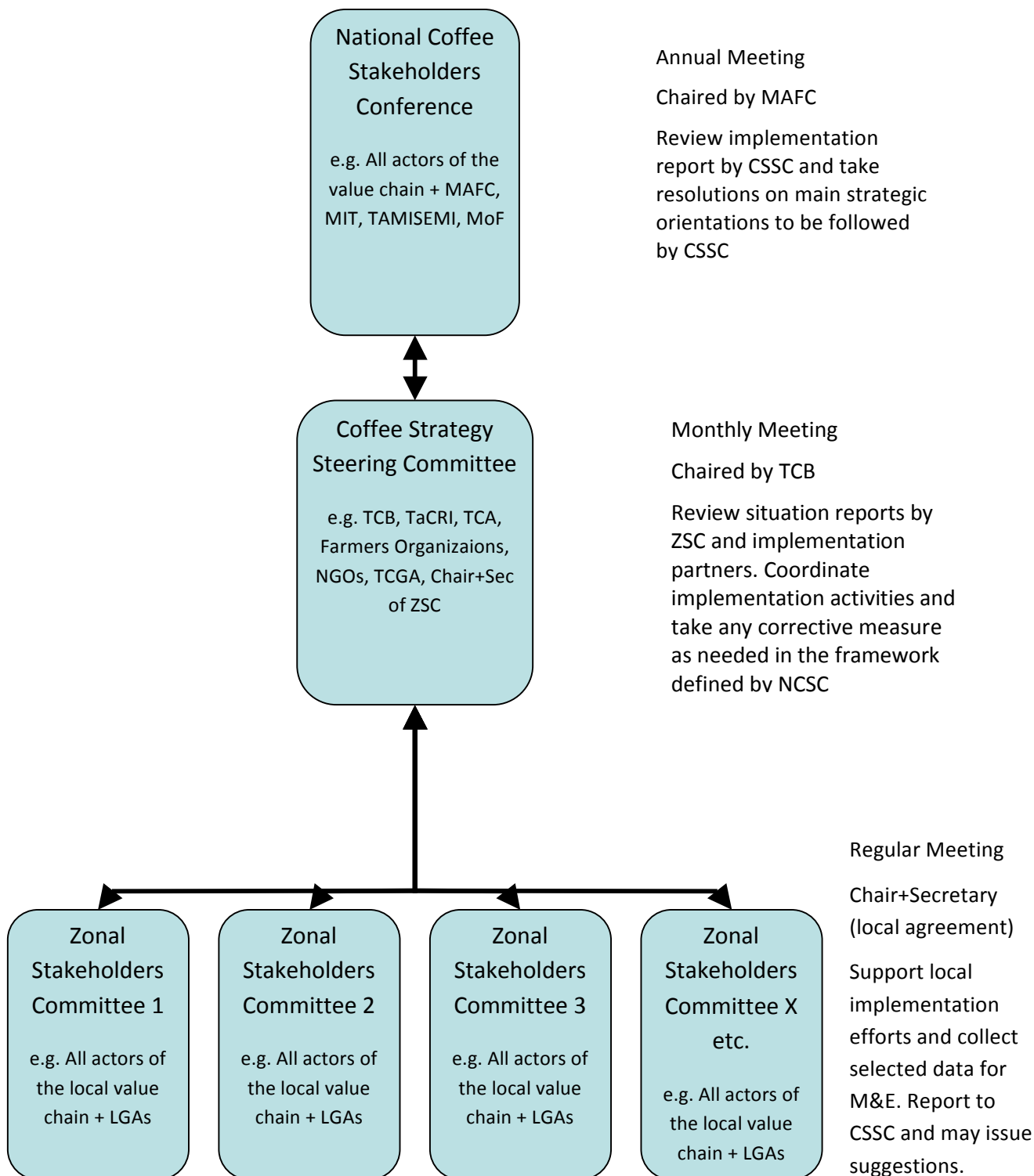
Local authorities in each of the coffee growing regions will have the responsibility to engage resources and funding for coffee through their agricultural development plans and budgets at least 20% of coffee cess. They can also participate in establishing a favourable business environment through harmonization of taxes and regulations. Additionally, local government can assist in creating the necessary conditions by investing in infrastructure like feeder roads, access to water and health facilities which will encourage optimal coffee growing conditions for farmers. The LGAs are also responsible for the recruitment and allocation of agricultural field officers to advise coffee growers on best practices and crop husbandry (mabwana shamba). Finally, LGAs should mobilize and sensitize on the formation of coffee growing cooperatives societies among coffee growers.

g) Non-governmental Organizations (NGOs)

Several NGOs have extensive access to expertise, funds and dedicated resources to assist in the implementation of shared functions directly contributing to the coffee sector strategy. They can provide expertise when needed and support implementation in several dimensions of the strategy. One interesting aspect is to capitalize on successes already recorded in some projects throughout the country to upscale the methodology and ensure greater impact.

3.2.2 Multi-stakeholder framework for the implementation of the strategy

The value of the strategy lies as much in the implementation process – improving the level of cooperation and private-public dialogue in order to develop sustainable capacity to address sector problems – as in the outcome. All the actors previously listed (3.2.1) will need to coordinate through zonal/national multi-stakeholder platforms in order to achieve the strategic objective. The following coordination mechanism is suggested.



3.3 Prioritization of interventions and preliminary cost estimates

The following implementation components were identified by stakeholders and ranked by order of importance so as to distinguish between priority programs that should be implemented as soon as possible and other important components which are less crucial to reach the objectives. While detailed cost analysis and program designs will be further developed by stakeholders at a later stage, preliminary cost estimates are provided for reference.

The following five programs have been identified by actors as being of the highest priority for implementation:

3.3.1 Priority Program 1: Large scale rejuvenation of coffee farms with high yielding disease resistant varieties

Main implementation partners:

- TaCRI
- TCB
- LGAs
- NGOs
- Private Sector

Activity	Target indicator	Estimated cost (per annum)
A1: Accelerate improved varieties seedlings/plantlets multiplication program	A total of 20 M. improved varieties seedlings/plantlets are produced annually	8 M. \$US
A2: Support rehabilitation of coffee farms through replanting of unproductive coffee trees	10 M. coffee trees are replanted annually with improved varieties	7 M. \$US
TOTAL (1)		15 M. \$US

3.3.2 Priority Program 2: National program for the dissemination of good agricultural practices to coffee farmers in order to ensure sustainable coffee production

Main implementation partners:

- TaCRI
- TCB
- LGAs
- NGOs
- Private Sector

Activity	Target indicator	Estimated cost (per annum)
A1: Develop national coffee agronomy guidelines based on existing best practices and recommendations from the research institutions (including sustainability standards)	Availability of clear agronomic guidelines for each agro-ecological area.	0.2 M \$US
A2: Scale-up farmer education and training through development of a national Training of Trainers program on coffee agronomy (including sustainability standards)	At least 45,000 coffee farmers are trained annually on good agricultural practices through community based training	6 M. \$US
TOTAL (2)		6.2 M. \$US

3.3.3 Priority Program 3: Optimization of the national coffee value chain efficiency through enhanced internal marketing process and improved overall business environment

Main implementation partners:

- TCB
- Private Sector
- LGAs
- Government

Activity	Target indicator	Estimated cost (per annum)
A1: Conduct a national private-public consultation to assess current regulatory framework/regulations and to identify possible solutions to improve value chain efficiency	Availability of a report with clear recommendations as the result of a multi-stakeholder consultation	0.2 M \$US
A2: Build industry information database and price information system	An integrated information system is operational which allows to gather and disseminate key information on production, marketing and prices	0.3 M. \$US
A3. Strengthen capacity of producers organization and improve their governance	150 producers organizations are trained annually on best practices in the fields of management, finance and governance	0.25 M. \$US
A4. ToT for farmers on basic financial literacy and internal marketing	6,000 farmers are trained annually on basic financial literacy and internal marketing	0.4 M. \$US
A5. Support to regular multi-stakeholder meetings at national and local levels in order to empower all members of the value chain and ensure their participation in the governance of the sector	Meetings at the national level and every production areas are held every quarter and allow for the private/public actors of the value chain to address existing issues	0.2 M. \$US
TOTAL (3)		1.35 M. \$US

3.3.4 Priority Program 4: Coffee Quality Improvement through better harvest/post harvest practices and upgraded processing

Main implementation partners:

- TCB
- Private Sector
- NGOs
- LGAs

Activity	Target indicator	Estimated cost (per annum)
A1: Support quality improvement through capacity building for producers and the entire value chain	Key actors of the value chain (including TCB) as well as 150 producers organizations are trained annually on quality issues and good harvest / post harvest practices	0.6 M \$US
A2: Upgrade the national fully washed production capacity through installation of CPUs when and where economically viable	After definition of national guidelines, 30 CPUs are installed /rehabilitated annually and the operators are trained accordingly	1.5 M. \$US
A3. Enhance quality of Robusta by providing adequate equipment and support mobile hulling	Robusta specific trainings and support to equipment	0.4 M. \$US
TOTAL (4)		2.5 M. \$US

3.3.5 Priority Program 5: Promotion of Tanzanian Coffee, Branding and Sustainability

Main implementation partners:

- TCB
- Private Sector
- NGOs
- LGAs

Activity	Target indicator	Estimated cost (per annum)
A1: Develop Tanzania Brand and promote Tanzania's origin on export markets	Participation in major trade fairs and availability of market studies	0.3 M \$US
A2: Promote adherence to environmental and social responsibility standards	Definition of a strategy on the production of sustainable coffee and partnership with existing initiatives	0.2 M. \$US
A3. Promote domestic consumption and production of roasted and ground coffees (where possible)	Organization of promotional events / barista training / cupping contests	0.2 M. \$US
TOTAL (5)		0.7 M. \$US

Total priority program costs (1) + (2) + (3) + (4) + (5)	Costs est./annum (\$US)
• Estimated costs	~26,000,000

3.4 Possible evolution scenarios and socio-economic impact of the strategy

The following scenarios show that if the coffee strategy is implemented, **it is expected to bring additional revenues of at least +150 M. \$US per year** under conservative 10 years estimates (+223 M. \$US at current price) to the national industry through export earnings. Of the total 250 M. \$US generated annually by the coffee industry (335 M. \$US at current price), at least 75% would be redistributed to coffee farmers. **This would almost double (+95% increase) the coffee incomes of an estimated 400,000 households** thus contributing to the reduction of poverty and creating a sustainable capacity for self improvement of the coffee industry.

3.4.1 Unfavorable evolution scenario

IF,

The coffee stakeholders do not intensify cooperation, do not use a common intervention strategy to coordinate efforts and develop synergies, funding for the actual implementation of the joint strategy is insufficient

THEN,

Individual projects (NGOs, TaCRI, TCB, etc.) are successful in generating outputs, and improve the functioning of specific areas of the value chain (production of plantlets, quality improvement for a few cooperatives etc.) but fail to have a large scale sustainable impact producing “sector change”.

Production from Tanzania continuously decreases, particularly in the North of the country, due to aging of plantation and non sustainable farming practices. Uncoordinated assistance from projects/research/extension services does not allow turning around the declining yields, coffee is increasingly seen by farmers as an economic activity that does not actually allow supporting livelihoods. Coffee farmers intensify intercropping practices therefore contributing to a sharper decline in coffee yields or simply uproot coffee trees (pressure on land). In areas where no other crop can really be substituted (South and North West of Tanzania), production may continue to be active and profitable where large estates/nucleus estates allow for private sector investment and efficient marketing channels. The production tends to polarize on two opposite products:

- a low volume / high price quality gourmet coffee
- a generic “filler” coffee for the bulk of the production only bought as a cheap substitute from Central American milds whose only competitive advantage is a lower price and timing to market

The long term existence of the Tanzanian coffee sector is threatened as the overall volume of production has become so low that the roasters do not consider it anymore as a potential ingredient of their blend.

3.4.2 Favorable evolution scenario

IF,

The coffee stakeholders use a common intervention strategy to coordinate efforts and develop synergies, and funding for the actual implementation of the joint strategy is sufficient

THEN,

The combined increase of production and quality generated the following additional income for the national value chain:

$$\begin{aligned} & \text{Gains from increased production (+ 50,000 tons)} \\ & \quad \times \\ & \text{Improved export value under conservative 10 years estimates (2.5 \$US per kg)}^1 \\ & \quad = 125 \text{ M. \$US annually} \\ & \quad + \\ & \text{+ Improvement of coffee prices for already existing coffee production (50,000 tons)} \\ & \quad = 25 \text{ M. \$US annually} \end{aligned}$$

In parallel production cost is significantly lowered throughout the country by the diffusion of improved varieties (fewer inputs, less production loss) which improves the net return for coffee farmers. Implementation of the strategy and better private-public sectors dialogue improve efficiency of internal marketing mechanisms resulting in lower transaction costs and thus better income for the entire value chain including farmers. Improved economic profitability of coffee production creates incentives for further investment resulting in self-funded sustainable improvement of the functioning of the coffee sector. The socio-economic situation of the rural population in Tanzania is greatly improved as improved marketing allows for about 75% of the FOB price return to coffee farmers resulting in a total redistributed income of about 187,5 M. \$US to be distributed among 400,000 farmers representing an increase of +95% of their estimated current coffee incomes. This additional cash revenue (+ 227 USD per farmer) contributes to the sustainable reduction of poverty and to a better access to basic services such as education, health, water/sanitation.

A positive dynamic is created as taxes revenues are also generated for sector's support programs (TCB, TaCRI, others) which allows in turn to invest in further support to the sector. Local Government Authorities also benefit from improved incomes and can upgrade their capacity to support coffee production through extension services.

The increased production and quality, as well as improved business environment attracts attention from the international coffee industry resulting in higher investments and further development of the Tanzanian coffee sector.

¹ Conservative estimates of 30% of Robusta sold at 1,6 USD / Kg. and 70% Arabica sold at 135 US cents/lb. based on average price over the last three decades plus estimated differentials

Appendixes

Appendix 1 SWOT Analysis of the Tanzanian coffee sector

Appendix 2 National Coffee Conferences Resolutions (2011)

Appendix 3 Summary of zonal stakeholders committees contributions

Appendix 4 Exhibits (available upon request as a separate document)

- Exhibit 1 Half of the world's coffee is produced by Brazil and Vietnam
- Exhibit 2 Demand for Robusta is growing faster than Arabica
- Exhibit 3 Mild differentials are increasing over Naturals and Robusta prices
- Exhibit 4 Twenty five million bags of Arabica sold at a premium versus the New York C
- Exhibit 5 The specialty market could reach 19 million bags by 2020
- Exhibit 6 The coffee industry is moving quickly toward sustainable standards
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- Exhibit 8 Arabica production is decreasing while Robusta is rising
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- Exhibit 22 Fully-washed coffees from new central pulping units (CPU)

Appendix 1: SWOT Analysis of the Tanzanian Coffee Sector

In order to address challenges in the sector a SWOT analysis has been performed together with key stakeholders in the industry. The table summarizes the main results of the discussion.

Strengths	Weaknesses	Opportunities	Threats
Abundant suitable land for coffee production	Low productivity	Tanzania is in Colombian mild group	Climate change/ Weather fluctuations
Favourable growing conditions	Inadequate extension and advisory services	Potential to gain price premiums	Increasing costs of inputs
Excellent potential coffee quality	Inadequate credit and supply systems	Coffee is traded in USD	Outbreak of new pests and diseases
Availability of improved coffee varieties resistant to CBD , CLR and CWD	Unstable local currency	Extend stakeholder funding of shared functions in the industry	Fluctuations of world coffee market prices
Liberalized coffee market	Poor infrastructure	Potential to develop washed Robusta	Emergence of additional certification standards
Willingness of stakeholders to support and fund coffee research	Inadequate dissemination of market information	Potential to increase local consumption	Competition with other crops
Political stability	Business environment can be improved	Training of institutions on crop husbandry	High interest rates

Source: TCB analysis, Stakeholder meetings, 2010

Appendix 2: National Coffee Conference Resolutions (2011)

Resolutions of The National Coffee Conference held at Oasisi Hotel, Morogoro, 26th – 27th May 2011

1. Stakeholders agreed with the decision of the government on the provision of fertilizer subsidy to coffee growers. Promised to utilize this opportunity to increase coffee productivity and quality
2. Stakeholders congratulated all those who prepared the Tanzania Coffee Industry Development Strategy which was fully adopted (121 participants voted for and only 3 voted against).
3. Stakeholders proposed that there is a need to prepare implementation programme for the strategy indicating the role of each stakeholder and the source of funds especially on the shared functions
4. Stakeholders agreed that there is a need for district councils to review their contribution to the coffee sub-sector and allocate at least 20% of the income collected from coffee cess to support coffee development activities in their respective districts.
5. Urged TaCRI to continue researching on challenges that face the coffee industry and come up with coffee varieties that can adopt to climatic change
6. The conference acknowledged the decision of the government to continue investing in coffee research activities.
7. The Tanzania Coffee Board should coordinate an in-depth evaluation of the current coffee trading system with a view to coming up with a transparent system which is competitive all along the coffee chain from the farm to the auction.
8. Stakeholders agreed that the contribution to the coffee development fund should be per kilogram of sold coffee instead of per percentage of price
9. To recognize and award outstanding farmers during the National Coffee Conference and during National agricultural shows especially Nane Nane
10. Stakeholders unanimously agreed to establish coffee development fund and appointed the Board of Trustees to oversee the logistics of establishing the fund including its registration. It was also agreed that current rates will

continue to apply until the new rates come into force in the season 2011/12.
The members of Board of Trustees are;

- Members representing farmers: Gabriel Ulomi, Andrew Kakama, Hyasinth Ndunguru

- Member, representing district councils: Hilda Lauo

- Member, representing Ministry of Agriculture, Food Security and Co-operatives: Geoffrey Kirenga

- Members, representing traders (TCA): Amir Hamza na Noel Yatera

- Ministry of Agriculture, Food Security and Co-operatives and Tanzania Coffee Board

Appendix 3: Summary of zonal stakeholders committees contributions

Campaign for Increased Coffee Productivity

First Round Zonal Stakeholders Meetings

April to June 2009

Final Report

Background:

One of the functions of TCB is to facilitate strategic interventions that will increase productivity. In 2006, there was the launch of a national campaign to increase coffee production, with a directive from the then Prime Minister that production should reach 120,000 tons before 2010. TCB have responded to this challenge by seeking to involve stakeholders in each of the coffee zones in a participatory process that will culminate in the development of a strategic plan to increase productivity in their area.

Initial sensitization was conducted by the Director General of TCB in all zones, and key stakeholders were identified to participate in these planning processes. The consolidated outputs will inform the National Coffee Stakeholder Meeting, to be conducted later in the year.

For the initial round of stakeholder meetings, TCB partnered with the Sustainable Commodities Assistance Network (SCAN) and Cafe Africa. Three TCB staff from the Coffee Development Department took overall responsibility for planning, logistics, implementation, and reporting.

Seven meetings were held involving eight regions: Arusha, Manyara, Kilimanjaro, Iringa, Mbeya, Kagera, Kigoma, and Ruvuma. These meetings were attended by 600 stakeholders, from 28 districts, representing all parts of the value chain. The meetings were facilitated in a participatory way, and gave stakeholders an opportunity to identify the opportunities and challenges to increasing productivity in four main areas: production, processing, marketing, and organizational issues.

Stakeholder Meeting Objectives:

- Identification by stakeholders of the opportunities and challenges in increasing production in their region.
- To assist stakeholders in development of regional strategic plans that are realistic and achievable

- To provide stakeholders with basic information about the coffee sector globally and nationally
- To improve availability of reliable data that will inform both regional and national fora and will assist decision making and resource allocation.

Expected Outputs for First Meeting:

- Agreement on who are key stakeholders and ensure all parts of the value chain is represented.
- Consensus on what are main opportunities and challenges for the region
- Agreed next steps in developing a strategic plan for the region
- A regional stakeholder committee elected to implement the above, with support from TCB

Main Challenges to productivity:

There was a wide variety of issues raised; some of which were specific to individual zones. These are reflected in the individual reports, and will be addressed through the zonal strategic plans. However there were a number of issues that were common to all the stakeholder meetings, and as such need further analysis and consideration as to how the zones can be supported through national policy initiatives. These were:

- Poor Extension services: lack of officers, lack of expertise in coffee, not facilitated.
- Lack of access to affordable inputs: high fertilizer costs, authenticity, timely access to credit.
- Low availability of improved quality seedlings
- Lack of market information for smallholders
- District Cess: too high and lack of consultation with stakeholders
- Poor infrastructure: Roads (roads, rail, port, telecommunications, internet)

Institutional Issues for TCB:

In almost every meeting, TCB'S role and function was commented on, particularly in the discussion around institutional and organizational challenges to productivity. These included:

- Delay in payments
- Delay in processing licence applications
- Long delays in sample analysis
- Multiple licenses
- Licensing regulation of function now being enforced without a grace period
- Potential conflict of roles e.g. TCB is a regulatory body, but also collects revenue on behalf of LGAs

- Lack of information about price
- TCB is too remote from its stakeholders; ideally there should be a Coffee Co-ordinator in every district

This feed-back should be viewed in a positive light, as the board is already acting on a number of the above issues. The stakeholder meetings give TCB an opportunity to hear from its clients directly, and to streamline and adapt services to make them more responsive to stakeholders, and to ensure an enabling environment is created for the coffee industry. All zonal meetings expressed appreciation of stakeholder meetings, and requested they be held regularly.

Issues observed by the facilitators:

1. There are areas of potential that have not been covered by the stakeholder meetings, but need some preparatory work to assess potential and identify stakeholders. These include Rukwa, Tanga, Morogoro and Mwanza.
2. Allowances and payment of travel was contentious in a number of zones. In order to ensure ownership and sustainability, it is necessary to reach agreement with LGAs as to how their farmers will be enabled and facilitated to participate.
3. The situation analysis for Kilimanjaro was not completed in the same depth as the other zones, due to the absence of representation of all parts of the value chain. Due to Kilimanjaro's significance as the hub of the industry, TCB should take a different approach to the other zones, and actively engage the private sector in participation. The situation analysis should be reviewed and enhanced in subsequent stakeholder meetings.
4. The momentum established through the stakeholder meetings should be built upon, and follow-up visits to support committees in planning should happen as soon as possible.

Next Steps:

- TCB to support committees in development of draft plans (see attached proposed work-plan Appendix 1)
- Analysis and consolidation of zonal plans into a national plan
- Preparation for National Stakeholder Meeting

OBSERVATIONS AND REMARKS FOR INCLUSION IN THE STRATEGY

ZONE	OBSERVATIONS	REMARKS/COMMENTS
KAGERA	Mkakati uweke wazi lengo la kila wilaya ili mipango ya utekelezaji ipangwe kufikia lengo	It will be implemented under programmes
	Mkakati uweke lengo la kubadilisha mfumo wa kuuza kahawa ya maganda na kuuza kahawa iliyokobolewa tu	<p>We have included in the strategy as new item under 5.2.1</p> <p>Disseminate information to producers on the benefits of home hulled coffee</p> <p>Set up policy governing home hulling</p> <p>To provide training to small-holders to establish and effectively operate home hullers</p> <p>Lobby for loan guarantee support for capital expenditure investment in home hullers</p>
	Kuanzisha mfumo wa kahawa za kuosha za Robusta na Arabika mkoani Kagera	<p>Washed Robusta coffee is still under trials therefore was not included in the strategy</p> <p>Arabica is already included in the strategy</p>
	Mkakati uwe na lengo la makusudi kuwaelimisha wakulima wa Kagera waanze kutumia mbolea	Already included in the strategy therefore it was not considered
	Mkakati uweke lengo la kuongeza ubora wa kahawa ya Robusta kwa kuongeza jitihada za kukoboa kahawa ngazi ya kaya	Already included in the strategy as above 5.2.1
	Mkakati uweke mazingira yatakayowezesha mfumo wa biashara wa ya kahawa wa Tanzania kushindana na wa nchi jirani	<p>Considered under 5.3.1</p> <p>(e) Investigate opportunities to lower costs of transport, packaging materials and power tariffs</p> <p>(g) Improve farm gate competition</p>

	Mkakati uwe na lengo la makusudi kuwaelimisha wakulima wa Kagera waanze kutumia mbolea	It is already in the strategy
	Mkakati uweke lengo la kuongeza ubora wa kahawa ya Robusta kwa kuongeza jitihada za kukoboa kahawa ngazi ya kaya	Already incorporated above
	Mkakati uweke mazingira yatakayowezesha mfumo wa biashara wa ya kahawa wa Tanzania kushindana na wa nchi jirani	We have included under 5.3.1 1(e) Investigate opportunities to lower costs of transport, packaging materials and power tariffs 1(g) Improve farm gate competition
	Ni vyema mkakati ukasema chanzo cha fedha kuutekeleza	This will be included during implementation after identifying source of funds/donors
KIGOMA	Mkakati huu ni mzuri na umezingatia karibia changamoto zote zinazokabili sekta ya kahawa	
	Kamati inapendekeza upitishwe kwa ajili ya maendeleo endelevu ya Sekta ya Kahawa.	
RUKWA &	Upanuzi wa maeneno ya uzalishaji kilimo cha kahawa	Already included in the strategy
	Uzalishaji wa miche bora ya kahawa	Already included in the strategy
	Utafiti wa maeneo yanayofaa kwa kilimo cha kahawa na soko	Already included in the strategy

MBEYA	Miongozo itolewe jinsi ya kurudisha asilimia ya fedha iliyokusanywa kwenye ushuru wa kahawa kuendeleza zao.	It was agreed that each district council contribute at-least 20% of the coffee cess to support coffee activities in the respective district. Thus 6.1e under local government should read; Local authorities in each of the coffee growing regions have the responsibility to engage resources and funding for coffee through their agricultural development plans and budgets at least 20% of the coffee cess
	Kufikia mwaka 2020 kahawa zote zikobolewe kupitia viwanda vya kati (CPUs)	Already in the Strategy
	Wizara ya Kilimo kwa kushirikiana na Bodi ya Kahawa isimamie kutatua mgongano wa maamuzu uliopo kuhusu ununuzi wa kahawa mbichi (red chery) unaofanywa na Makampuni binafsi.	It is under coffee regulations
	Kuwe na ruzuku ya pembejeo na dawa kwa zao la kahawa.	Under 5.1.1 between a and c b). Establish subsidy to coffee inputs
RUVUMA	Kuwepo na Ruzuku kwenye madawa na mbolea za kahawa	Already included under Rukwa and Mbeya under 5.1.1
	Kuanzisha siku ya kahawa kitaifa.	1e) Initiate Tanzania National Coffee Day under 5.5.1
	Serikali irudishe mafungu ya uwezeshaji (A-CBG) na ugani (A-EBG) kwenye mfuko wa DADPS.	Already incorporated in the strategy and it will be considered in the programmes
	Kahawa ya Mbinga iuzwe kama ya Ex Mbinga badala ya Ex Makambako ili kupunguza gharama za usafirishaji wa kahawa kwa mkulima.	It is under TCB authority (Regulatory functions)

	Halmashauri za wilaya zirudishe kiasi cha fedha za ushuru wa kahawa kwenye shughuli za kuendeleza uzalishaji wa kahawa kwa mfano wa Mbiga	Already incorporated
	Serikali irejeshe vifungu vya ugani na uwezesaji kwenye mfumo wa DADPs	Already incorporated
IRINGA	TaCRI itoe mgawanyo sawa wa miche ya vikonyo na msisitizo uwekwe kwenye maeneo mapya ya uzalishaji kama mkoa wa Iringa na Njombe	To be considered under the programmes
	TaCRI ianzishe kituo kidogo kwa huduma za Mkoa wa Iringa	To be considered under the programmes
MARA	Rasmi imeandaliwa kwa kiingereza ni vyema iandaliwe nakala nyingine kwa kiswahili	Already implemented
	Ni vyema kuwepo na ruzuku ya pembejeo za kahawa kama inavyotolewa kwenye mazao ya chakula	Already included
	Bodi ya kahawa isimamie masoko katika maeneo mapya ya uzalishaji ili kuvutia wanunuzi mfano. Ukerewe, Musoma	It is under coffee regulations
	Bodi ya kahawa/Serikali itoe mwongozo juu ya kurudisha sehemu ya mapato yanayotokana na ushuru (cess) kuru kwa wakulima; mfano 20%	Already considered
	Kuwepo na wazalishaji miche	To be considered under the programmes

ARUSHA & MANYARA	kibiashara.	
	Wizara itoe muongozo unaoziagiza halmashauri za wilaya kutoa kipaumbele kwa kahawa katika DADPS.	Already captured in the strategy
	Utaratibu wa elimu kwa mkulima mmoja mmoja urudiwe na kuzingatiwa.	To be considered under the programmes
	Kuwepo na Ruzuku ya pembejeo za kahawa	Already considered in the strategy
	Mawakala na wasambazaji wa pembejeo za kahawa wasajiliwe na kuratibiwa	Already in the strategy under 5.1.1 2b
	Halmashauri za wilaya zitenge asilimia moja ya fedha zitokanazo na mauzo ya kahawa (cess) ili zitumike kuendeleza shughuli za ugani	Already included under Local government authorities 6.1 e but though the percentage is higher than that proposed by Manyara and Arusha zone
	Kila mkulima wa kahawa sajiliwe/atambulike	It is under coffee regulations
	Wakaguzi wa kahawa (coffee inspectors) wawezeshwe na kufuatiliwa na Bodi ya kahawa	To be considered under programmes
	Wakulima wapya wa kahawaa wapewe ushirikiano	Already included under policy environment
	Uwezeshaji waa kilimo cha umwagiliaji na uvunaji wa maji ya mvua uonekane katika mkakati	Already considered under 5.1.1 Establish and support sustainable irrigation schemes between c and d
	Kuwepo na	
	National Steering committee	Two representatives (Chairman and secretary) from NSC
	National stakeholders	Two representatives (Chairman and

	committee	secretary) from ZSM
	Zonal stakeholders meeting- Zonal stakeholders meeting	Chairman and secretary will be elected by members in each zone
KILIMANJARO	Mkulima wa kahawa hapati elimu ya kutosha, utaratibu wa 'farmer to farmer extension' ujaribiwe.	To consider under programmes
	Wakulima wapewe ruzuku za pembejeo moja kwa moja kama ilivyo kwa pamba na korosho.	Already incorporated
	Uwezeshaji kilimo cha umwagiliaji na uvunaji wa maji ya mvua utajwe katika mkakati.	Already incorporated
	Kufanyike mikataba ya watu binafsi au taasisi kuzalisha miche (contract out).	Already incorporated
	Njia ya uzalishaji kwa chupa ufanyike hapa nchini kwa mfano maabara za Mikocheni, SUA, Tengeru ambazo zinaweza kuzalisha miche milioni 20 au zaidi kwa mwaka.	To consider this under programmes but it needs in-depth analysis
	Usindikaji wa kahawa nyumbani uwe 'phased out'.	Already considered under fully washed
	Katika mwaka wa kwanza wa utekelezaji wa mkakati kila mkulima aandikishwe.	To consider under coffee regulations
	Wakaguzi wa kahawa (coffee inspectors) wawezeshwe na kufuatiliwa na Bodi ya Kahawa.	Already considered
Kuwepo na mkutano wa	To consider under implementation	

	wadau wa kahawa ngazi ya mkoa badala ya kanda na taifa tu.	structure
	Kutafutwe chanzo kingine cha fedha za kutekeleza mkakati huu. Isitegemewe ASDP tu.	Source of funds to be determined in the programmes
	Afisa Ugani atakayetoa mkulima bora katika mashindano ya Kahawa naye azawadiwe	To be considered by TCB
	SACCOs na AMCOs ziimarishwe ziweze kukopesha wakulima wa kahawa pembejeo za kilimo.	Already included in the strategy

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