

Productivity and Growth in Organic Value Chains (ProGrOV)

OPPORTUNITIES FOR ORGANIC VEGETABLE AND SPICE PRODUCTION IN TANZANIA POLICY BRIEF

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Executive summary

Marketing of organic products is driven by consumer awareness on health benefits of food products. For Eastern and Southern Africa major focus has been on export markets (Kledal and Kwai, 2010). Domestic consumption of organic products indicates a growing trend in Tanzania. However, research indicates that typically 90% of the consumers of organic products in poorer developing countries are expatriates, tourists and upper-middleclass citizens of the country (Sangkumchaliang & Huang, 2012), Sirieix et al (2011).

Research shows, not much has been done to create awareness and hence increase consumption of organic products. Though, there has been development with proliferation of organic outlets such as: farmers markets, supermarkets, hotels and restaurants. Increase of middleclass community in Tanzania, presents opportunity that has a potential to lead into increase of both market and consumption of organic products. Organic products are believed to be free from chemical inputs. Production of organic products will potentially increase government revenue through development of organic market opportunities.

This policy brief intends to contribute to facilitate the efforts of practitioners in creating awareness and exploit opportunities for organic value chain development

Introduction

Organic product market development has been largely facilitated by NGOs and the private sector, and the Tanzania Organic Agriculture Movement (TOAM) has contributed substantially in linking organic producers to buyers.

In 2013 the value of the organic market in Tanzania reached Tanzanian Shillings 25 billion (approximately 9.3 million Euro), which is similar to the value found in 2009 by Kledal & Kwai (2010).

Evidence presented in this policy brief is based on a research conducted in Tanzania mainland (Kilimanjaro, Arusha, Tanga and Island of Zanzibar (Unguja region) financed by DANIDA under a project called Productivity and Growth in Organic Value chain (ProGrOV).



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Inputs demand and sources

Organic production relies on the locally available inputs such as manure: green manure, farmyard manure, composite manure, and the locally made or prepared pesticides, seeds and preventive measures/attractants and repellants. The industry demand for inputs in total is approximately worthy 66 billion TZS annually required to farm tomatoes and paper in the certified farms in Tanzania following farmer practice. But, currently there is apparently no exclusive source of organic inputs. Also there are no certified or specialized industries for organic inputs production in Tanzania.



Photo: The locally prepared seeds for tomatoes

Organic Production

Smallholder farmers with less than 2 hectares characterize organic production in Tanzania. Often they practice mixed cropping. Production for tomatoes, sweet paper and ginger ranged from 0.2 to 1.2 ha. Umbrella organizations (often NGOs) and sometimes buyer-company organized production as well as offer ready markets for organic produce for smallholder farmers.

Transport and distribution of organic products

To a large extent private suppliers and organic organization suppliers do transport and distribution of organic products. They collect products from producers and transport them to the markets for sale. Organization of distribution depends with the markets with which the products are intended for, with the main player being farmer organizations and supporting NGOs. Due to perishability of the produce specialized transport facilities will be ideal but to a large extent this remains a major challenge.



Photo: Organic sweet pepper producers' areas under production in Zanzibar

Processing and value addition

In the case of ginger processing is done in two stages. The first is that farmers chopped their produce and dried them before they can deliver to buyers. The second one involved buyers buying raw ginger from farmers and process them at a specified factory into ginger flour. Other organic vegetables including tomatoes and green pepper are sold raw in most cases.

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Storage, packaging and labeling

Storage and proper packaging increases value of the product. Labeling is an important part of product handling; it provides value addition by informing consumers about the product. In the absence of cold storage facilities ginger is best stored and packaged in 250mls containers.

However, for the case of tomatoes and sweet paper they were often not stored and transported while fresh. Tomatoes are packaged in wooden boxes to minimize spoilage and sweet paper packaged in bags. Despite the value for labeling, labeling was not done not even to differentiate organic from non-organic produce.



Photo: Some cold rooms for storing fruits and vegetables in Zanzibar

Channels of organic products outlets

Main outlets for organic products in Tanzania are supermarkets, farmers' markets, hotels and restaurants, and the local shops, special organic sales points at some local markets.

The major chains were either: 1. Producer selling directly to the market outlets 2. Producer selling through organic suppliers' organization and 3. Producer selling through other suppliers/middlemen buyers; in some circumstances the third resulted to failure on control of products quality.



(a) Organically produced tomatoes



(b) Organic Produce sold at farm



(c) Weighing tomato for sale

Photo 4 (a, b & c): Producers selling tomatoes and sweet peppers directly to the middlemen at farm

Consumers

Domestic demand for organic products is largely consumed by the middle- to highincome population, who can both afford, and are often better informed about the value of organically produced products. This group of consumers includes expatriates, tourists and upper-middleclass citizens.



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Conclusions

While there are direct benefits to organic vegetable producers, one of the main challenges is control of organic products quality standard by actors throughout the value chain (e.g., suppliers and transporters) and availability of inputs.

In addition, there are limited certified organic inputs in Tanzania, and there are not enough organic inputs suppliers. This limits possibilities for price differentiation in the market.

Non-availability of dedicated storage and processing facilities do also limit the potential for fetching high price for organic products.

While, packaging and labeling would play important role for consumption of organic products, there is no specialized labeling for products traded raw in the markets. As a result, anybody can claim a product to be organic in the market.

Recommendations for policy actions

1. Be established organic value chain desk/focal person at district level who will champion local awareness creation and presentation of benefits of organic products at various meetings/workshops held
2. The government should recognize the locally made organic inputs: pesticides and inputs by scaling up their production certify them and enter them into the inputs subsidization plans.
3. Certification costs should be subsidized to attract more players in the market (for example, there are products in the market which qualify for organic certification however; they are not certified due to high costs of certification).
4. Through government set institutions, there should be put in place rules and regulations that can be used to sue people who make false claims that their products are organic (for example, there are also products in the market that are advertised as organic but due to lack of certification there is uncertainty among buyers)

References

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Further reading:

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For more information, please visit

<http://icrofs.dk/en/research/international-research/progrov/>

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