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AGRICULTURAL AND LIVESTOCK POLICY, 1997

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1.0 INTRODUCTION

Smallholder peasant agriculture has been experiencing rapid decline during the era of economic reforms, while the large scale commercial sector has not contributed to a major increase in agriculture output, as expected (Amani research papers, MAC 2000). A major problem lies in the contradictory aspects of agriculture and livestock policy in Tanzania, which expresses the desire to support smallholder producers and reduce poverty, on the one hand, but prioritises the promotion of [large scale] commercial production on the other.

The report begins with an analysis of the overall situation in agriculture in the second section, followed by a presentation of the 1997 Agricultural and Livestocks Policy in the third section. The fourth section provides an analysis of the policy, beginning with the process of policy formulation, followed by the strengths and shortcomings in the content of the policy. Specific recommendations are made in conjunction with key points in the fourth section.

We would like to acknowledge here the valuable contributions made by resource persons who were interviewed during the course of this review. They are listed at the back of the report, along with documentation references. Comments made by Prof. H K R Amani (2000) on the earlier draft of this paper, and his and other participants' remarks during the Policy Review Feedback Workshop (2000) were invaluable.

2.0 BACKGROUND

2.1 Reforms And Counter-Reforms In Agriculture

Tanzanian agriculture has experienced rapid changes in policy direction and priorities during the last 50 years, i.e. within the life span of many farmers, pastoralists and farm workers in the countryside. State support for *white settler farming* in the colonial era epitomised the 1940s and 1950s, in contrast to state promotion of *indigenous smallholder farming and parastatal large farms* during the late '60s and early '70s. The early '80s consisted of a breakdown in state services and policy direction, whereas economic liberalisation based on 'free market' principles characterise the period beginning in the late '80s to the present. Support has shifted from the smallholder peasant sector back to the largescale commercial sector of agriculture production, which is now in the hands of foreign companies, along with private farmers (both foreign and national).

The development - and under-development - of agriculture has had a major impact on household food security of women and men, given the reliance of the majority of Tanzanians on household agriculture (cultivation and livestock-keeping) for their livelihoods. In turn, its growth depends on patterns of investment and growth in other sectors. During the colonial era, there was minimal investment in indigenous smallholder agriculture, and no effort to develop manufacturing, services and other sectors. The Tanzanian economy was dependent on primary commodity exports. A *migrant labour* system was established, which persists today, to provide cheap labour to plantations and mines within the territory, and in South Africa and now-Zimbabwe. The *patriarchal farming system* developed within the smallholder agriculture sector to meet subsistence needs of the local indigenous population, and to produce domestic and export cash crops. The range of employment opportunities was highly constricted for African men and women by racial policies of the government, as well as the structural dependence on agriculture (Mbilinyi 1991).

Largescale capitalist farming provided more than half of the export earnings and officially marketed produce during the 1940s and 1950s, led by the sisal industry which earned some 61 per cent of total export earnings at its peak in 1951 (Mbilinyi 1991,1994). Transnational corporations (TNCs hereafter) expanded their investments in tea, pyrethrum and wattle plantations during the 1950s, and individual European and Asian farmers expanded their holdings in coffee, wheat and maize. Some 20-40% of all cultivated land was farmed by non-Africans by 1956, and they controlled more than half of the most fertile areas in the highlands of the north, south and centre.

The *Arusha Declaration* in 1967 ushered in substantive changes in resource allocation in agriculture, as well as in social services and the economy overall. Racial structures and mechanisms which favoured Europeans, Asians and Arabs had been abolished during the early 1960s, but investment patterns had not altered. Arusha policies led to the development of principles of redistribution and equity, with concrete dividends for the poor majority. Former labour reserves in the south and west of the country were opened up by means of improved transport and communications and market infrastructure. Crop schemes, soft credit programmes and extension services – all funded by major development agencies including the World Bank -- targetted smallholder farmers, with a dramatic increase in the quantity and quality of resources which reached smallscale agriculture. At the same time, import substitution policies in industry led to the expansion of employment opportunities in manufacturing, services and other nonagricultural areas, especially in urban areas.

These developments were highly dependent on *donor support* and *political structures*, including the one party system which reached all the way to the grassroots level, villageisation, and forcible resettlement in most of the lowlands. Resettlement disrupted local farming patterns and led to loss of income and short-term famine in some areas. Local resistances by women and men villagers led to even more coercive practices among many local government officials, including forced production of certain export and food crops. *At the same time*, local pressure succeeded to extract positive incentives from the state, including universal primary education and health programmes, and access to all-weather roads and year-round markets. Per capita social welfare expenditures rapidly rose during the 1970s, peaking in 1978/79, with the most marked gains in the rural areas (URT/UNICEF 1990).

During the 1970s, there was a rapid expansion and diversification of local economic activities, including farming and nonfarming. Local employment opportunities increased for women as well as men (Koda et al 1987, Mbilinyi 1991). Class and regional differences also grew, both locally and nationally, and gender inequalities heightened. For example, people in the highlands received the bulk of small credit and farm inputs, and well-to-do small farmers monopolised the same -- mostly men. By the late 1970s, some 50% of export earnings and 30% of total value of agricultural production were produced by small and large growers in the highlands (Mbilinyi 1994:171). Other areas received fewer resources, with almost complete neglect of smallholder livestock-keeping, and pastoral communities in particular.

Moreover, farm support systems such as pan-territorial pricing, crop schemes and soft credit were delivered at high cost, and were not sustainable without external support. Marketing development boards and other market structures were bureaucratic and increasingly corrupt, with high over-head costs which absorbed a high percentage of world crop prices. Monopolistic marketing structures were established, which denied producers free choice of potential buyer, so long as they restricted crop/livestock sales to the official market (Gibbon and Raikes 1995). Producer prices were low, and crops were often purchased on credit terms, which acted as an additional tax on farmers' incomes, and subsidised the government through its control over the foreign exchange embodied in crop sales. In fact, however, a growing portion of both food and export crops were sold in parallel markets – up to 90% of maize, for example, and 25% of coffee (Mbilinyi 1994).

The *large-scale plantation/estate* sector persisted, in spite of the wave of nationalisations during the early 1970s. By the end of the 1970s, it produced nearly half of total export value and a quarter of total domestic value of agricultural commodities (Tibaijuka and Msambichaka 1984:68). However, the viability of largescale capitalist farming was severely undermined by the dynamic growth of smallholder farming, and the expansion and diversification in the economies of the former labour reserves, in particular. The conflict over land, credit, farm inputs and especially labour led to a major crisis in the sisal, sugar and tea industries by 1980 and 1981 (URT/MOA 1982). They had lost their labour supply!

Output increased for most crops during the 1970s, including those produced largely by small farmers (eg cotton, part of coffee and cashew nuts) and large growers, including owners of estates and plantations (tea, some coffee – see BOS 1994 Table 8; Mbilinyi 1997). Peak output figures have been identified for most crops during the 1970s through 1981, which were not matched again until the 1990s. This is totally contrary to the usual portrayal of Tanzania as a basket case in agriculture, with supposed agriculture decline attributed to the negative impact of *Azimio* policies.

Rapid declines occured in exports of nearly all crops, *began in 1978/79*, as a result of the growing forex crisis at that time, which led to a major decline in availability of fertilisers, other agrochemicals, and a general and accumulative breakdown in the support system for smallholder agriculture in particular. Disinvestment by largescale growers also occured in response to falling world prices, the labour crisis and a relatively unfriendly policy environment.

Tanzania was unable to sustain its social welfare system and smallholder farm policy during the period between 1978 and 1984, as a result of the crisis in foreign exchange and gradual reductions in donor support, together with.a rise in mismanagement and corruption. There were severe shortages of consumer and producer goods, especially in the rural areas.

Economic reforms were finally adopted, beginning in 1984 - 1986 with a Tanzanian-based programme which opened the door to market liberalisation and a reduction of state controls over import and export trade. Controls on importation of farm equipment and motor vehicles were relaxed, which helped to improve the transport situation. Cooperative unions were reintroduced so as to help revitalise the rural marketing system. Pan-territorial pricing was abolished, which meant that producer prices varied in different places according to transport and other handling costs and local market conditions. A large number of crops whose marketing had formerly been regulated and controlled by the state were formally deconfined by July 1985 (Msambichaka and Naho 1995:35).

The reforms of 1984-86 were mainly financed through domestic funding because of the lack of donor support, which remained conditional upon the government's acceptance, in full, of IMF conditions associated with *structural adjustment* (SAP). Following the agreement reached between the government, the World Bank and IMF in August 1986, full-fledged liberalisation was launched and backed by substantial increases in foreign exchange provisions by multilateral and bilateral agencies.

The next section provides more information on Structural Adjustment policies, which had a major impact on the broad environment within which farmers and livestock-keepers produce, trade and otherwise seek their livelihoods.

2.2 Structural Adjustment

The main goal of Structural Adjustment (hereafter SAP) has been to increase economic investment and growth, by increasing efficiency in allocation of resources, productivity and output, by reorienting the economy towards export rather than domestic markets, reducing inflation and improving the balance of payments (TGNP 1994; see Msambichaka, Kilindo and Mjema 1995 for detailed analysis). Tanzania's economy was expected to become more competitive in the world market by reducing production costs -- by means of devaluation, control over labour and wage reductions.

A central principle of SAP was to restructure the economy according to market principles, allowing production and trade to proceed with as little government regulation and interference as possible. The emphasis was on 'getting the prices right' in order to send the 'right' signals to employers, manufacturers, farmers, traders, workers, consumers and others about what their priorities ought to be. Prices were to be governed by market forces, but manipulated by devaluation of national currency, higher bank interest rates and other fiscal and economic policies. Howevr, economic reforms assume a fully developed market economy, whereas the Tanzanian economy is characterised by severely uneven development of markets in land, labour, credit and other economic factors.

SAP includes stabilisation and adjustment measures that have *completely altered the environment* for farming and nonfarm activities in the rural areas, and the *access* which rural women and men have to social services, markets, credit, farm inputs, transport, and consumer goods – especially food. Stabilisation measures refer to steps taken concerning finance: devaluation, privatisation, liberalisation of trade in currency exchange and commodities, budget reform and cut-backs in social services, withdrawal of food price subsidies for consumers and farm input subsidies for farmers, abolition of exchange price and wage controls -- including worker benefits and worker protection legislation -- and a credit squeeze by increasing interest rates. Stabilisation measures are of special concern to IMF. They have led to cost-sharing in public services, increased sales taxes for both producer and consumer goods, privatisation of public parastatals, and a general reduction in the role of the national government in provision of social services, including agricultural extension systems.

Adjustment measures refer to institutional reforms: measures to promote export production; the reform of pricing policies so as to increase efficiency and output; the increased role of the private sector in production and the provision of social services; appropriate tax and tariff structures; decentralisation of responsibility for social services and other functions from the central to the local government, families and individuals. The World Bank is especially involved in promoting adjustment measures.

SAP entails a further intensification of the liberalisation policies which began in the 1984-86 period.[1] Restrictions on the movement of grains across regional boundaries were

[1] This section is drawn from Msambichaka and Naho 1995:36-37 and Kashuliza and Mbiha 1995; see Mbilinyi 1994, 1999 for a gender perspective on the restructuring of agriculture.

officially removed, and uniform pricing abolished. Marketing of food and export crops was fully liberalised in 1994/95, when private companies were allowed to purchase export crops directly from farmers and/or primary societies in the villages, in competition with cooperatives. They also distribute farm inputs and provide credit, in some cases, and have become the favoured buyer in many locations. The functions of National Milling Corporation (NMC) have been reduced to purchases of grains for the Strategic Grain Reserve; it no longer has access to easy credit from NBC or CRDB. Marketing boards have been streamlined, and their functions largely consist of organising auctions, monitoring crop quality and carrying out research.

There is growing pressure on the government to 'liberalise' land tenure/use from the World Bank and other donors, and from corporate business interests in South Africa and elsewhere. Agribusiness corporations and large investors seek security of land ownership and control over foreign exchange earnings, and government intervention on their behalf in disputes with local villagers over land, water, labour and other basic resources. A coalition of concerned NGOs and CBOs -- the National Land Forum -- criticised the recently passed land bill (1999) for lack of prior consultation over its contents with grassroots people; its undemocratic and top-down structures of decision-making; and the gender blindness of its overall conception. Final authority continues to be vested in the office of the President, which has empowered local bureaucrats, promoted corruption, and led to the steady erosion of local community power and control over land in their common domain. The community is expected to 'participate' through local government leaders (village councils), where women, youth and local poor households are underrepresented.

2.3 Market Liberalisation

Changes in the marketing system of food crops and export crops have altered the environment within which women and men farmers operate, and effected their access to food security. The case of *maize and rice* will be focused on here.[2] Women and men grow both crops in most areas, although women's proceeds are mainly used to feed their families, while men's crop is primarily sold for cash. At the same time, women have relied on these and other food crops as their major source of farm cash income, because of male monopoly over export crops.

During the mid-1960s through the early 1980s, a single marketing channel operated for the major food grains. Farmers received producer price supports by means of official price levels and pan-territorial prices during the 1970s and early 1980s. Liberalisation policies removed government price supports for smallholder growers, and opened up grain marketing to private traders by creating a multi-channel, competitive market. Public marketing agencies disengaged from the food trade due to lack of working capital and their inability to compete with private companies. NMC purchased insignificant amounts of maize and paddy for its mills, and the Strategic Grain Reserve (SGR) remained the only public organisation to acquire relatively large quantities of maize. The size of the Reserve was set at 150,000 tonnes of grains, but it was the major buyer in remote maize surplus areas (namely Rukwa, Ruvuma, Ludewa District (Iringa), Kiteto District (Arusha). However, it was planned to reduce purchases in Rukwa and Ruvuma 1996/97, and to increase purchases in Dar es Salaam and Dodoma, so as to reduce marketing/ transport costs. This was expected to lead to a decline in competition among maize buyers in the relevant regions, and a resulting decline in producer prices (Mdadila 1996:17).

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[2] The main source is Mdadila 1996 (MDB R.1/94); backed up by interviews in 1998 with MDB staff and regional agricultural authorities, and interviews in 2000 with MoAC staff and other resource persons. See also Kashuliza and Mbiha 1995, Mbonde 1992, Msambichaka and Naho 1995, Turuka 1995.

Grain marketing at village level was not competitive, in the sense that most grain purchases were not carried out in a primary market where farmers could choose among different buyers. They faced a buyers market, instead, dominated by private traders who were able to dictate price levels.

According to government observers, market liberalisation had increased the number of private traders operating in the countryside, and provided additional incentives for farmers to produce more food, at least in those areas on or near good all-weather roads and not far from major consumption centres. However, major constraints had been identified by MDB which reduced the returns available to women and men farmers (ibid, paraphrased from p.20):

- absence of buying centres and few traders at village level, thus reducing competition among buyers and creating a buyers' market instead

- traders' use of volume unit measures rather than weight measures, which facilitates cheating on prices

- absence of a grading system, thereby reducing the incentive to maintain quality output

- impossibility of collecting lawful levies and information under present market conditions.

Similar market conditions have been found for major export crops such as tobacco, cotton and coffee. Fertilizers and insecticides are priced beyond the reach of most poor smallholder growers, who are forced to purchase and use less than the advised amount of each, or to do without (see Mung'ong'o 1998). Farmers complain about unfair trade practices of the buyers, who have set up monopolistic markets so as to maintain low prices. Moreover, private traders, representing agribusiness corporations, purchase crops on a credit basis, which deprives producers of access to the capital they need for reinvestment in production, as well as income for other household purchases, *including food* (see Mbilinyi 1997ab for references and data on other export crops).

2.4 Globalisation and Unfair Trade

Trade agreements have become a major instrument of power for transnational corporations (Nader 1993, Kwa and Bello 1998, Joekes and Weston 1994). The World Trade Organisation (WTO) has acted effectively to undermine the ability of people, through their governments at all levels, to impose any kind of control over big business. Targets include environmental regulations, safety precautions, worker benefits and any form of mechanisms to protect local industry or agriculture. Import restrictions and tariffs have been steadily abolished with respect to numerous goods and services. Trade regional blocs such as NAFTA, the European Union and the East African Community consolidate the liberalisation and globalisation process within regional boundaries.

The earlier Uruguay Round (1984-90) opened up national economies in the 'north' and 'south' to foreign goods, services and companies in services, agriculture, intellectual property rights and investment measures. Most southern countries were opposed to these trade agreements because they lacked a strong enough economic base to compete with the big companies of the 'north'. In India, for example, more than 200,000 farmers protested on 3 March 1993 against the intellectual property rights clauses of draft trade agreements, which would deny farmers in the south their right to use, reproduce and modify their own seeds and plant material (Shiva 1993). Farmers also targetted Cargill Seeds (India), a subsidiary of the giant transnational, Cargill, in order to protest against efforts by transnational corporations to gain monopoly control over seed, thus far understood globally to be a local common resource. They opposed patents on plants and genes, and sought a ban against the involvement of transnational corporations in the seed sector. Their campaign was organised around the theme that "*seed freedom is freedom of the Nation*" (ibid:109). Cargill has been gradually expanding its investments in Tanzanian agriculture production and marketing for many years.

Control over seeds illuminates the entire question of biodiversity, so vital for food security at national and regional level. Whereas biodiversity is understood to be common property in local communities in the south, it becomes private property according to transnational corporations by means of their investments. Biodiversity is of prime concern not only to cultivators, but also for pastoralists, herbalists, hunters and gatherers, and fishing communities. At stake is community control over natural resources and the means to reproduce them, but also adequate compensation for local knowledge and innovation which is used by business interests. Women have a special stake in the process, given their particular participation in and control over local knowledge and resources for provision of food, health and other needs (Koda 1999).

Recommendation 1

Advocate and lobby the government to develop and implement clear policy guidelines concerning the importation, processing and use of Genetically Modified seeds, as well as research carried out in Tanzania.

Struggles over agricultural trade regulations illustrate the strategies adopted by transnational agribusiness to oppose or evade efforts by national and local governments to regulate agriculture production and trade in response to environmental and safety concerns of civil society (farmer and consumer groups in particular). Agribusiness corporations have succeeded to shift policy-making on farming and agriculture out of national and local legislatures into the arenas of international trade negotiations (Ritchie 1993). WTO regulations have been used to dismantle farm policy reforms or food safety standards, which are redefined as trade barriers. NAFTA trade agreements forced Mexico to open up its borders to unlimited importation of maize and other food grains from the United States, and to remove the price support system which safeguarded farm incomes in the past. In turn, family farmers in the United States have been threatened by cheap importation of beef, fruits and vegetables from Mexico.

Sub-Saharan Africa is particularly vulnerable to the globalisation process because of its continued dependence on primary commodities (Watkins 1995). Some 80% of exports rely on this sector. The percentage growth rate of economy of developing countries differed highly, depending on their type of exports. During the period between 1970-80 and 1981-92, only manufactured goods registered increased growth in the economy, albeit slight, from 6.5% to 6.8% during that period (Watkins 1995:117). Non-oil commodities such as agriculture dropped from 3.0% to 1.4%; and fuel from 5.1% to 0.5%. Moreover, there has been a marked decline in commodity exports for countries in Sub-Saharan Africa, a reflection of stagnation and collapse of national economies. During 1971-1991, for example, Africa's percentage share in exports of coffee dropped from 29% to 15%; and from 41% to 34% in groundnut oil (ibid:116).

A new round of multilateral trade talks was advocated by the developed countries for the November 1999 Ministerial Conference of WTO. On each topic, developing countries were expected to be pushed to give up existing policies that protect their domestic economies, and allow foreign firms the right to take over their national markets. Both Japan and the United States had earmarked agriculture goods as among their key targets, so as to overcome the crisis of overproduction in their own farming systems. Dumping of cheaper farm products in ‘southern’ countries may well destroy the viability of local smallholder farming, and probably undermine largescale commercial farming as well.

However, a combination of in-the-corridors resistance by developing nations, and on-the-streets protests by civil society organisations, succeeded to severely disrupt the Seattle WTO talks. Moreover, they proved that it was possible to build a transnational coalition of civil society organisations which could successfully take action and block the combined might of major transnational corporations and their spokespersons in WTO.

Another priority area for developed countries is the investment issue. Proposed WTO regulations would make it compulsory for all WTO countries to allow foreign investors the right to enter and establish themselves with 100 percent ownership. This would include not only foreign direct investment but also purchase of property, including land.

Most of the negotiations over trade agreements such as WTO, NAFTA and the East African Community have taken place in secrecy behind closed doors, between unelected and largely unaccountable government agents. The latter work closely with organised business interests, through heavily endowed lobbying organisations, such as chambers of commerce. Citizens have been excluded from the process of decision-making about trade agreements, thus undermining democracy in macro-level policy-making and consolidating an increasingly authoritarian governance structure at all levels. Moreover, there is no active global code or set of regulations to govern the conduct of transnational corporations, or the international financial and trade institutions themselves (Joekes and Weston 1994). Nor are they directly accountable to citizens at any level. This indicates the need to extend principles of good governance and democracy to WTO and other multilateral organisations and institutions.

As noted above, company agents purchase crops at household level in Tanzania, which completely negates the concept of competitive marketing. Vertical and horizontal integration has tightened within agribusiness, at the disadvantage of local producers. Companies become both sellers and buyers in auctions. Hence, export volumes and values may have increased since the mid-1980s for some crops, but a substantial portion is in the hands of transnational corporations, who are the main beneficiaries. For example, Germany is now the largest exporter of coffee worldwide, but it does not itself grow coffee, and is wholly dependent on imported coffee – much of it from Tanzania.

It is very difficult to monitor the trade process under present circumstances, because of the reluctance of corporations to reveal the necessary data on volumes of purchase and sales, prices, etc.

The government lacks adequate institutional mechanisms to regulate the operations of the market with respect to agriculture, as in other sectors. In the words of a top official in government, market liberalisation in Tanzania means ‘no rules, no regulations’. Moreover, SAP led to a decline in support for such agencies as the Marketing Development Bureau, at a time of increased demand for their services so as to strengthen monitoring and planning activities. The Free Trade Practices Act of 1994 excludes agriculture, a remarkable oversight given its central importance in the national economy. There is no Competition Commissioner for Fair Trade in MoAC, as there is in the Ministry of Industries and Trade.

The breakdown of cooperatives and the rolling back of state marketing boards has left the farmer at the mercy of transnational corporations, who purchase crops directly at farm level, rather than through competitive markets. Mabele (2000:4) has suggested that it is no longer possible to refer to foreign exchange values of exports based on f.o.b. values, "rather we should instead talk about retained foreign exchange earnings after the repatriation of profits from the LDCs to the developed countries." The amount of foreign exchange earnings is actually much less than what trade documents show, given the large share absorbed by the transnationals through vertical integration and control of auction sales.

Market liberalisation has reduced food security in many areas, by increasing the price of food during lean months, way beyond the means of the majority of smallholder producers. For example, it was recently observed in Hanang District that the price of maize ranged from Tshs 2000 per unit during the harvest season, when most poor farmers are forced to sell their crop so as to provide for vital cash needs – 'distress sales'; to Tshs 18,000/ per unit during the lean months. Similar price trends are found for cashew nuts in Lindi and Mtwara. The major merchants are outside traders from neighbouring large towns and from Dar es Salaam.

Such a situation could not occur in the developed countries, where farmers receive floor prices for their crops, along with specific income support measures in times of hardship. Export subsidies are also provided, in most developing countries in Asia as well as in developed countries, in order to facilitate increased agricultural exports without incurring losses to local producers.

One outcome of differential support systems in agriculture is the decline in developing countries' share of world agricultural exports, from 31.7% in 1970-1972 to 25.4% in 1990-1992 (Mabele 2000). Developed countries increased their share by provision of massive subsidies to producers and exporters, and by increasing trade in processed products. For example, between 1980 and 1996, the annual growth of exports of OECD countries in processed agricultural products was 6.5%. Raw and semi-processed raw materials such as coffee and tea are imported from countries like Tanzania. There is a major difference between the import prices of raw coffee and the consumer prices of the processed and blended coffee. Moreover, tariff and non-tariff barriers discourage the importation of processed coffee from developing countries.

World prices for agricultural commodities from LDCs have also been in decline during the last 15 years, as shown in Table 1. Prices for tropical products such as coffee and tea fell by 15% in one year alone, 1996. Declining and unstable prices undermine development efforts of the countries concerned, as well as contribute to increased poverty among its smallholder producers, and bankruptcy among commercial growers. These world trends also nullify assumptions of comparative advantage in agricultural production for eg African countries.

2.5 Access to Credit and Other Resources

Productive farmers and livestock-keepers require regular access to credit so as to invest in production in the early stages of the process, before there are any returns. In developed countries, credit systems have been developed which target the specific needs of agriculture producers, similar to that which was established by the British colonial state for white settlers in the colonial period in Tanganyika, and by the Nyerere government for indigenous smallholder growers during the 1970s. Most smallholder growers did not receive individual loans. Instead, they received credit in kind (improved seeds/seedlings, fertiliser, labour support in the case of outgrower sugar growers) through state marketing boards and cooperatives. These loans were paid off through loan deductions at the time of crop payment. The major creditor was the Cooperative and Rural Development Bank.

Table 1 Primary Commodity Prices for Developing Countries
(Annual average growth rate, percentages)

	1985-1990	**1990-1995**	**1995-1996**
All food index	3.2	3.3	1.5
Tropical beverages	- 9.2	8.4	-15.7
Food	8.6	1.4	6.9
Agricultural raw-materials	6.2	3.5	-12.2
Minerals, ores & metals	8.2	0.2	-12.7
Combined index (in terms of current dollars)	4.9	2.6	- 4.3
Coffee (composite indicator price)	-11.7	14.1	-26.3
Tea	0.6	- 4.3	8.9
Copra	- 9.8	13.7	11.5
Tobacco	5.4	- 4.9	15.1
Cotton	10.6	1.5	- 7.9
Jute	- 6.4	- 2.2	24.2
Copper	13.4	2.0	- 21.8
Crude petroleum	- 4.00	- 5.2	20.7

Source: Mabele 2000: Table 1; from UNCTAD 1997 The Least Developed Countries Report 1997 (Table 2 p 12)

CRDB began to shift its priorities away from the smallholder sector immediately after liberalisation in the mid-1980s to the largescale sector. With privatisation through shares holdings, etc., it no longer provides substantial loans to agriculture production, and none at all to the smallholder sector.

Access to credit is considered to be the major impediment to increased food output by the Sakawa Global 2000 food support programme, along with timely inputs and extension services. Dramatic increases in food output were realised eg in participating communities like Ikatiti in Arusha as a result of that programme. Marketing arrangements were also facilitated by the programme, so producers did not lack markets for their crops, whereas today maize is rotting in Ruvuma for lack of private traders.

Improved technology is also considered to be essential for increased production and productivity, along with improved rural roads. Workable tractorisation schemes, and ox mechanisation, and in some areas, larger hoes, need to be developed in a participatory way with local producers.

Observers noted that smallholder producers were unlikely to be able to access the above resources, nor defend their interests in trade, without strong producer associations such as the farmer organisations of USA, Canada, and Europe. Such associations are necessary in order to successfully lobby government for policies considered most advantageous, along with multilateral agencies such as WTO. Donor funding is available to support such initiatives, so long as they are well articulated by members of the interest group themselves ie low and middle income smallholder producers, as distinct from largescale commercial growers who are already represented in TCCIA and other private sector associations.

2.6 Smallholders and Big Business

Villagers in Shinyanga Rural and Ngorongoro Districts face increasing inroads by big business, in the form of mining and tourism/wildlife industry, and corporate buyers of cotton, as found in the RFS study in 1998 (Mbilinyi et al 1999). In Ngorongoro, the situation has reached crisis point, provoking recent protests led by Maasai traditional leaders from Loliondo about the illegal activities of a major hunting/tourist firm. Land was one of the priority issues in the three villages we worked in in 1998, Ololosokwan, Malambo and Endulen. Endulen villagers, who live right in the midst of the Ngorongoro Conservation Area (NCA), planned to translate the NCA Authority Act into Kiswahili, and lobby central government and the NCAA for appropriate implementation and/or change.[3]

Smallscale miners and largescale companies compete for access to the rich gold fields of Shinyanga, which has had a differential impact in different divisions and districts of the region. Major environmental damage has resulted from largescale mining. In areas of Shinyanga Rural District which have not experienced mining investments, there is a loss of labour as young men, in particular, flock to the goldfields in search of employment, and treasure if they are lucky.

Cotton-growers confronted big business in the marketplace, in the form of corporate buyers of cotton. They complained about unfair trade practices similar to those once practiced by state marketing boards and cooperatives – prices kept low by monopoly trade practices, and purchase on credit with delayed payment, which enables the company to gain interest-free loans from farmers, and benefit from devaluation (producers are paid in Tshs; companies are paid in foreign exchange).

In Ngorongoro, the pastoral economy has been in a state of decline, especially within the NCA. One of the major factors is too much destocking, as a result of commercial off-take, to sustain the reproduction of the herd (Potkanski 1997). This is opposite to the usual stereotype that Maasai refuse to sell their stock. Today, they are forced to sell too many herds because of the rising costs of living, the increasing demand for money to pay cost-sharing fees for health and schooling. The herds have also declined as a result of disease, which is associated with tsetse fly in Ololosokwan area, and wildebeast-related infections in Malambo and Endulen. Villagers in Malambo are forbidden from taking steps to protect themselves from incursions of the wildebeast, by regulations established and enforced by NCAA. Those living directly within NCA, including Endulen residents, have been barred from many of their traditional grazing routes and water sites by the expansion of tourist hotels – mostly private – along with NCAA activities.

Pastoralists have been searching for viable livelihood strategies which combine indigenous pastoralist economy with cultivation and off-farm activities such as beadwork, milk processing and trade, and leather curing and manufacture. They have noted, themselves, that a major priority is training in improved skills, access to improved technology and viable local markets. Self-organising in women's and youth groups, and/or larger pastoralist associations, are perceived as necessary in order to be in a position to mobilise community action, articulate local needs to outside authorities and advocate human and citizen rights on their own behalf.

[3] On land rights and citizen rights issues in Ngorongoro, see Shivji and Kapinga 1998.

3.0 THE AGRICULTURAL AND LIVESTOCK POLICY

3.1 Introduction

The 1997 Agricultural and Livestock Policy is a result of merging and revising the 1983 respective policies. The old (1983) agriculture and livestock policies fell under two separate ministries. The new (1997) policy, however, puts both policies under one ministry – the Ministry of Agriculture and Cooperatives (MAC) – with “agriculture” standing for both crops and livestock. The need to merge and revise the two policies arose, according to the 1997 policy statement, from the changes in macroeconomic environment beginning in the mid-1980s, and the need to reconcile the Agricultural and Livestock Policy with other relevant policies, such as land and the (natural or physical) environment. With the macro-economic policy reforms beginning in the mid-1980s, most agricultural production, processing and marketing has been delegated to the private sector. The government has accepted the role of providing regulatory and public support systems. As noted in earlier sections, with the reforms, input and output prices have been decontrolled, subsidies removed and the monopoly of the marketing boards eliminated.

Comment

The policy argues (p.2) that goals and objectives of agriculture policy remain the same, only the strategies have been adjusted to fit the market-led economy, instead of the former state-controlled economy. However, goals and objectives of market-led economies are radically different from those of a welfare state such as Tanzania was in the 1970s. The 1983 agriculture policy recognised the need to support both the smallholder and the largescale sector, and explicitly stated that it would be wrong to promote agricultural growth at the expense of villagers (URT Agriculture/Kilimo 1983:2). The first objective was to develop farmers according to principles of equality according to the policy of Socialism and Self-Reliance. Food self-sufficiency was the second objective. The 1997 policy, as will be noted below, emphasises the commercialisation of agriculture, which implies growing income inequalities, land dispossession, and further decline of the smallholder peasant sector.

As noted in a recent report by the Gender Budget Initiative (TGNP 1999), the difference in the two policies reflects changes in development philosophy. The former state controlled system was based on a large subsidized public sector, redistribution systems and a specific support system for smallholder producers, and was guided by notions of social justice and equality. For all the imperfections of the bureaucracy at that time, and mistakes committed, smallholder agriculture flourished in the late 1960s and most of the 1970s, as noted above (Mbilinyi 1991, 1994, 1997ab).

The present market-driven economy is guided by a philosophy of competition and individualism, based on the so-called free play of market forces which are expected to determine demand and supply of services (TGNP 1999). This will supposedly lead to a more rational allocation of resources and more efficient production systems, defined first in terms of maximisation of profit for big investors.

In reality, the main beneficiaries thus far of agricultural liberalisation and privatisation appear to be transnational corporations engaged in mercantile activities. There is a decline of export-crop production among indigenous smallholder farmers, and a decline in livestock-keeping among pastoralists (Potkanski 1997). Some smallholder farming communities have clearly benefited from economic reforms, especially those near major urban centres and along trunk roads, who have access to a market for their crops. However, growers of all traditional crops complain of the same bad trade practices of transnational corporations, including tobacco, cotton and coffee. In western Tanzania, tobacco growers have threatened to withdraw from production of the crop in protest (Guardian 26.4.2000). Non-traditional crops such as horticulture, vegetables and the like offer better alternatives for communities well-placed to get a viable market.

The policy statement acknowledges the mixed results thus far of the economic reform process on agriculture (URT/MAC 1997:7-8; see also MAC 2000):

> "However, the withdrawal of government and its parastatals from the provision of agricultural services to farmers has not kept pace with the growth of the private sector participation in terms of its ability to effectively take over these services…*Thus the agricultural sector has been left in somewhat a hostile territory in which farmers see fertilizers and other inputs, but lack of credit facilities blockes their access to these inputs. Produce quality control services are disappearing, thus threatening farmers' returns, consumers interest and Tanzania's position on the world markets. The livestock sub-sector is not fairing well either. Animal health services are falling behind demand as the supply of veterinary drugs and other essential inputs is weak. Pastoralists, therefore, also feel short-changed in the provision of services under the new environment.*

However, the Ministry chooses not to challenge the corporate-led liberalisation trend.

The Ministry's Medium Term Expenditure Framework (MTEF) (MAC 2000) noted the disappointing performance overall in agriculture, with agricultural GDP growing at the relatively slow rate of 3.3% per annum since 1985, i.e. since economic reforms began. Food crops have had a much lower growth rate than export crops during that time, 3.5% per annum for the six main food crops, compared to 5.4% per annum for export crops, with clearly negative implications for national food security. The livestock sector has experienced even slower rates of growth of 2.7% per annum, which is below the population growth rate of 2.8%.

Merging Farming and Livestock-keeping Policies

Ngorongoro pastoralists have criticised the merging of farming and livestock-keeping, in terms of policy and institutional structure (Mbilinyi et al 1999). Their fear, based on concrete experience, is that livestock-keeping will be marginalised.

> **Recommendation 2**
> Create two separate policies for agriculture [farming] and livestock-keeping, with an emphasis on the needs of the smallholder peasant livestock-keeping sector.

3.2 General Policy Goals

The 1997 Agricultural and Livestock Policy of Tanzania begins with a set of definitions which are specific to and for the purpose of the policy document only (pp i and ii). Among the terms defined include *policy*, *strategy*, *policy instruments*, and *extension service*. The term "policy" is defined as "a set of instruments aimed at reaching specified objectives" while "policy instruments" are defined as "unit actions taken by government to implement a policy". The policy instruments include specific taxes and law or regulation. The term "strategy" is defined as "the path the Government intends to use to achieve a particular set of objectives.

The general goal of the 1997Agricultural and Livestock Policy is "the improvement of the well-being of the (Tanzanian) people whose principal occupation and way of life is based on agriculture"(pp. 11-12). Since most of these people are smallholders who do not produce surplus, "the focus of (the Agricultural and Livestock) policy is to commercialize agriculture so as to increase income levels" (p. 12).

3.3 Objectives

In light of the general goal as stated above, the Agricultural and Livestock Policy has nine general objectives as stated in section 3.2 of the policy document:

(a) "To assure basic food security for the nation and to improve national standards of nutrition by increasing output, quality and availability of food commodities

(b) To improve standards of living in the rural areas through increased income generation from agricultural and livestock production, processing and marketing;

(c) To increase foreign exchange earnings for the nation by encouraging the production and increased exportation of cash crops and livestock products …;

(d) To produce and supply raw materials (for domestic) industries (and expand) the role of the sector as a market for industrial output …;

(e) To develop and introduce new technologies which increase the productivity of labour and land;

(f) To promote integrated and sustainable use and management of natural resources such as land, soil water and vegetation in order to conserve the environment;

(g) To develop human resources within the sector in order to increase the productivity of labour and to improve ability, awareness and moral;

(h) To provide support services to the agricultural sector which cannot be provide efficiently by the private sector; and

(i) To promote … the access of women and youth to land, credit, education and information".

The Ministry has reduced the number of objectives from nine to six. Six objectives are included in the original list, singly or in combination: (a) and (f) on their own; (c) and (d) merged into one, along with (g) and (e), and (h) and (i). A new objective is "To encourage private sector to investment in agricultural sector". The following has been excluded: (b) "to improve standards of living in the rural areas…"

The exclusion of the one objective which links agriculture and livestock policy to the development of rural economies and people's livelihoods is disheartening. As is the demotion of objective (i) on gender and access issues from a separate objective to a secondary one. In contrast to the peripheralisation of smallholder peasant producers, the private sector has been singled out for special attention.

3.4 Policy Instruments

Having stated the broad goal and objectives and taking into account the new market-oriented policy framework, the government selected the following policy instruments as stated in section 3.3. of the Agricultural and Livestock Policy:

(i) "Agricultural research, extension and training;

(ii) Monitoring and evaluation of agricutlural development and identification of new opportunties (products), technologies, markets, … and promotion of new production process;

(iii) Collection and dissemination of market information in order to integrate the domestic markets and make foreign market accessible;

(iv) Facilitate the provision of a good infrastructure, especially transport and storage;

(v) Control of quality, hygiene and sanitary standards;
(vi) Control of vermin, epidemic pests, and diseases

(vii) Providing an adequate legal and regulatory framework

(viii) Natural resources management

(ix) Promotion of institutional structures in the agricultural sector

(x) Taxes and subsidies".

3.5 Strategies of Implementation

Going through the policy document, one immediately notices the absence of a plan of action or strategy for the implementation of the policy. Officials acknowledged that this is still under preparation. It is remarkable, to say the least, that such a key policy has been left for three years on paper, without a detailed plan of action so as to guide implementation and monitor progress.

Recommendation 3

Efforts should be made to chart out concrete strategies for policy implementation, with full participation of all key stakeholders, including grassroots communities, the poor, women and youth. The strategy or plan of action should indicate concrete objectives and not mere listing of intentions. For each of the objectives there should be a set of activities to be performed, a list of actors and stakeholders, resource requirements and a statement of when to start and complete the given activities. The strategy should also list the expected output for each of the activity and provide a list of measurable indicators for monitoring and evaluation purposes.

A step has been taken in the right direction by the MTEF (MAC 2000), which provides a list of service delivery targets, and planned activities to reach them. These have not been prioritised, however, and lack the other details noted in Recommendation 3.

3.6 Resources

The implementation of the Agricultural and Livestock Policy requires willingness by the government to commit adequate financial and other resources to the sector. Unfortunately this has not been the case during the 1990s. The proportion of the total budget that was allocated to agricultural programmes in MAC and other related ministries declined from 5.1% in 1990/91 to 3.3% in 1997/98 and 1998/99 (MAC 2000). Only 2.2% of the recurrent budget of 1999/2000 was allocated to MAC.

As pointed out in the policy document, "central government expenditure on agriculture and natural resources has remained below 2% of the Gross Domestic Product (GDP)". The TGNP study (1999) noted that government expenditure on agriculture as a percentage of the overall GDP dropped from 4% during 1972-76 to 0.5% in 1997/98. The policy document argues that government expenditure on agriculture in Tanzania is "far below compared to other countries … which spent an average of 11.6% of (their respective GDPs) during 1984 and 1988" (URT 1997: 74).

Government commitment to the support of the sector is far below what it derives *from* the sector in the form of foreign exchange earnings, and general contribution to Gross Domestic Product. During the period from 1987-1998, agriculture production ranged from 47.9 to 50.7% of total GDP, and its share in total export earnings ranged from a low of 50.1% in 1990 to a high of 64.9% in 1994 (TGNP 1999:Table 3). The contribution to GDP would have been greater, if the total amount of unmarketed or unpaid work in agriculture and related activities had been included (ibid).

Agriculture also provides a substantial part of tax revenue for local and central government, including open taxes and the numerous hidden taxes and bribes extracted by local government authorities, police and other government functionaries. Central tax revenue from agriculture is based on export taxes, stamp duties and withholding taxes; land rent; crop and livestock cesses, market fees, slaughter and meat/milk inspection fees, and numerous other fees (ibid:37). At local level, districts are authorised to charge up to 10% value of the crop. Produce cess constitutes the second main source of local government revenue at district level, after central government allocations.

In a recent study carried out by MAC, it was found that tax revenue from the traditional crops (coffee, cotton, cashew, tobacco, tea, sisal) was equal to total government recurrent expenditure on agriculture (ibid:38). In other words, producers had paid for whatever limited services and other recurrent expenditures provided through taxes. The tax burden faced by growers is high, in terms of 'nuisance' costs involved in having to administer and pay for multiple taxes throughout the year, as well as the total value.

Agricultural inputs are not as heavily taxed as agricultural products, which mainly benefits largescale growers, the main users of farm inputs since the liberalisation era, and men, due to the gender division of labour. For example, there is no tax on imported fertiliser, neither import duty nor VAT, and import duties have also been removed from agrochemicals. On the other hand, imported animal feeds, packing materials concentrates, and vitamins and minerals for livestock are subject to a tax of 10%; and agricultural machinery 5%.

Recommendation 4

Reduce the number and level of taxes and fees that are demanded of agricultural producers, develop a transparent tax system with respect to the agriculture sector, which is graduated to the advantage of low income producers. This is especially important in the light of the abolition of subsidies and low government expenditure in the sector.

Recommendation 5

In the government's drive against corruption, focus more attention on petty corruption at the local level, which acts as a major barrier to sustainability and growth in livelihoods and incomes. Adopt community-based strategies which empower smallholder producers and traders to act on their own behalf against corrupt officials and corrupt company agents. Adopt good corporate governance principles, as well as good government governance principles, and implement mechanisms which regulate against monopoly and other unfair trade practices among corporate buyers of crops and livestock.

As shown in Table 2 below, total central government expenditures on agriculture and economic services were drastically cut during the late 1990s relative to the early 1990s and previous decades. This casts doubt on the government's willingness and commitment to the implementation of the Agricultural and Livestock policy bearing in mind that "agriculture is the backbone of the Tanzanian economy".

Recommendation 6

The policy document should indicate how much financial resources are required and how the resources are going to be mobilised for the purpose of implementing the policy. The policy should also state clearly how much government's revenue (in percentages of total revenue) are committed for policy implementation. This will facilitate monitoring government willingness to implement the policy and monitor its implementation.

Dependency on Foreign Aid

The implementation of the Agriculture and Livestock Policy largely depends on foreign aid inflows. During the last three years, for example, donor financing of *development* activities was 96%, 88% and 95% for the periods of 1996/97, 1997/98 and 1998/99 respectively (TGNP 1999:40). Foreign assistance is required to solve the critical and binding foreign exchange constraint. As percentage of the GDP, foreign aid inflows to Tanzania jumped from an average of 9% during 1983-85 to 34% during 1986-93 (Nyoni 1998). Given donor fatigue and the competition for aid money from all developing countries, however, a policy that is based on foreign assistance for its implementation is not sustainable.

Who benefits from donor funding in agriculture development projects? Poverty and gender assessments are needed of such projects, to clarify who the main beneficiaries were, in the short and long term (see TGNP 1999).

A substantial amount of donor funding is channeled through NGOs and District Councils, and not through the central government. This effects the capacity to manage information about resource flows and expenditures. Donors have evidently recognised the problem with parallel budgets and parallel development programmes, and have become increasingly committed to the

Tanzania Assistance Strategy (TAS), which intends to strengthen the government's capacity to take the lead. At the same time, it is important to recognise the need to strengthen the work and resources of civil society organisations. TAS might become another mechanism of centralisation, rather than decentralisation and local empowerment. Mechanisms of coordination and monitoring with respect to agriculture – and other – sector activities, and resource mobilisation for the same, need to be developed which involve all stakeholders, including the private sector itself.

Table 2 Distribution of Central Government Expenditure by Sector and Purpose (As percent of total expenditure)

Year	Agri-culture	General Public Services	Defense	Education	Health	Economic Services	Public Debt	Others
1967/68	10.22	24.40	6.26	13.77	5.32	30.28	9.45	n.a
1968/69	10.56	21.12	4.75	13.40	5.19	37.09	6.85	n.a
1969/70	10.20	20.93	5.96	13.54	5.50	34.70	8.25	n.a
1970/71	11.30	20.00	7.05	13.68	6.17	37.98	6.81	n.a
1971/72	9.53	17.64	10.19	14.83	6.23	35.49	9.35	n.a
1972/73	10.12	18.95	9.05	13.29	6.51	36.79	9.30	n.a
1973/74	11.29	16.88	11.16	12.28	6.63	37.50	5.52	n.a
1974/75	12.39	16.07	11.74	12.23	6.88	42.52	4.34	n.a
1975/76	14.16	15.83	12.17	10.76	7.12	36.92	7.28	n.a
1976/77	11.60	17.43	12.29	13.60	7.46	35.37	5.86	n.a
1977/78	9.33	15.06	14.66	14.42	7.27	36.55	7.53	n.a
1978/79	6.77	14.44	24.40	11.65	5.36	32.10	8.44	18.43
1979/80	9.03	17.21	8.99	13.07	5.84	42.10	8.79	4.00
1980/81	9.71	18.61	11.18	12.06	5.47	37.34	11.65	3.67
1981/82	7.36	20.13	14.05	13.99	6.04	33.45	19.96	4.55
1982/83	7.73	17.09	13.25	13.18	5.09	27.02	20.20	4.15
1983/84	7.36	21.67	12.84	11.71	5.48	26.09	17.14	4.03
1984/85	6.03	29.17	13.34	6.54	4.84	23.57	18.34	4.19
1985/86	5.47	29.87	15.04	6.96	4.51	19.24	20.24	4.14
1986/87	6.43	27.35	14.48	6.42	4.54	18.67	24.92	3.62
1987/88	5.24	27.77	10.42	5.44	4.47	16.26	31.35	4.30
1988/89	7.87	26.67	9.12	5.55	4.51	16.95	30.56	6.65
1989/90	5.04	31.27	8.59	6.58	4.92	15.93	25.59	7.11
1990/91	5.74	23.44	6.19	6.95	4.93	22.14	29.85	6.49
1991/92	4.88	33.21	8.55	6.48	5.04	17.28	23.98	5.55
1992/93	4.04	18.50	7.00	8.60	6.40	24.50	31.55	3.50
1993/94	n.a	28.55	4.88	7.55	7.16	22.94	19.70	n.a
1994/95	n.a	22.46	6.35	7.58	6.26	26.34	23.55	n.a
1995/96	1.52	22.69	8.19	6.80	3.70	1.13	0.00	n.a
1996/97	1.85	20.67	7.23	9.86	3.62	2.42	0.00	n.a
1997/98	2.13	26.88	9.02	12.67	6.52	1.79	18.38	n.a
1998/99	4.13	21.14	7.96	13.59	6.51	4.34	16.51	n.a

Notes: *n.a. = Not available*
Source: *BOS. National Economic Survey. Various Issues.*

Recommendation 7
Develop mechanisms of coordination and monitoring with respect to agriculture sector activities, and resource mobilisation for the same, with full participation of all stakeholders, including grassroots communities, people living in poverty, and the private sector itself. The TAS initiative provides a framework for these mechanisms, but needs to be further democratised, with much more visible and audible participation by civil society organisations, especially those representing the interests of smallholder producers and traders.

We would also like to endorse the MOAC policy statement with respect to financing the sector (p.74-75), as shown in recommendation 8 below.

Recommendation 8
Emphasise domestic resource mobilisation for agriculture, so as to reduce donor dependency, partly by ensuring that a greater portion of government revenue is allocated to the sector, in proportion to its overall contribution to the GDP and export earnings.

5.0 ANALYSIS OF THE 1997 AGRICULTURAL AND LIVESTOCK POLICY

5.1 THE PROCESS OF POLICY FORMULATION

Sources of information from the Planning Commission and the Ministry of Agriculture and Cooperatives indicate that a top down process of decision-making has characterised policy formulation. As one official put it, "all designs and formulation of the agricultural policies and objectives have always been the responsibility of the Ministry of Agriculture and Cooperatives. The Ministry through soliciting views from major stakeholders (ministries, institutions, private sector, international organisations and non-governmental organizations) formulated the policy and later organized workshops to discuss the policy and improve it. After the workshops, the policy paper was prepared and forwarded to the Permanent Secretary of the MAC and later to the Minister for approval".

However, as noted by another official, "The question is to what extent were the people and other stakeholders involved? There was not much participation by the grassroots and other stakeholders in the policy making process". In fact, we learned that neither farmers nor livestock-keepers were invited to the consultation workshops, be they large commercial growers nor low income smallholders.

Recommendation 9
The policy making process should involve the participation of all stakeholders including the grassroots and smallholder farmers and livestock keepers. This is important since the successful implementation of the policy involves everyone and requires everyone to have a sense of "ownership" of the policy.

Participation in the policy making process can be facilitated by the use of participatory research approaches and/or participatory poverty assessments.

The following steps need to be followed in order to complete the entire planning cycle, as clarified by Amani (2000b) in his Discussant Notes on this policy review paper:

- "Conducting a review and assessment of the major sub-sectors of agriculture [and livestock-keeping]
- The formulation of a clear and concise sectoral policy
- Preparation of a strategic framework with a coherent package of complimentary programmes and projects
- Recommendations for institutional reforms for policy and strategy implementation
- Simultaneous with the strategic planning exercise, a process of legislative reform must begin
- The institutional structure of government Ministries and agencies, as well as intermediate institutions such as NGOs, CBOs, etc. should be undertaken with the collaboration of relevant stakeholders to ensure they are well structured to implement the policy
- Specific targets and indicators should be established, monitored and evaluated with the participation from concerned stakeholders. This is important in order to measure progress, to ensure that policy is leading the nation towards the established goals and objectives of the policy
- Conduct a Training Needs Assessment to identify training priority action areas for the implementation of the policy."

He also emphasised the need to prioritise sector objectives, in relation to policies and resource allocation, in a situation of meagre resources.

5.2 THE CONTENT OF THE POLICY

5.2.1 Policy Goals

As stated in Section 2 above, the main goal of the Agricultural and Livestock Policy is the commercialization of smallholder cultivation and livestock keeping so as to allow for surplus production and increased incomes (See pp. 11-12 of the policy document). In fact, there are two contradictory goals in one, to "*improve the well-being of the people whose principal occupation and way of life is based on agriculture*" and to "*commercisalize agriculture*". Many of the specific policy instruments are oriented to the needs of largescale private companies, not poor smallholder producers.

Recommendation 10

Carry out a poverty and gender assessment of the policy, identify those elements of the policy which are inconsistent with government goals of poverty eradication and gender balance, and revise accordingly.

Full participation of all key stakeholders should be ensured in the assessment and policy reform process.

The policy goal – commercialisation of the sector - implies that there is no problem with the marketing and pricing of agricultural (including livestock) surplus produce. In reality, experience shows that the already existing surplus production of food crops (in Mbeya, Ruvuma, Rukwa and Iringa) cannot be sold despite the food shortages in other parts of the country. Surplus livestock in Ngorongoro and other districts lack viable competitive markets, and yet there is growing demand for meat within the country, African region and worldwide.

The lack of market for the agricultural produce in the country results from poor transportation network and market liberalisation policies which have encouraged the importation of cheap subsidized agricultural products at the expense of locally produced crops and livestock products.

Inconsistencies also flourish. For example, farmers in border regions (eg in Rukwa and Kilimanjaro Region) and livestock-keepers in Arusha are barred by government decree from exporting their surplus produce to neighbouring countries. Most of the post harvest crops in such regions are left without proper storage and get destroyed as a result of policy inconsistency and lack of market.

Recommendation 11

The Agricultural and Livestock Policy must be consistent and well coordinated with other policies pertaining to markets, trade and transportation. Encouraging surplus production for sale should be supported with improved transportation network that will lower costs and thus make locally produced crops and livestock product cheaper and more competitive than the corresponding imports. Increased agricultural production must also be supported by improved processing and storage facilities to add value to the products and take advantage of food shortages for increased markets and prices.

5.2.2 Objectives

The objectives tend to be universal, without specific targetted outcomes for the poor, women and youth, and/or other marginalised groups. However, the ninth objective does specify increased access of women and youth to land, credit, education and information. This could be made into a cross-cutting issue for all the objectives, ie mainstreaming poverty and gender considerations.

The policy is sensitive to the promotion of environmental awareness and conservation which is a necessary condition for any sustainable development effort. However, there is a need to recognise the existence of different perceptions of sustainable land and resource use, and to give more support to those of grassroots communities such as pastoralists.

The objectives need to include specific action to arrest the decline of the smallholder sector in farming and livestock-keeping, ie to increase the sustainability and viability of smallholder livelihoods and incomes.

5.2.3 Policy Instruments

The policy instruments as stated in the policy document are more than the number of objectives and have been listed down with no clear indication as to which instrument is supposed to be used to achieve which policy objective. Some of the so called “policy instruments” sound more like objectives than instruments per se. Examples of such “instruments” include instrument (iv) to “facilitate the provision of a good infrastructure, especially transport and storage; and instrument (ix) the “promotion of institutional structures in the agricultural sector.

In some cases, it is not easy to distinguish between an instrument and an objective. Instrument (viii), for example, is “natural resources management”. This “instrument” is the same as objective (f) that says “to promote integrated and sustainable use and management of natural resources … in order to conserve the environment”.

There is no clear statement of how some of the policy instruments are going to be used for achieving a given policy objective. Taxes and subsidies, for example, may be used in a manner which contradicts the overall goal of improving the welfare of agricultural producers.

5.2.3.1 Agricultural Extension Services

A top-down conception of extension has been adopted, which calls for the transfer of agricultural technology from experts to producers (pp 15-16), with the experts being a link between producers and researchers. Producers are thereby excluded from the research process and from interpretation of research results, or from basic innovation activities. This contradicts reality. The viability of smallholder production has depended primarily on the initiative of local producers, in the context of a dramatic decline in support from government, and the growing inaccessibility of ‘modern’ farm inputs. There is an urgent need for on-site innovation, under the concrete conditions of low income smallscale production.

At the same time, the agricultural extension service has been in the forefront in applying participatory methodology, for example in training the extension service and involving them in PRA work at local level (Edward Mhina 1997). The extension service in Morogoro Region has been involved for some time in an innovative community-based programme, with the support of SUA (pers.observation in Morogoro Rural District, 1998). An ongoing research programme has engaged villagers in analysis of irrigation programmes and their impact on factor markets (Koopman et al 1999; Kweka et al 2000). Lessons learned from these programmes need to be synthesised into a coherent set of guidelines for participatory extension work.

Recommendation 12

Develop guidelines for participatory extension work, on the basis of ongoing participatory research activities in MOAC and other institutions and organisations. Involve local communities, women, youth and the poor in the process.

The policy document notes that special attention will be given to women “in recognition of their critical role they play in family household-management and food production” (p.19). It also notes the present domination of the elderly, which denies youth access to key resources and threatens the sustainability of the sector. Training of producers will be gender- and youth-sensitive, so as to attract more participation from these two groups (p.20). These are positive statements, that need to be backed up with more concrete strategies of action, and real resource commitments.

The document also notes the need to improve working conditions and incentives for village extension officers (VEO); again concrete strategies are needed to ensure implementation.

At the same time, paragraph (xvi) says that the government will promote commercialisation of crops and livestock enterprises, including promotion of adequate insurance coverage. How can the extension needs of smallholder and large commercial growers be balanced in an equitable fashion?

Para (xix) notes that the extension service will support income diversification in farm families, which on the one hand, meets stated needs of smallholder communities, but on the other hand, shifts attention away from strengthening the viability of smallholder farming and livestock-keeping itself (see Bryceson 1999ab).

Recommendation 13
Mainstream poverty and gender issues into all aspects of agricultural extension with specific attention to semi-arid areas.

5.2.3.2 Agricultural Research

Worthy objectives are noted here, including the promotion of sustainable food security, income generation, employment growth and increased exports. There is minimal mainstreaming of poverty and gender concerns, however, with the main exception of (vii) which notes the prioritisation of disadvantaged and vulnerable groups. At the same time, the government welcomes the involvement of commodity agencies in research funding and planning. Caution needs to be exerted here, in the present context of genetic modification of seeds and so on. There is also need for specific attention to priorities of production in semi-arid areas.

Recommendation 14
Mainstream poverty and gender issues into all aspects of agricultural research, with specific attention to semi-arid areas.

5.2.3.3 Training

The main objective here is to supply competent and confident personnel to cater for public, private and self employment in the sector. Along with other sectors, it is to be demand driven, which may imply more attention given to the largescale sector, given its greater access to social capital ie the relative bargaining power of TCCIA, TFA and other organisations of commercial growers and ranchers vis-à-vis grassroots communities and the poor.

Gender considerations are mentioned with respect to the need for gender balance in recruitment of staff and students (p.34, 35). This is welcome, given the under-representation of women in all agricultural training institutions (TGNP 1999:21-22). However, additional attention is needed to reform of course content, pedagogy, and classroom management styles, so as to make them genuinely ‘women/girl’ friendly places.

5.2.3.4 Regulatory Services

The main focus here is on the need to establish standards so as to protect the interests of all stakeholders, enforced by regulations and legislation. This is a priority for smallholders today, who have complained about the sale of expired pesticides and fertiliser, for example; or defective farm inputs.

At the same time, care must be taken with respect to the possible conflict of interests between the private companies involved eg in production of improved seeds, and those of producers and consumers. Mention has already been made of the alarm caused by genetically-modified seeds.

The document says that the ministry will observe plant breeders' property rights through appropriate legislation – which reflects corporate interests rather than the interests of government itself, and the citizens of Tanzania. There is a growing worldwide movement against the provision of property rights over such phenomenon as plant breeding, because of the escalation of loss of control over 'natural' forests, herbs, seeds, etc in the developing world. Once patents have been established over a given seed or plant, for example, one which has been in local use for centuries, smallholders will have to pay for the right to use what was once their birthright.

There is no targetting of the specific needs of the poor, smallholders in general, women or youth in this section. For example, in the paragraph (vii) on seed promotion and extension, it would be vital to adopt targetting so as to ensure equitable access.

The promotion of informal seed production and marketing is positive (para x).

There is a need for promotion of organic farming, which is viable for low income producers, so as to reduce the dependence on petrochemical inputs.

Concerning *animal health services*, the document begins by stating that "farm level disease control is the responsibility of livestock keeper and he or should should buy the services, drugs, vaccines and inputs from the private sector" (p.41). This is biased against livestock-keepers, in that similar statements have not been made pertaining to crop production.

Recommendation 15

Ensure that pastoralists and other smallscale livestock-keepers have equal access to key resources of extension, training, and inputs.; and that concrete mechanisms are adopted and implemented to remove discriminatory attitudes and practices against pastoralists.

The government's main responsibility is in managing information and monitoring of markets, which will be used for continuous policy analysis and development (p.45). On the other hand, capacity for policy analysis is likely to be weaker than that for data collection, in agriculture as in other sectors (see Booth and Cooksey 2000 on poverty eradication strategy). The need to strengthen policy analysis is not mentioned in the list of policy statements.

Recommendation 16

Strengthen capacity for information management and policy analysis within all divisions of the ministry, and at all levels.

5.2.3.5 Technical Services

Under technical services are included irrigation, agricultural mechanisation, land use planning, soil and water conservation and range development. It is vital to adopt poverty and gender mainstreaming in this section. The gendered nature of access to tools of production, land and other resources has been widely documented (TGNP 1993, 1999 for information and references). Specific targetted actions are needed to facilitate access to all of these items by women and youth, as well as poor smallholder producers.

Of special concern is the emphasis given to irrigation, since historically irrigation technology has often worked to the disadvantage of women.

Concerning pastoral rangelands, the document states that "land capability and carrying capacity…will be determined to prevent land degradation, soil erosion, depletion of water resources, and encroachment of forests." (p.55). Again, a key question will be from whose perspective, that of the smallholder producer, or the tourist hotel, or the wildlife industry?

The series of policy statements which follow appear positive, but again, depend upon the methodology adopted and the perspective used. They include mapping of rangelands; research on all aspects of pasture production, conservation and utilisation; development of low cost rangelands water development; and training of livestock-keepers on water use management and maintenance (pp 56-57).

Key is the section on Policy Formulation and Management (p.58), which emphasises the need to strengthen policy analysis and monitoring, evaluation and impact assessments. Advocacy will be carried out on behalf of women and youth. Mention is also needed of low income smallholder producers vis-à-vis largescale commercial producers.

In this section the document also calls for reduction of numbers and levels of taxes and levies to agricultural (including livestock) products and inputs, which has already been recommended herein.

At the same time, it calls for specific involvement of the private sector in policy formulation and review, and partnership, with no mention of the smallholder sector (p. 60).

Recommendation 17

The different needs and interests of the commercial/private sector and the smallholder sector, and within the latter, the poor, middle and more well-to-do, needs to be made explicit, and guide policy formulation, implementation and monitoring.

In the section on land, there needs to be targetted focus on the needs and interests of women, youth and the poor. Only women are specifically mentioned, with respect to being entitled to acquire land in their own right through purchase and allocation – with no mention of inheritance.

Villagers are encouraged to establish village titles to land. This may be both positive and negative. Positive in protecting villagers rights to land in a communal sense, but negative in boxing them into a relatively small area, while delegating the rest of surrounding land to the government to allocate as it wishes. In this way, villages may become mini-labour reserves, providing cheap farm and non-farm labour to largescale enterprises situated nearby.

Bias against pastoralists is also found in the section on Agriculture Land Use (p 66), which states, "Agricultural land will be identified, set aside for agricultural use and protected against encroachment by pastoralists" (iii, p.66). No similar injunction is made to protect the rangelands of pastoralists against encroachment by farmers, miners, tourist and wildlife industry!

Moreover, under Rangelands and Livestock keeping, it actually states "Shifting agriculture and nomadism will be discouraged" (v p. 67). This reflects the blind ignorance of bureaucracy, showing little knowledge about the sustainability of existing farming and livestock-keeping systems in semi-arid areas (see Potkanski 1997 on livestock-keeping).

Short shrift is given to strengthening the infrastructure of rural roads and railways, and alternative transport systems (pp 69-70). These are considered key priorities among villagers in the RFS study (Mbilinyi et al 1999), along with those of many others (Maro 2000).

6.0 Link to Sustainable Livelihoods and Viable Incomes

see the paper on Livelihoods and Income

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