

FOCUS: IRINGA REGION



The view of the countryside from a hilltop outside Mufindi, Iringa region.

Introduction

As the closest out of the fertile and picturesque southern highlands regions to Dar es Salaam, Iringa region acts as a gateway to the lucrative market. It is an intensely agricultural region, with the vast majority of the population employed in small-scale farming. This combination of location and fertility make its largest urban area, Iringa Town, a natural location for a growing cluster of agro-processors such as makers of dairy products, sauce and canned fruit, vegetable oil, and dried paprika, among others.

Iringa demonstrates both the advantages and perils of the liberalized economy, with many taking advantages of market opportunities to make a better living, but others trapped on the outside looking in, unable to get good prices for their produce because of road and storage problems and a lack of market information.

Agriculture: The Distinction Between Cash and Food Crops Blurs

Though farmers in Iringa are making more money from their harvests in recent years, this has not been coming only from the cultivation of traditional cash crops. Though tea and tobacco cultivation are healthy, the largest increases are among foods that can fetch a good price from national or regional consumers as food crops. Similar to the way that Irish Potatoes went from being unheard of to commonplace in very little time, there have been large increases in the cultivation of spices such as paprika and unusual crops such as mushrooms, as well as large increases in familiar vegetables such as tomatoes, cabbage, onions, and sunflower seeds, which are used for oil. Other agriculture or forestry-related industries which are active in Iringa are the timber and paper industries and beekeeping.

Staples

As a member of the “big four” Iringa has historically been thought of as a staple crop producer, and indeed it has been among the top 3 producers of maize for each of the past 7 years (304 tonnes in 2003) and is far away the largest producer of Irish Potatoes (192 tonnes in 2003). Yields per hectare are also high relative to the rest of the country for these crops. The region also contributes smaller, but still significant, amounts of paddy, beans, and cassava to Tanzania’s food supply. With the growth in demand for food crops in neighboring countries, opportunities for increase abound here.

Vegetables

Iringa region is one of Tanzania’s largest producers of vegetables, especially tomatoes. Iringa rural district, for example, increased its output of tomatoes from 28,210 to 110,974 for nearly 300% growth in six years’ time. It has been estimated that most of Dar es Salaam’s supply of tomatoes in fact comes from Iringa. In addition to being shipped fresh to Dar, tomatoes are also used in large amounts by the Dabaga company which is located in Iringa town.

The vast majority of vegetable cultivation is geared towards the local market: out of all the new crops that have been making headway only paprika is being exported in large amounts. The increasing population of Dar es Salaam, along with other urban centers, is expected to provide a reliable market for staple and other food crops in the near future. It should be noted that the food imports of neighboring African countries have also been increased. With an improvement in the rural roads and market organization (to reduce spoilage due to excessive time spent “on the shelf”) the distinction between “food” and “cash” crops may become less and less relevant to local producers as they can

generate income by selling food crops to close-by urban markets.

An especially positive example of the possibilities that exist in the private economy is Paprika. Though until a few years ago the crop was hardly cultivated, the involvement of the Spanish company EVESA has provided growers a market. Though initial efforts to introduce the crop were difficult because of a lack of knowledge among growers, after the crop was shown to be suitable for the climate and profitable among a few growers, interest increased dramatically. The result is that cultivation has increased by over 10 times in the last 3 years, proving that farmers will seize opportunities when they are available. However, officials of EVESA still say that production must be expanded considerably in order to make their continued involvement worthwhile. Paprika is dried and packed in Iringa city and shipped abroad as a cooking spice, receiving a relatively high price.

Tea

Iringa is probably most historically famous for its tea production, which has taken off in the years after privatisation of tea plantations, going from 11,300 tonnes in 1997 to 20,500 tonnes in 2003. The large tea companies have successfully developed better relationships with out-growers, establishing methods of supplying them with inputs, and in some cases spreading best practices. After the first few years many out-growers have become self sufficient in terms of obtaining inputs, but still sell to the major companies, which process tea. Interviews with Tea companies reveal optimism about future increases in production among the out-growers, and also for the future of the domestic tea market. Though the possibility of export may exist in the future the local market is growing at a pace more than sufficient to accommodate expansion of

production currently. Increased quality is a priority both among the tea buyers and producers currently.

The reliability of electricity in Iringa is higher than in other regions of the country but is still far from satisfactory, this along with the excessive price of electricity inhibits the profitability of tea processing, which is energy intensive, and raises the price of the final product, decreasing the competitiveness of Iringa's tea relative to imported tea.

industry in Zimbabwe has created both opportunities and harmful disruptions in supply networks throughout the region. Tobacco produced in Iringa, is nowadays processed in Morogoro for processing, with normalcy returning to the market there is some signs that large producers, who drive this industry, will decide to expand operations. Improved relationships with outgrowers and more modern curing facilities are priorities here.

Table R2: Yields for both “Cash” and “Food” Crops in Iringa

	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/2004
Potatoes (All types)		24.5	18.7	39.1	34.4	36.1	21.0	32.7
Maize	298.1	483.5	373.7	285.3	315.5	492.5	304.1	401.0
Sorghum	23.9	6.3	16.9	38.9	43.0	17.2	3.1	22.0
Millet (All types)	31.4	4.7	1.8	1.8	2.2	5.4	3.5	2.5
Paddy	1.4	9.5	4.0	12.6	5.6	18.7	8.1	30.4
Wheat	16.4	38.0	11.9	13.9	10.8	12.4	19.4	11.7
Pulses	58.9	49.0	68.5	59.5	32.7	102.9	47.6	
Cassava	5.1	23.0	7.8	13.7	17.8	38.3	56.8	
Pyrethrum	0.8	0.3	0.0	1.9	0.5	0.9	0.7	
Tea (made tea)	11.3	12.7	17.0	16.3	17.6	17.1	20.5	26.7
Cabbage	-	8.8	9.4	5.0	5.9	7.3	6.8	22.5
Onions	-	6.3	3.8	7.5	9.8	11.1	16.1	15.4
Sunflower	-	6.5	13.3	19.1	21.6	11.8	14.4	17.8
Tomato	-	28.2	97.7	82.4	95.4	102.0	132.8	111.0

Source:

Tobacco

Tobacco has had mixed success in Iringa since liberalization, but interviews suggest that many of the early problems have resolved themselves and there is a cautious optimism regarding the future of this industry in the region. Regional statistics back up this optimism, showing that after falling steadily from 1,734 in 1997/98 to 834 tonnes in 2000/01 tobacco production in Iringa district (the regions largest producer by far) surged to 1,916 tonnes. The collapse of the tobacco

Pyrethrum

Though Iringa has been surpassed by Mbeya in recent years as the largest producer of Pyrethrum, it is still an important industry. It is hoped that the output of a privatized plant in Mafinga will increase substantially in the near future.

Agro-Processing

Iringa Town's large size, location in a fertile region and good transportation links with Dar es Salaam have made it an attractive location for agro-processors. Canned Fruit and sauces, vegetable oil, candies, dried spices and mushrooms, milled grains and dairy are among the products that are produced here.

Though concern that the high growth of recent years has accrued mostly to major urban areas is valid, the growing urban middle class of Tanzania has created market space for producers of value-added agricultural products. Interviews with Dairy industry experts, for example, indicate that the domestic market for yoghurt has only recently become strong enough to attract domestic producers interested in producing products capable of competing foreign imports. Overall, agro-processors are relatively optimistic at the moment about their market.

It should be pointed out that, though these new industries are not exporters, they may be just as important, in terms of foreign exchange earnings as they are competing directly with imported products. Selling tomato sauce to a Tanzanian who would have otherwise bought imported sauce improves Tanzania's terms of trade just as much as selling a bottle of tomato sauce in Europe or Kenya would.

The main concerns of agro-processors in the era of regional integration are the high VAT, transportation costs and high prices for electricity.

Challenges in Agriculture

Low Producer Prices

Though agricultural production shows many encouraging signs in Iringa, nobody believes that it is anywhere near its potential. Government and NGO workers, and many businessmen in Iringa (and elsewhere in the country) believe that the most important immediate factor holding back production in the region is the low price that farmers get for their produce. This is attributed to high transport costs due to bad feeder roads and high fuel prices, a lack of organization among farmers, and, in the opinion of some, a lack of competition amongst buyers.

It is felt that if farmers were to receive a higher price, then they would increase their use of high-priced inputs such as fertilizer and pesticide, and perhaps also would feel more urgency in learning better cultivation practices. All of these would in then lead to both higher output and better living standards in the region.

For this reason, there are some efforts to organize farmers so that they can bargain on price collectively, also to push for improvements in rural roads, which have been shown in studies to increase the prices received by farmers by over 15 %.

Another thing that would help to increase farm prices is availability of better storage facilities. It is thought that giving farmers the capacity to better store their products will increase their ability to bargain effectively with buyers. Suggestions that government should be involved in the process have raised objection by some actors, however, who say that government support for storage amounts to interference with a "market outcome".

Rain Dependence

As has been pointed out by many commentators, rain dependence means that a water supply unpredictable in rainy seasons, and almost non-existent in dry seasons. The lack of a year-round growing season not only subjects poor farmers to the hazard of drought and decreases production, *but also discourages agro-processing* of time sensitive products such as fresh unpasteurized juices, as plants set up for this purpose will have to be idle for large stretches and it is very difficult to find a market for processed products which are supplied irregularly.

Though the level of irrigation in Iringa is low, there are relatively good sources of water in the area pointing to future potential. Several irrigation efforts have been pursued recently. In the past several years, irrigation projects totalling over 30,000 acres in coverage have been completed. These employ user-supported maintenance schemes, which are designed to counteract the past tendency of schemes to deteriorate after the initial set-up phase.

Tourism

Though hotel operators report that a substantial portion of leisure travellers stay in Iringa only as a stopover location, Iringa has a large amount of untapped potential in the area of tourism.

Ruaha National Park

Ruaha known as “Tanzania’s Best Kept Secret”, which is one of the largest game parks in the region and has an unspoiled feel to it. Visitors are charmed by the need to buzz the landing strip to chase away animals feeding on the short grasses. Elephants are especially plentiful here. The biggest

problem faced in the park itself is since 1993 increased use of irrigation in Mbeya has caused the Ruaha river, which feeds the park (and attracts the animals) to stop flowing during the dry season.

The main reason that the park has been under-visited historically is that it was relatively inaccessible. Recent improvements in roads should help to make Ruaha more attractive to both visitors and investors alike. The latter are in especial demand at the moment as the regional authorities feel that the park could benefit from more amenities like those found in the northern wildlife circuit. The remaining transport problem is air access which is currently restricted to charter flights. Once the number of visitors is increased, regularly scheduled, rather than charter, flights should become the norm, this will make the park more attractive to independent travelers. Ministry of Tourism statistics show that park attendance has more than doubled over the last five years, indicating that the process is in reality well under way. Regional officials report that investor interest is high and fully think that it is only a matter of time before Ruaha becomes a busy like its Northern counterparts.

Other Attractions

In addition to Ruaha other attractions in Iringa are the beaches of Lake Nyasa in Ludewa district, Udzungwa National Park, which has some of Tanzania’s best mountain views, and Isimila Stone Age which has relics of interest to the historically-inclined. There are additionally a large number of natural caves and caverns in the regions as well as Lulanda national forest, which is famous for Colobus Monkeys and the Mpanga – Kipenge reserve in Njombe district.

Investment: Local Officials

Complain of Difficulties in Reaching Investors

In order that future articles on their region might talk less of “sleeping giants” and “untapped potentials”, regional authorities have been trying to organize an investment conference in Iringa for some time in hopes of informing interested investors of the potential in the agriculture and tourism industries that does exist in Iringa. Local officials report that no government agency currently has a strong mandate to help fund and organize something of this nature, however. This suggests that action is necessary to create better federal local partnership that can funnel international

investors to local opportunities who can be expected to know the most about opportunities in their area.

Health and Welfare

With an enrollment rate above 80%, little in the way of hunger and starvation a recent rapid expansion in the number of dispensaries in the region there is much to be optimistic about. The major emerging problem in health, however, is HIV/AIDS. The country has among the highest infection rates in the recent country and though recent statistics may give some evidence that the infection rate is levelling-off they give little that it is abating. More funding and awareness raising activity is needed here.

Table R2: General Indicators by District, Iringa Region

District	Total population	Dependency Ratio	Literacy rate, 5 yr and above (%)	Net enrolment rate (%)	Percent of population employed in agriculture
Iringa Urban	106,371	67	87	91	29
Iringa Rural	245,033	98	68	79	90
Ludewa	128,155	101	76	84	90
Kilolo	204,372	100	70	79	90
Njombe	419,115	92	74	79	76
Makete	105,775	96	64	80	92
Mufindi	282,071	98	72	82	78
Total/Average	1,490,892	93	73	82	78

Source: NBS , 2003