



Introducing: Tanzania Coffee Industry Development Strategy (2011-2021)

ICO 110TH COUNCIL
LONDON MARCH 2013

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Coffee growing regions in tanzania



Why sector strategy?

- Problem oriented (not program oriented – every organization tends to follow their own agendas)
- Allow to bring sustainable « sector change » (unlike individual action tackling problems in a single dimension)
- Bring under the same « roof » actors of very different natures unlikely to cooperate otherwise (private, public, research etc.)



Strategy participatory development process

National Coffee Conference decides to develop a coffee sector strategy (December 2009)



National and local consultation with all actors of the value chain (TFC meetings + 8 zonal meetings gathering about 600 stakeholders from 28 districts)



First draft validated by NCC in May 2011



Presentation/Adoption of the document by Government May 2012



Implementation



Key principles observed when developing the strategy

- Process vs. Output -> bringing people together is as important as the final product
- Being pragmatic (vs.wishlist) -> need to be both ambitious and realistic
- Linking with future implementation -> concrete actions and implementation plan

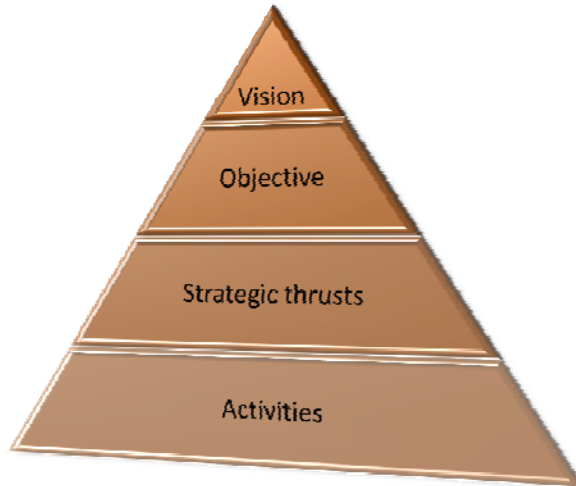


The strategy

- *VISION*
- “The Tanzanian coffee industry aims to build a long term sustainable and profitable coffee industry to all stakeholders, producing internationally recognized high quality Arabica and Robusta coffees and making a significant contribution to macro-economic stability, poverty reduction and improved Tanzanian livelihoods.”
- *OBJECTIVE*
- “To increase national coffee production and quality so as to improve incomes for the entire value chain, particularly coffee farmers.”



The strategy: logic of intervention



Quantitative objectives

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



Four strategic thrusts to reach the objective

ST 1: Increase coffee productivity and overall production

ST 2: Improve efficiency of the value chain

ST 3: Support overall coffee quality improvement

ST 4: Promotion of Tanzanian coffees abroad and explore new market opportunities including sustainable coffees



Indicators of success

- Average coffee yield at the national level increases to reach at least 450 kgs of clean coffee per hectare by year 2021 (+100% increase)
- At least 10,000 hectares of new coffee farms are
- By 2016 the Average share of transaction costs from Farm-gate to FOB is reduced from the current 35% to 25%
- By 2016 the average time needed to move the coffee from farm-gate to FOB is reduced from the current average 3 months to 2 months
- By 2021 a minimum of 70% of the coffee produced in Tanzania is of grade 1-7
- By 2021 a minimum of 75% of the Arabica coffee produced in Tanzania is processed through CPU
- By 2021 a minimum of 50% of the coffee produced in Tanzania is "sustainable" (UTZ, 4C, FLO, Rainforest, Organic)
- By 2021 domestic consumption is increased in Tanzania and reaches at least 10% of the production



Impact scenario (summary)

If the coffee strategy is implemented:

- Additional revenues of at least +150 M. \$US per year (+223 M. \$US at current price)
- 250 M. \$US generated annually by the coffee industry (335 M. \$US at current price)
- 75% redistributed to coffee farmers. It will almost double (+95% increase) the coffee incomes for 400,000 households

-> Reduction of poverty and sustainable capacity for self improvement of the coffee industry



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