

Progress of Rice Farming Mechanization Process in Tanzania

CARD 2nd Regional Workshop for Promotion
of Agricultural Mechanization
22 October 2012 in Nairobi

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1. Progress of the Mechanization Process [15 mins]
 - 1) Chronology of events/ meetings
 - 2) List of Participants
 - 3) Policy Track: Policy Tools Identified
 - 4) Technical Track: (a) Machineries to be domestically manufactured, (b) Testing and Certification, (c) Results of Matching Exercise
2. Summary/ Points of Questionnaire on Processing [10 mins]
 - 1) Current Capacity of Milling
 - 2) Current Market Situation
 - 3) Standard and Grading System
 - 4) Consumer Preference

Guidance: Presentation [25 mins] + Q&A (Clarifications) [5 mins]

1. (1) Chronology of events/ meetings

Date	Actions taken (meeting, etc) after March '12
Currently	Tanzania Agricultural Mechanization Strategy (TAMS) of 2006 being reviewed
July 2013 -	These activities have been budgeted for 2012/2013 season

Guidance: Please give us here the most major maximum 10 events/ meetings, and/or summaries of individual interviews. If too many, please give those details in attached documents.

1. (3) Mechanization: Policy Tools and Related Actions - Newly Identified / Revised [1/6]

i) For whom? = Actors on supply chain [Analysis/ Factsheet]
Farmers, sellers, manufacturers, operators and mechanics
ii) Objective
Provide subsidy on agricultural machinery
iii) Policy Tool = Subject matter (item of reform) [Analysis/ Factsheet]
Subsidy
iv) Policy Actions
The government to provide 50% subsidy on all agricultural machines, tools and equipment

Guidance: Please give us here the most major maximum 3 policy tool Analysis/ Factsheet newly identified. Please attach "[C.Policy Tool Analysis Sheet.docx](#) [Manual 1.]"

1. (3) Mechanization: Policy Tools and Related Actions - Newly Identified / Revised [2/6] (Continued)

v) Current status of the policy tool (subject matter)
No direct subsidy is provided by the government on agricultural machinery
vi) What changes do you suggest to this policy tool (subject matter)?
The government to provide 50% subsidy on all agricultural machines, tools and equipment
vii) Key Institution(s) in this matter/ Key persons to consult?
Ministry of Finance
ix) Any outcomes, if consulted + Any Additional Comments
The Government needs to increase the tax base in order to increase the government revenue

Guidance: Please give us here the most major maximum 3 policy tool Analysis/ Factsheet newly identified. Please attach "[C.Policy Tool Analysis Sheet.docx](#) [Manual 1.]"

1. (3) Mechanization: Policy Tools and Related Actions - Newly Identified / Revised [3/6]

i) For whom? = Actors on supply chain [Analysis/ Factsheet]
Farmers / Sellers / Manufacturers / Operators & mechanics
ii) Objective
<ul style="list-style-type: none"> • More farmers will access these machineries for timely field operations and hence increase production and productivity. • Sellers will build confidence on readily available market and do more business • Local & foreign manufacturers will find more dealers for more supply of the machineries • Operators and mechanics will have more work to do (create employment)
iii) Policy Tool = Subject matter (item of reform) [Analysis/ Factsheet]
Subsidy on the price of tractors, power tillers and their implements
iv) Policy Actions
<ul style="list-style-type: none"> • The government to increase the tax base in order to collect more revenue • Government through Bank of Tanzania (BoT) to guarantee borrowers of agricultural machineries • Negotiate with development partners to agree on provision of subsidy on farm machinery

1. (3) Mechanization: Policy Tools and Related Actions - Newly Identified / Revised [4/6] (Continued)

v) Current status of the policy tool (subject matter)
No subsidy is provided on tractors, power tillers and their implements
vi) What changes do you suggest to this policy tool (subject matter)?
The government to provide 50% subsidy on tractors, power tillers and their implements
vii) Key Institution(s) in this matter/ Key persons to consult?
<ul style="list-style-type: none"> • Ministry of Finance and Economic Planning and Ministry of Agriculture Food Security and Cooperatives/ Permanent Secretaries of the two Ministries • Tanzania Revenue Authority (TRA)/ Chief Executive Officer
ix) Any outcomes, if consulted + Any Additional Comments

Guidance: Please give us here the most major maximum 3 policy tool Analysis/ Factsheet newly identified. Please attach "[C.Policy Tool Analysis Sheet.docx](#) [Manual 1.]"

1. (3) Mechanization: Policy Tools and Related Actions - Newly Identified / Revised [5/6]

i) For whom? = Actors on supply chain [Analysis/ Factsheet]
Farmers / Sellers / Manufacturers / Operators & mechanics
ii) Objective
<ul style="list-style-type: none"> • More farmers will access these machineries for timely field operations and hence increase production and productivity (along the value chain) of rice and other crops • Sellers will have readily available equipments and do more business • Local & foreign manufacturers will find more dealers for more supply of the machineries • Operators and mechanics will have more work to do (create employment)
iii) Policy Tool = Subject matter (item of reform) [Analysis/ Factsheet]
International Manufactures of Agricultural Machineries to find more dealers in Tanzania
iv) Policy Actions: Fear of competition as no more monopolies which inflate prices of equipments for Current dealers
<ul style="list-style-type: none"> • Mitigation measures is for dealers to supply quality equipments at affordable prices to compete at market • Dealers to advertise their products in all potential areas

1. (3) Mechanization: Policy Tools and Related Actions - Newly Identified / Revised [6/6] (Continued)

v) Current status of the policy tool (subject matter)
A Japanese Company (Thailand) has recently earmarked Quality Farm Equipments Tanzania Ltd to be a dealer
vi) What changes do you suggest to this policy tool (subject matter)?
At least three International Companies dealing with Farm Equipments to establish their firm in Tanzania
vii) Key Institution(s) in this matter/ Key persons to consult?
<ul style="list-style-type: none"> • Ministry of Finance and Economic Planning, Ministry of Agriculture Food Security and Cooperatives and Ministry of Industry and Trade / Permanent Secretaries of the three Ministries, • Private Companies dealing with farm Machineries • Diplomatic missions to sell the idea • Tanzania Revenue Authority (TRA) / Chief Executive Officer
ix) Any outcomes, if consulted + Any Additional Comments

1. (4-a) Mechanization: List of machineries to be domestically manufactured in 3 years [1/4]

Machineries/ Implements (accessories)	Current Import Tariff & VAT	Why, if changed the category? (Advantages)
Tractor – 22 Hp (Prototype already developed by the Center for Agricultural Mechanization and rural Technology – CAMARTEC).	0	
Processing machines for maize, sorghum, cashew nuts, cassava, oil seeds and spare parts	0	Increase in demand
Power tillers	0	Increase in demand
Irrigation pumps – Foot pumps are locally made by private companies.		

1. (4-a) Mechanization: List of machineries to be domestically manufactured in 10 years [2/4]

Machineries/ Implements (accessories)	Current Import Tariff & VAT	Why, if changed the category? (Advantages)
Power tiller accessories like plows, planters, puddlers, iron/cage wheels Reapers Threshing machines	0	

Guidance: Please give us here the most major maximum 5 machineries. If too many, please give those details in attached documents [A. Manual 2.].

1. (4-a) Mechanization: List of machineries to be domestically manufactured beyond 10 years [3/4]

Machineries/ Implements (accessories)	Current Import Tariff & VAT	Why, if changed the category? (Advantages)
Combine harvesters		Increased demand
Rice Processing plants		Increased paddy production

Guidance: Please give us here the most major maximum 5 machineries. If too many, please give those details in attached documents [A. Manual 2.].

1. (4-a) Mechanization: Outline of the strategies for manufacturing [4/4]

i) Capacity building
<i>build capacity of the public and private sector to participate in delivery of research and extension services need to be promoted and adequate attention given to meet training needs especially at the middle level.</i>
ii) Infrastructure development
<i>Transportation, communication</i>
iii) Policy tools (interventions)
<i>Provision of soft loans</i>
iv) Drivers for change
<i>Ministry of agriculture and Ministry finance</i>

Guidance: Please give us here a summary. If more details available, please attach documents [A. Manual 2.].

1. (4-b) Mechanization: Testing and certification [1/3]

Identify the current status/problems in:
i) Organizational structure;
<i>Under Ministry of Industry and Trade</i>
ii) Regulation for test of quality/ inspection or certification;
<i>Machines intended for use in the United Republic of Tanzania must be inspected and tested for quality assurance in accordance with the procedures prescribed by the quality control institutions,</i>
iii) Facilities
<i>Tanzania Bureau of Standards (TBS) and the Centre for Agricultural Mechanization and Rural Technology (CAMARTEC)</i>
iv) Human resources
<i>Engineers, Technicians, Machine operators – Available</i>

Guidance: Please give us here the most major problems and/or summary of the current status only. Please attach documents if more details. [A. Manual 3.]

**THANK YOU
ASANTENI SANA**

