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Value Chain Support Program for Tanzania's Cashew and Red Meat/Leather Industry

Prospective interventions and UNIDO action plan



The United Republic of Tanzania



UNITED NATIONS
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INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT



FOOD AND AGRICULTURE
ORGANIZATION OF THE
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Acronyms

3ADI	Accelerated Agribusiness and Agro-industries Initiative
AFDB	African Development Bank
CBT	Cashewnut Board of Tanzania
CDTF	Community Development Trust Found
COSTECH	Commission for Science and Technology
DANIDA	Danish Development Assistance
FAO	Food and Agricultural Organization
IFAD	International Fund for Agricultural Development
ITC	International Trade Center
MAFSC	Ministry of Agriculture, Food Security and Cooperatives
MDG	Millennium Development Goal
MIT	Ministry of Industry and Trade
Mpwapwa	One of the oldest veterinary research institutes in Tanzania
MIVARF	Market Information, Value Addition and Rural Finance
NARCO	National Ranching Company
NARI	Naliendele Agricultural Research Institute
PPP	Private Public Partnerships
SAGCOT	Southern Agricultural Growth Corridor of Tanzania
SIDO	Small Industries Development Organization
SUA	Sokaine University of Agriculture
TCCIA	Tanzania Chamber of Commerce Industry
TMB	Tanzania Meat Board
TPSF	Tanzania Private Sector Foundation
UNDP	United Nations Development Program
UNIDO	United Nations Industrial Development Organization
VCDSP	Value Chain Development Support Program
VETA	Vocation al Education Training Centre

Country Context

Tanzania has made the acceleration of the country's economic and social development its top priority. With the view of eradicating wide-spread poverty and reaching the Millennium Development Goals (MDG) by 2015, the government has introduced a number of policies, strategies and programs targeting the country's overall economic development and offering some sector-specific support. While Tanzania has made considerable advancements towards reaching MDG 2 (Achieve Universal Primary Education), MDG 3 (Promote Gender Equality and Empower Women), MDG 4 (Reduce Child Mortality), 6 (Combat HIV/AIDS, Malaria and Other Diseases) and MDG 7 (Ensure Environmental Sustainability), MDG 1 (Eradicate Extreme Poverty and Hunger) and MDG 5 (Improve Maternal Health) have proved more difficult to achieve.

Progress was especially fostered through the "Tanzania Development Vision 2025" launched in 2010, the "National Strategy for Growth and Reduction of Poverty II" of 2005, "Kilimo Kwanza (Agriculture First) of 2010, the "Agricultural Sector Development Strategy" of 2001, the "Agricultural Sector Development Program" of 2007, the "Integrated Industrial Development Strategy 2025" launched in 2010, the "Integrated Hides, Skins and Leather Sector Development Strategy" of 2007, the "Rural Micro, Small and Medium Enterprise Program" of 2007 and the "Southern Agriculture Growth Corridor of Tanzania", which is currently in its final stage of planning.

These strategies aim at transforming the economy, making it competitive and capable of producing sustainable growth and shared benefits, amongst others (for more detailed information, view **Annex I**). Tanzania places much emphasis on the generation of improved income and employment in the agricultural sector, particularly through value addition. The Accelerated Agri-business and Agro-Industries Initiative (3ADI), which fosters agricultural value addition, is thus well aligned with the country's development strategy.

The 3ADI Approach

Inaugurated at the Abuja Conference on the Development of Agribusiness and Agro-industries in Africa in March 2010 by request of the Commission of the African Union, the 3ADI program is carried by a partnership between UNIDO, FAO and IFAD. It targets the expansion of agribusiness and agro-industries with a view of increasing food security by upgrading agricultural (subsistence) activities and transforming them into attractive and sophisticated agribusiness operations.

By so enhancing peoples' livelihoods through the generation of increased income and employment, the program will chiefly contribute to the achievement of the MDG 1 (Eradicate extreme Poverty and Hunger). Additionally, it addresses MDG 3 (Promote Gender Equality and Empower Women) through the application of a more gender-balanced approach towards production and employment in agricultural production and processing. Further the project contributes to MDG 7 (Ensure Environmental Sustainability), through considering environmental effects when making investment decisions, and to MDG 8 (Develop a Global Partnership for Development) through bringing investors to Tanzania and rendering the Tanzanian cashew nuts a product known and appreciated worldwide.

The program's analytical and operational framework is provided through value chain analysis. This methodology is not new in itself and has found application in numerous industries development initiatives in recent years. However, it has been noted that such programs often tend to focus only on certain selected areas while neglecting the necessity of forging connections between the different links of the chain or ignoring other important areas altogether.

In contrast to these exclusive interventions, the 3ADI takes an integrated approach towards value chain development, which considers all actors at all stages of a value chain – from primary production to the end-market. Particularly, by involving industrial players and small-scale producers and entrepreneurs alike, benefits such as increased income and job generation are equally spread.

For each 3ADI country program, two to three agricultural value chains are selected for development by the respective government. In its concrete development of a value chain development program, the 3ADI then takes a four-way approach:

- Assessment of key constraints faced by agro-industries that limit their ability to add value to agricultural production through agro-processing, post-harvest handling, supply chain management and trade promotion
- Development and Validation of concrete interventions that promote agro-industry development in close collaboration with stakeholders and external resources
- Provision of technical assistance
- Assistance to beneficiaries and countries in resource mobilization from international finance institutions and a range of private partners, research institutions and non-governmental organizations. Target resources include finance (public and private), investment, technology, expertise and scientific knowledge for agribusiness development.

The 3ADI in Tanzania

Affirming its emphasis on value addition in the agricultural sector, the Tanzanian government has selected two value chains – cashew and red meat/leather – for development under the 3ADI. This choice was welcomed by the 3ADI's leading organisations based on the prospective of additional in-country value addition for both commodities and the high export potential for cashew nuts. The Tanzanian Ministry of Industry and Trade (MIT) has set up a task force for the implementation of the 3ADI and has developed a strategy towards this end.

Funding for the 3ADI in Tanzania is derived from the United Nations Development Assistance Program (UNDAP) for Tanzania for the area of “integrated value and supply chain development in key productive and innovative sectors”.

The cashew nut and red meat/leather industries are of great importance to a large proportion of the Tanzanian population, the former generating income and employment for approximately 0.5 million, the latter for around 4.5 million people. However, great deficiencies prevail throughout both value chains, especially concerning the extent of processing and adequate technologies as well as overall coordination and organization between various actors of the chain. The resulting low levels of value addition impede the economic development of agricultural sectors while also inhibiting the generation of social benefits.

Currently, the first two steps (assessment of concrete constraints and development and validation of concrete interventions to promote agro-industry development) for the assistance for the cashew and red meat/leather value chains have been completed. The provision of technical assistance (step 3) is the subject of the two Value Chain Development Support Programs (VCDS) outlined in this document. Their conceptual design is based on a detailed diagnostic of both value chains conducted by a team of experts from government and UNIDO in March 2011 (Massave et al. 2011, Hartwich et

al. 2011). Through successful implementation of step 3, the final step (resource mobilization from international financing institutions) will be facilitated.

By considering existing strategies and programs, the document also identifies prevailing gaps and seeks opportunities for cooperation and partnership with government agencies and other development agencies. Additionally, it is also meant to spur discussions among government and development organisations on how to coordinate development activities and engage in joint interventions.

Program Vision and Mission

By 2020 Tanzania has re-established its role as a main producer of quality cashew nuts in the international market. Its production will have doubled and the 80% of it is processed domestically. 30% of its production will be sold on the domestic and African regional markets while the rest will be catered to international buyers, particularly the emerging markets in Asia and the Middle East.

Concerning the red meat/leather, by 2020 the sector provides employment and above minimum salary income to more than 4.5 million Tanzanians catering quality meat products to local consumers of all income groups while also exporting to selected high value markets.

The 3ADI's mission focuses on the implementation and coordination of interventions that target development constraints and opportunities at the various levels of the cashew nut and the red meat/leather value chains, including the promotion of knowledge exchange, the use of effective, sustainable and affordable technologies and innovative partnerships among chain actors and development agencies.

Program Objectives and Expected Impact

For the cashew nut industry:

- Poor farmers and labourers become engaged in production and processing with an adequate share in value addition.
- The development of the chain fosters regional development and prosperity in cashew producing regions and urban areas where cashews are processed.
- Farmers, small processors and local entrepreneurs receive particular support in their efforts to engage in processing.
- Private entrepreneurship in production, processing and service provision is encouraged.
- Overall re-organization of the chain aims at increased competitiveness on international cashew-nut markets.

By implementing the program it is expected that the current quantity of exports of cashew nuts will be maintained, while the quantity of kernels processed in the country doubles. This development will provide for at least 70 million USD of added value that will be divided among the various actors engaged in the chain. Overall the project aims at upgrading the Tanzanian cashew value chain by fostering the processing of raw cashew nuts, use of by-products and a better integration of the production, processing and marketing functions in the both value chains. The outcome of the project is that relevant government and development agencies as well as selected private sector entities implement measures that contribute to the integrated development and value addition in Tanzania's cashew value chain. This will have wide and positive effects. Actors in the value chain, through better coordination and availability of support services, will be able to lead more profitable

operations, incomes will increase benefitting a wider group of people, and additional jobs will be created. Poor strata of the society will be raised out of poverty through participating in the value chain. The inclusion of women in value adding activities is promoted.

For the red meat/leather industry:

- Livestock farmers and workers in feedlots, slaughterhouses, leather processing businesses and butcheries get decent employment and earn an adequate share from the value added in the final product.
- The development of the chain fosters regional development and prosperity in livestock producing regions and urban areas where red meat is processed.
- Livestock farmers, small processors and local entrepreneurs receive strong support in their efforts to engage in feedlotting and meat processing.
- Private entrepreneurship in production, processing and service provision is encouraged.
- Overall re-organization of the chain aims at increased competitiveness vis-à-vis imports from abroad.

By implementing the programme it is expected that the value of primary production (cattle, goats, and sheep) will increase by 30% and generate an additional 30% in value addition (through transformation of crude meat and leather).

Support to the Development of the Cashew Industry

I. Problem Statement

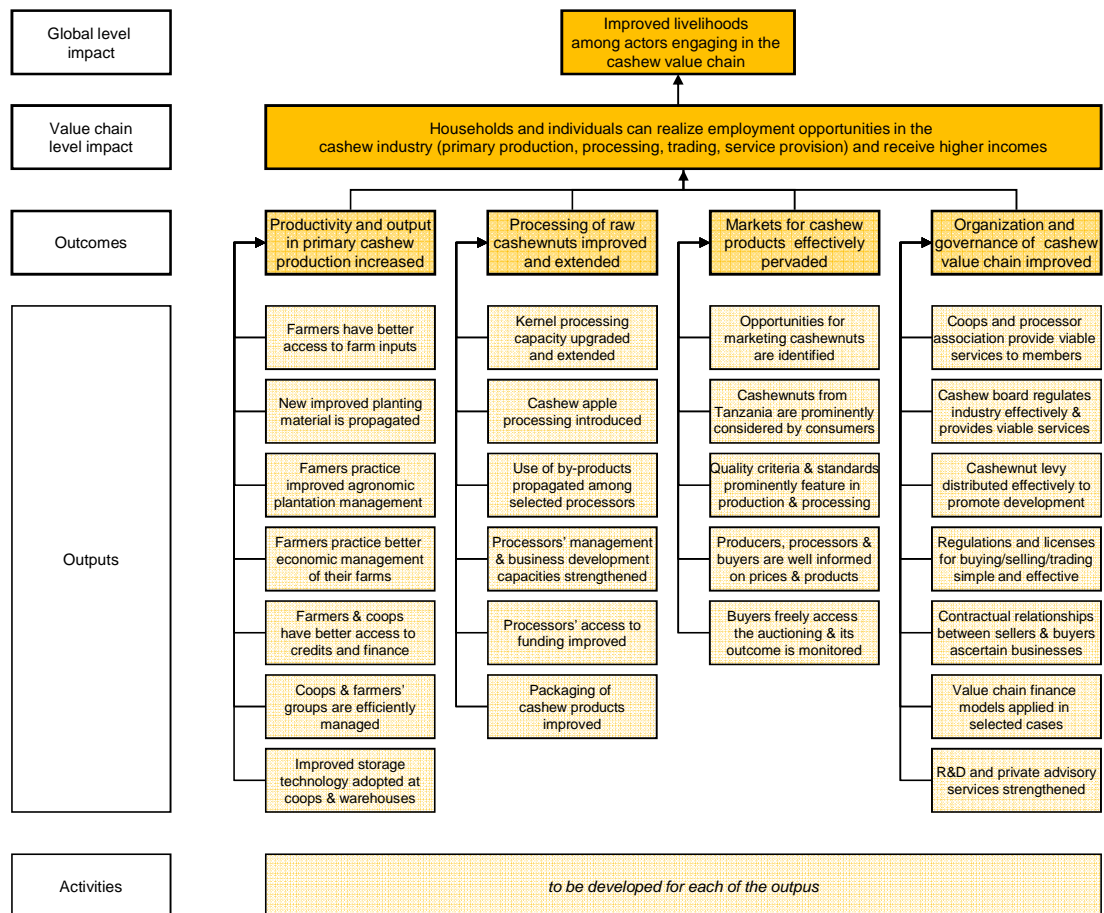
The cashew industry in Tanzania provides the basis for the livelihoods of almost half a million people, most of them small-scale farmers and farm labourers that live below or slightly above the poverty line. While Tanzania's cashew nut sector is well positioned in the international market for raw cashewnuts due to a favourable combination of seasonality and price, its processing sector still remains underdeveloped and insufficiently competitive. Currently, only 40% of Tanzanian cashew nuts are processed locally, forfeiting the sector from realizing increased benefits from value addition such as increased income and employment generation. Reasons for the prevailing low processing capacity are manifold and include a lack of technical and managerial experience, a difficult business environment characterized by overregulation and inappropriate infrastructure, deterioration of machinery and equipment, limited access to appropriate financial products (for processing), costs for labour, services and inputs, as well as the lack of coordination between the various actors in the value chain.

Tanzania would hence benefit substantially from both increases in productivity and production as well as higher levels of value addition in the cashew sector on the farm, processing and service provision level. Such development, however, requires stark changes with regard to the application of technologies, the efficient conduct of operations and coordination throughout the entire value chain.

II. Program Outputs

In order to ensure an integrated approach, the program comprises a number of highly specific interventions that are targeted at different stages of the value chain. The logic of intervention is depicted below.

Figure 1: Program Results Chain – Cashew



The program objectives are divided into four main sections: Primary Production and Inputs, Processing, Market and Trade and Value Chain Governance. The below **Table 1** gives an overview of the stipulated program objectives and the activities currently undertaken. For a detailed list of program goals, view **Annex II**.

Table 1: Program Outputs and Activities– Cashew nuts

Program Outputs	Responsibility
1. PRIMARY PRODUCTION AND INPUTS	
1.1 Improvement of farmers' access to primary inputs (pesticides, spraying machines)	
1.2 Rehabilitation of plantations through crafting and replanting	
1.3 Promotion of efficient agronomic management of plantations to increase productivity	
1.4 Introduction of economic principles and market-orientation among farmers	
1.5 Improvement of farmers' and cooperatives' access to funding	
1.6 Support to the organizational development of cooperatives and farmers groups	
1.7 Promotion of improved storage technology and management of stocks	
2. PROCESSING	
Output 2.1 Upgrade and extension of existing processing capacities	
<i>Activity 2.1.1: Identification of 6 processing groups (120 people)</i>	UNIDO
<i>Activity 2.1.2: Procurement of complementary processing equipment for 6 processing groups</i>	UNIDO
<i>Activity 2.1.3: Training on processing technology for 6 processing groups</i>	EOFT, SIDO
<i>Activity 2.1.4: Continuous technical support for 6 processing groups</i>	SIDO
<i>Activity 2.1.5: Study on work flow improvement for 2 larger end-processors (buyers of semi-processed cashew nuts)</i>	UNIDO
Output 2.2 Initiation of the processing of cashew apples	
Output 2.3 Propagation of the development of by-products	
<i>Activity 2.3.1: Support the conduct of trials on cashew nut by-products (cashew nut butter, juice)</i>	UNIDO, NARI
Output 2.4 Development of processors' capacities concerning management and business administration	
<i>Activity 2.4.1: Development of a fundable business plan for 6 processing groups and 2 larger end-processors</i>	UNIDO
<i>Activity 2.4.2: Continuous business coaching for 6 processing groups</i>	SIDO
<i>Activity 2.4.3: Development of contractual arrangements between end- and pre-processors</i>	UNIDO
Output 2.5 Improvement of processors' access to funding	
<i>Activity 2.5.1: Support in access to funding for 6 processing groups</i>	UNIDO
Output 2.6 Improvement of packaging of cashew products	
3. MARKET AND TRADE	
Output 3.1 Study of the local and international marketing opportunities for cashew products	
<i>Activity 3.1.1: Marketing study cashew nut products</i>	UNIDO
Output 3.2 Launch of a branding and marketing campaign	
<i>Activity 3.2.1: Introduction of branding of cashew nuts for sales on local markets</i>	NARI, CBT
<i>Activity 3.2.2: Marketing campaign to advertise the advantages of cashew nuts</i>	UNIDO
<i>Activity 3.2.3: Support to marketing activities of processing groups with a focus on national markets</i>	UNIDO
Output 3.3 Introduction and promotion of quality controls and food safety	
Output 3.4 Establishment of a market information system	
Output 3.5 Improved efficiency in the auctioning of raw cashew nuts	
4. VALUE CHAIN GOVERNANCE	
Output 4.1 Support to the Cashew nut Processors Association of Tanzania	
<i>Activity 4.1.1: Capacity building of SIDO technical staff on cashew processing (TOT)</i>	UNIDO
<i>Activity 4.1.2: Study on improvement of SIDO cashew processing materials</i>	UNIDO
Output 4.2 Strengthening the Cashew Board of Tanzania	
Output 4.3 Revision of the existing regulations on cashew levies	
Output 4.4 Reduction of the regulations and licences required to trade cashew products	
Output 4.5 Improved relationships between different value chain actors through more elaborate contracting	
<i>Activity 4.5.1: Organization of stakeholder meetings on the regional/national level</i>	UNIDO
Output 4.6 Options for combined financing of production and processing	
Output 4.7 Provision of value chain support services e.g. technical and business advice, R&D, input provision	
<i>Activity4.7.1: Training visit to Kerala, India</i>	UNIDO

III. Implementation (Action) Plan

For UNIDO Support Component

Local governments, government agencies such as SIDO and local and international NGOs have made considerable efforts to help farmers groups, local entrepreneurs and cooperative societies to install facilities for cashew nut processing. However, many of these efforts have focused on the provision of equipment without providing the necessary technical and management support to make cashew processing a profitable and sustainable business. Among these efforts is also the UNIDO-supported Kitama group. The group failed to use the installed capacities; its members preferred selling raw cashew nuts to buyers with the consequence that the group needed to buy raw cashew nuts on the market. A buyer helped out to finance the purchase of raw cashew nuts but failed to provide a competitive price for processed cashew nuts. Since then, processing activities at the Kitama group are stalled.

The project envisages a 6+2 solution for the implementation of the project. It will support 6 processing units on the community level (farmers groups, women groups, or individual entrepreneurs) one of them being the Kitama group. The Kitama group received equipment from UNIDO but currently does not operate for lack of a coherent business model). The 6 units will engage in pre-processing of cashew nuts up to the level of un-peeled kernels. Peeling, sorting, grading and packaging will be conducted by 2 larger processing companies who are linked to export markets. The project will develop sustainable business models for the 6 units and facilitate fair contractual arrangements between them and the buyers (the 2 end-processors). It will also facilitate the provision of finance to the 6 processing units, based on business plan development. An agreement from the Tanzania Investment Bank to provide preferential loans to the groups has already been reached. The Small Industries Development Organization (SIDO) of the Ministry of Industry and Trade (MIT) will be responsible for developing the businesses models and together with the NGO “Equal Opportunities for All Trust Fund” the technical training and follow up.

Support to the Development of the Red Meat/Leather Industry

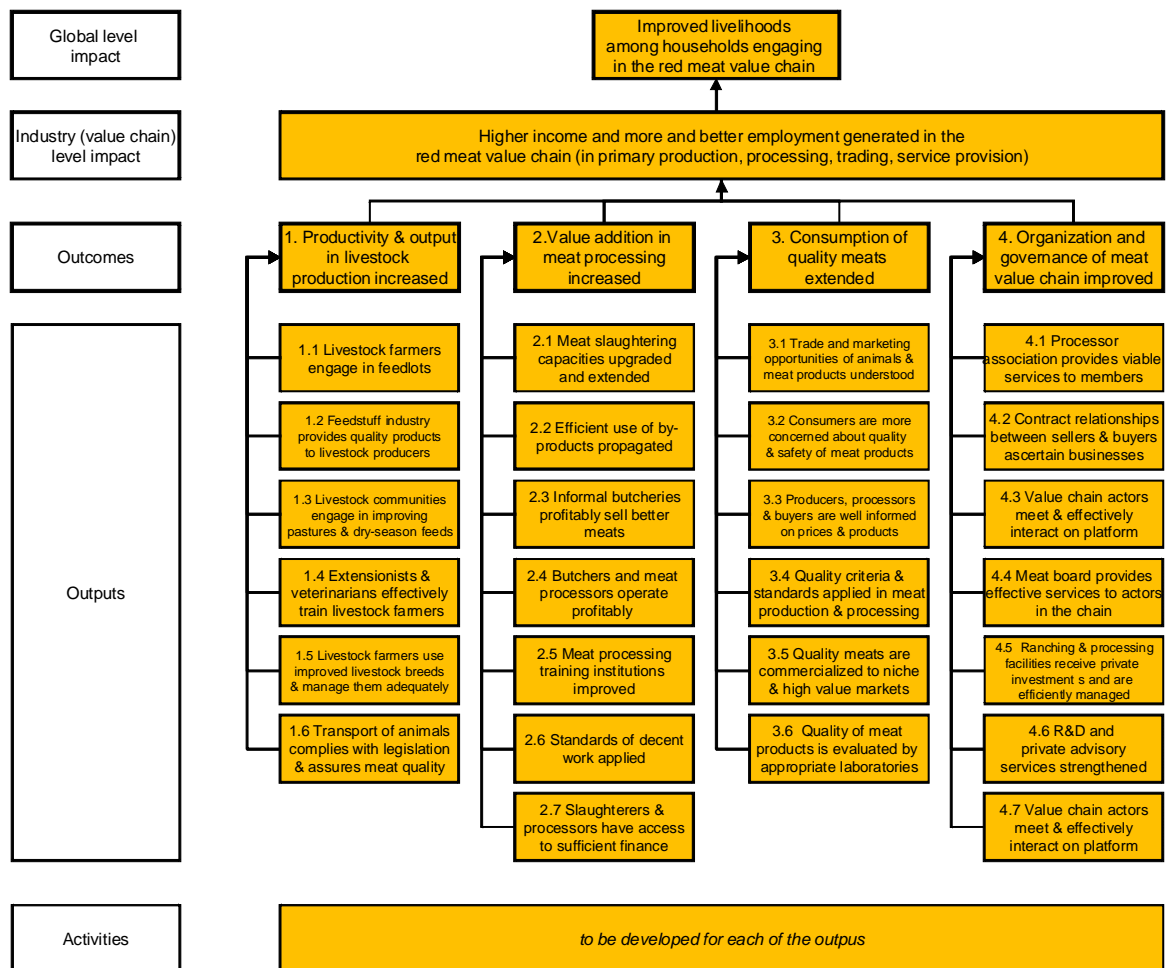
I. Problem Statement

The red meat value chain in Tanzania provides income and employment to more than 4.5 million people. However, the value added in this sector is marginal. The majority of cattle, sheep and goats are reared to reach sub-optimal weights and are slaughtered at inappropriate facilities. The meat is then mostly sold as NyamaKawida (mixed meat) without further processing such as special cutting or packaging, quality control and refrigeration (“warm meat”). Consumers are highly price-sensitive and generally ignorant of the meat’s poor quality and the associated food safety issues. Supplementary feeding, fattening of animals, efficient slaughtering, quality control, food safety measures, and value addition through special cuts and further processed meat products is largely unknown. Meanwhile skins and hides are of low quality due to failures in production and slaughtering and little value addition is generated in the leather processing sector.

II. Program Outputs

In order to ensure an integrated approach, the program comprises a number of highly specific interventions that are targeted at different stages of the value chain. The logic of intervention is depicted below.

Figure 2: Program Results Chain – Red Meat/Leather



The program objectives are divided into four main sections: Primary Production and Inputs, Processing, Market and Trade and Value Chain Governance. The below **Table 2** gives an overview of the stipulated program objectives and the activities currently undertaken. For a detailed list of program goals, view **Annex III**.

Table 2: Program Objectives and Activities– Red Meat/Leather

Program Objectives	Responsibility
1. PRIMARY PRODUCTION AND INPUTS	
Output 1.1 Development, testing and implementation of improved feedlotting schemes	
<i>Activity 1.1.1: Identification of potential feedlotter</i>	SNV
<i>Activity 1.1.2: Training of feedlot operators</i>	FAO
Output 1.2 Development of a feedstuff industry along the Southern Growth Corridor	
<i>Activity 1.2.1: Support in the development of fundable business plans for feedlot operators</i>	SIDO
<i>Activity 1.2.2: Development of contractual arrangements between feedlotter and the slaughterhouse operators</i>	SNV
<i>Activity 1.2.3: Monitoring and technical assistance to feedlotter in their initial stage</i>	FAO
Output 1.3 Introduction of improved pastures and dry season feeding	
Output 1.4 Training for livestock development officers and veterinary staff	
Output 1.5 Development of a rapid genetic improvement program introducing improved breeds	
Output 1.6 Improve transport of animals during transport	
2. PROCESSING	
Output 2.1 Upgrading and extension of existing slaughtering capacities	
<i>Activity 2.1.1: Develop designs for 4 slaughterhouses (Iringa, Mbeya, Morogoro, Ruvu) and validation</i>	UNIDO/SNV
<i>Activity 2.1.2: Develop business models for operating 2 slaughterhouses in Iringa and Mbeya (PPP)</i>	
- Feasibility study	UNIDO
- Development of business plans in consultation with city council and stakeholders	SNV
- Validation of business plans by town council and stakeholders	SNV
<i>Activity 2.1.3: Support the physical installation of 3 slaughterhouses (Iringa, Mbeya, Morogoro)</i>	
- Invitation for tenders for construction by city councils	Councils
- Supervision of construction to assure compliance with plans and standards	UNIDO, councils
- Procurement of slaughter house equipment	UNIDO
- Installation of equipment	UNIDO
<i>Activity 2.1.4: Support to slaughterhouse operators</i>	
- Identification of private operator for the slaughterhouse	SNV
- Development of contract relationships with city council, butcher/trader associations & feedlotter	SNV
- Business and administration training for private operators	SIDO
- Technical training for technical staff of the operators	VETA
Output 2.2 Support to setting up pilot meet training centres at the community level	
Output 2.3 Promotion of the efficient use of by-products and waste management at the slaughtering level	
Output 2.4 Development of informal backyard butcherries in rural areas	
Output 2.5 Development of urban butcherries and meat/leather enterprises	
<i>Activity 2.5.1: Training on meat cuts and meat products</i>	VETA
<i>Activity 2.5.2: Training on quality improvement and handling of meat and meat products</i>	VETA
<i>Activity 2.5.3: Training on accounting and business administration</i>	SIDO
<i>Activity 2.5.4: Provision of meat processing equipment (meat saw)</i>	UNIDO
Output 2.6 Support to existing training facilities for employees of the meat industry	
Output 2.7 Introduction and application of decent work standards at slaughter houses and meat/leather processing	
Output 2.8 Development of financial products for traders, butchers and processors	

3. MARKET AND TRADE	
Output 3.1 Study of trade, marketing channels and opportunities to sell meat products locally, regionally and internationally	
Output 3.2 Organisation of a campaign to raise consumer awareness regarding meat quality	
Output 3.3 Establishment of a market information system	
Output 3.4 Promotion of quality criteria for meat production	
Output 3.5 Support to processors in niche markets for quality meats and export markets	
Output 3.6 Support to the establishment of laboratories and analytical services for the evaluation of quality and hygienic status of meat and leather products	
4. VALUE CHAIN GOVERNANCE	
Output 4.1 Support to the establishment of a meat processors association and to enable it to provide better services	
Activity 4.1.1: Motivation of members and strengthening of the association	SNV
Output 4.2 Promotion of vertical integration of animal producers and meat processors	
Output 4.3 Support to the Tanzania Meat and Leather Boards for better coordination along the value chain	
Output 4.4 Capacity building in terms of management skills, retooling, equipment for the Tanzania Meat and Leather Boards	
Output 4.5 Mobilization of PPPs to invest in processing facilities and ranches	
Output 4.6 Promotion of value chain support services, e.g. technical and business advice, R&D, input provision etc.	

III. Implementation (Action) Plan

For UNIDO Support Component

UNIDO's Value Chain Development Support Program aims to develop seminal pilot projects demonstrating how hygienic low-cost slaughtering facilities (with a capacity of around 100-150 cattle as well as 100-150 sheep and goats per day) can be set up and run successfully by applying a sustainable business model. There is stark demand in the country to replicate such pilots in many of the 65 municipalities and districts, which is however subdued by the absence of finance and expansive experience in setting up larger and more sophisticated abattoirs that could cover greater regions. In the absence of public funds and private investors, smaller lower-cost solutions seem to be the only option to improve the existing facilities. Nonetheless, district and municipal councils throughout the country have acknowledged that their slaughtering facilities pose a challenge to food safety due to often disastrous sanitary conditions at slaughter houses and slaughter slabs. Additionally, lacking incentives for producers and traders to source animals of greater weight and thus, higher quality, deprive poor livestock farmers of enhanced income generation. In response, many councils have tried to improve existing facilities or set up new ones. Many slaughterhouse projects have sprung-up, trying to gain support from a donor-funded government programme, the Agricultural Support Development Program (ASDP). However, ASDP has recently changed its rules and councils can no longer access these funds. As a consequence, many projects got stuck after planning or the initial construction phase.

The Value Chain Development Support Program will pick up three of the most promising slaughterhouse installation projects that councils have been initiating in Iringa, Mbeya and Morogoro municipalities. The project will assure state of the art low-cost slaughterhouse designs, developing business models based on public-private partnerships, training and provision of the necessary slaughtering equipment. The councils will be responsible for the completion of the inside and outside constructions. The development of business models and follow-ups on the organizational set-up will be executed in collaboration with SNV. Training will be carried out by VETA in Dodoma (technical training) and SIDO (business training). The business model will build on the engagement of a private operating company. The company will not only engage in the provision of slaughtering services to traders and butchers, but also in purchasing feedlotted cattle that it slaughters and markets on its own account under the application of improved chilling, cutting, processing and cooling technologies. The targeted buyers for these improved meat products are supermarkets, hotels and restaurants in Iringa, Mbeya and Morogoro as well as in Dar es Salaam.

The project will also support the building of two small slaughter slabs with a capacity of up to 50 cattle per week in Iringa and Mbeyawhile rural districts will be furnished with cutting-edge low-cost slaughter slab technology. The pilots shall become a model for good practices in rural slaughtering for the more than 1000 slaughter slabs around the country. Good practices in slaughtering as well as management and administration (through communities) will be taught to many communities across a number of districts.

The project will also support local butchers in Iringa and Mbeya to apply good practices in meat handling and processing in line with food safety standards established by the Tanzanian Food and Drugs Authority (TFDA). The butchers will not only receive training in handling and cutting meat, further processing, packaging, cooling etc., but also receive incentives to invest in appropriate transport facilities as well as in processing and vending points.

Need for Further Intervention

The cashew and the red meat/leather value chain were chosen as a first area of intervention for the development of the Tanzanian economy under the framework of the 3ADI. By enabling increased value addition and improved organization between various actors in the selected value chains, the program seeks to generate greater income and employment the program, marking an important first step towards enhancing the country's agro-industrial capacity. However, in order to assure the attainment of 3ADI's ambitious goal of accelerating an entire agro-industry and achieving sustainable poverty reduction and increased food security, the scale of the Cashew and Red Meat/Leather Value Chain Development Support Programs need to be increased. Currently, though pilot projects have been launched at all stages of the selected chains (primary production, processing, market and trade), the program only impacts a limited part of the respective industries. Additionally, accelerated diffusion and up-scaling of technology may require further investment. Comparison between the Project Objectives (Table 1 for cashew, Table 3 for red meat/leather) and the current Implementation (Action) Plan (Table 2 for cashew, Table 4 for red meat/leather) shows that the launched pilot projects address the stipulated targets. Since intervention is needed in additional sites for which the 3ADI industry development plan is laid out in this document, additional funds are required.

Additionally, an expansion of the program to other agricultural industries prioritized by the government such as dairy and edible oils should be considered as a further step.

Annex I – Existing Policies, Strategies and Programs

Policy / Strategy / Programme	Year of launch	Objectives / areas of intervention
Tanzania Development Vision 2025 (TDV) http://www.tanzania.go.tz/vision.htm	2010	Tanzania of 2025 should be a nation imbued with five main attributes: high quality livelihood; peace, stability and unity; good governance; a well educated and learning society; and a competitive economy capable of producing sustainable growth and shared benefits. Among others, the vision aims at developing a diversified and semi-industrialized economy with a substantial industrial sector, macroeconomic stability, a growth rate of 8% per annum or more, and an adequate level of physical infrastructure. It is also envisaged that fast growth will be pursued while effectively reversing current adverse trends in the loss and degradation of environmental resources (such as forests, fisheries, fresh water, climate, soils, biodiversity) and in the accumulation of hazardous substances.
National Strategy for Growth and Reduction of Poverty II (NSGRP II or MKUKUTA, for its acronyms in Swahili) http://www.tz.unep.org/docs/mkukutalldraft.pdf	2005	Builds on four key fundamentals: (i) efficient use and development of factors of production, including human capital/resources, (ii) strengthening and establishing well functioning institutions and markets, (iii) provision of infrastructure, and (iv) ensuring good economic governance on four strategic areas: (i) Providing targeted subsidy to selected food crops, identifying and promoting modern farm technologies and providing support for increased utilization of improved technologies for crop and livestock production; (ii) Identifying research activities and promoting food storage technologies/facilities and enhancing agro-processing as well as environmentally friendly technologies and practices especially for rural areas; (iii) Improving road network connectivity to facilitate flow of agricultural produce (outputs); and (iv) Improving stock management and monitoring of food situation in the country.
Kilimo Kwanza (Agriculture First)	2010	Aims to accelerate agricultural transformation through fostering the modernization and commercialization of agriculture, mainstreaming Government planning processes, allocating sufficient resources, mobilizing increased investments, and the mobilization of the private sector
Agricultural Sector Development Strategy (ASDS)	2001	Aims at creating an enabling environment for improving agricultural productivity and profitability, improving farm incomes, thereby contributing to reducing rural poverty and ensuring household food security. It focuses on productive and gainful agriculture: subsistence agriculture must become profitable smallholder agriculture, and the spotlight must switch from public institutions to farmers and agribusiness.
Agricultural Sector Development Program (ASDP)..	2007	Provides the government with a sector-wide framework for overseeing the institutional, expenditure and investment development of the agricultural sector. Aims at enabling farmers to have better access to and use of agricultural knowledge, technologies, and market infrastructure all of which contribute to increased productivity, profitability and income thereby enhancing food security. At district level these interventions are implemented through District Agricultural Development Plans (DADPs) based on target communities and district development priorities. The ASDP, among others, promotes more control of resources by beneficiaries, pluralism in service provision, and resource transfer based on the evaluation of its efficiency.
Integrated Industrial Development Strategy (IIDS 2025)"	2010	Provides guidance in the implementation of the Sustainable Industrial Development Policy (SIDP) 2020 objectives under the newly prevailing economic environment and to realize the targets stipulated by TDV 2025. Aims to build up internationally competitive business environments and promote enterprises to make the industrial sector an engine of the economic growth. It particularly also promotes agricultural development-led industrialization to support successful implementation of Kilimo Kwanza and equitable growth of the regions.
Rural Micro, Small and Medium Enterprise program (MUVI)	2007	Supports agricultural and agro-industrial development in six target regions, Coast, Tanga, Manyara, Mwanza, Iringa and Ruvuma. One important contribution of MUVI is provision of information to the rural poor entrepreneurs in value chain coordination.
The Southern Agriculture Growth Corridor of Tanzania (SAGCOT)	Not launched yet	Aims at attracting private investment into agriculture in ways which are socially and environmentally responsible. Addresses constraints related to uncertain policy environment, the development of private and public partnerships and availability of affordable and long-term finance. Investments are promoted along trade routes linking Tanzania to Zambia serving, within Tanzania, the Coast, Morogoro, Iringa, Rukwa and Mbeya regions. Focuses on discrete geographical areas "cluster" within the corridor where there are opportunities to establish a critical mass of profitable small and large-scale farms and agribusinesses, with widespread community benefits.

Annex II – Detailed Activity Planning for Cashew Nut Support Program

1. Primary Production and Inputs

The program intends to boost production, among others, through assuring that farmers and cooperatives get better access to inputs, planting materials and credits. Main outcome here is an increase in productivity and output of primary cashew production. Specific objectives include:

1.1 To improve farmer's access to primary inputs, especially pesticides and spraying machines.

While the government policy to subsidize pesticide purchases may continue, this would particularly require improving the farmer's access to credits and the organization of bulk purchases through cooperatives and their unions at an adequate time before inputs are needed in the field. As practiced in the cotton sector, the purchase of pesticides overseas could be organized in bulk.

Actors to engage: MAFSC, cooperatives, unions, credit institutions, input providers

1.2 To foster the rehabilitation of plantations through crafting and replanting.

This requires farmers getting access to long-term loans at low interests. It also requires campaigning for the advantage of re-planting and providing the necessary planting materials, which need to be multiplied by research institutes and outgrown by service providers.

Actors to engage: IFAD, NARI, credit institutions, input providers, research institutions, seed and plant multipliers, district agricultural development officers

1.3 To foster the efficient agronomic management of plantations and help farmers to become more productive.

This implies setting up of efficient training schemes across a large population of farmers. Potential training and advisory service providers must be identified and strengthened, capacities among trainers must be strengthened, trainers must be motivated and equipped to reach farmers, training content must feature newest agronomic understanding, good agricultural practices and environmentally safe use of pesticides and be adapted to local needs, and farmers must organize field days and training events.

Actors to engage: MAFSC, Farmers, agricultural development officers on the district and village level, potential private training and advisory service providers

1.4 To introduce economic principles and market-orientation among cashew farmers:

This implies training farmers as well as cooperatives on aspects of farming as a business, marketing, budgeting, credit application and logistics.

Actors to engage: MAFSC, Farmers, cooperatives, agricultural development officers on the district and village level, potential private training and advisory service providers

1.5 To improve farmers' and cooperatives' access to funding.

This will require improving the bank's understanding of the financial needs in the value chain, the development of financial products that are geared to farmers with lower interest rates, the setting up of guarantee schemes to lower risks of lending, the support to farmers and cooperatives to develop fundable business

proposals, and the development of stable buyer-supplier relationships that benefit from funding through financial institutions.

Actors to engage: Banks, Central Bank, IFAD, CDTF, farmers, cooperatives, processors and their association...

1.6 To support the organizational development of cooperatives and farmers groups: This involves a sensitization campaign on the role of cooperatives, capacity strengthening of cooperative officials, training on roles, duties and benefits of cooperative organization, organizational development of farmer groups.

Actors to engage: MAFSC, farmers, cooperatives, agricultural development officers on the district and village level, potential private training and advisory service providers

To promote forms of improved storage technology and management of stocks: This involves a revision of existing storage procedures, identification of best practices, the development of a store keeping manual for practitioners, the setting up of learning and knowledge network on storage technology, the diffusion via government staff, the conduct of training courses.

Actors to engage: AFDB (MIVARF), farmers, cooperatives, agricultural development officers on the district and village level, VETA, other potential training and advisory service providers

2. Processing

The program intends to make processing a dominant and profitable feature in Tanzania's cashew industry. As a result, processing is not only carried out by a few well-endowed companies but by a large number of small to large processing plants which provide income and employment to many. Main focus is on increasing the efficiency and profitability of kernel processing technologies but also on the introduction of new processes to use by-products. Main objectives in this field are:

2.1 To upgrade and extend existing processing capacities. This includes transfer and introduction of technologies, trial of more energy-efficient (using by-products) and cleaner technologies, demonstrations of use of technology, support in the rehabilitation of existing machineries and production sites, support in the optimization of existing processing lines, as well as training of processors on technology use.

Actors to engage: MIT, SIDO, UNIDO-AGR, UNIDO-CleanerProduction, processors and their association, ...

2.2 To initiate the processing of cashew apples. End-products to be envisaged would include juices, wine and distillates, bio-ethanol, other food products (apple pulps) and the by-product to be used as livestock/poultry feed. This would require bringing in knowledge on cashew apple processing from other countries, continuous R&D at research stations and within enterprises on processing solutions adapted to local conditions and economic profitability, training on apple handling among primary producers, technical training for processors, and a promotion campaign to raise awareness among farmers regarding the income potentials of cashew apple processing.

Actors to engage: MIT, NARI, SIDO, UNIDO-AGR, selected processors...

2.3 To explore and propagate the development of other by-products, such as gum Arabicum, cashewnut shell pellets, and derivatives from CNSL. This would require further study of technical feasibility and economic profitability before testing and diffusion of the technology to interested entrepreneurs. Capacity strengthening should embrace all levels of processing, be it first level or second level processing of cashew nuts, CNSL extraction or adding value on apples.

Actors to engage: MIT, NARI, Universities, SIDO, UNIDO-AGR, selected processors...

2.4 To strengthen processor's capacities in the field of management and business administration.

This implies the setting up and strengthening of private business advisory service providers, engaging processing enterprises in benchmarking studies, in enterprise development and upgrading exercises, and in investment profile development (for medium to large enterprises), and the conduct of vocational training and entrepreneurship development courses (for small enterprises) in which emphasis is put on planning of processing cycle, logistics, administration, financial analysis, etc..

Actors to engage: MIT, UNIDO-BIT, TCCIA, processors and their association

2.5 To improve processors access to funding. This will require improving the bank's understanding of the financial needs in the value chain, the development of financial products that are geared to the short, medium and long-term financial needs of processors, the setting up of guarantee schemes to lower risks of lending, the development of a low-interest funding scheme to enable processors to purchase stocks of raw cashew nuts, and support to processors to develop fundable business proposals.

Actors to engage: Banks, Central Bank, IFAD, TFSF, CDTF, processors and their association...

2.6 To improve packaging of cashew products. This will involve identifying cheaper options of packaging materials, support to logistical planning and forward contracting with importers/suppliers, and the organization of sourcing of materials in bulk from abroad through the processors association.

Actors to engage: Processors association, processors, AFDB (MIVARF)

3. Market and Trade

A sustainable outlet for cashew nut kernels is a prerequisite to the realization of growth potentials in production and processing. Therefore, the programme aims at an effective pervasion of domestic, east African and international markets for cashew products, particularly kernels. Main objectives in this field are:

3.1 To study the opportunities for marketing of cashew products locally and internationally. This would engage in a detailed analysis of existing domestic and international marketing channels and a projection on most viable options for marketing cashew products with the associated standards and quality requirements. Quality control needs to be introduced to the purchase of processed products for local and international markets.

Actors to engage: MIT, MAFSC, ITC, CBT, IFAD (MINARV) processors association ...

3.2 To launch a branding and marketing campaign: Various channels of mass media (telephone, television, radio, billboards, newspapers) will be used to promote cashew consumption among consumers in Tanzania (including the healthy food and local production arguments). A Tanzanian brand of kernels (eventually to be issued by the processors association) will also be promoted on international trade fairs and selected media. The brand would need to come with the application of quality criteria and standards (see 3.3).

Actors to engage: UNDP, CBT, IFAD (MINARV) processors association ...

3.3 To introduce and promote the application of principles of quality control and food safety into processing and marketing of cashew nuts including Good Manufacturing Practices (GMP) and Good Hygienic Practices (GHP) as well as food safety standards such as Hazard Analysis Critical Control Points (HACCP) and ISO 22000). This implies promotion of and training in good practices in cashew nut production and processing and enforcement of application of quality criteria at the buyer's level (warehouse and retailers).

Actors to engage: CBT, UNIDO-AGR, processors association, cooperatives, warehouse operators...

3.4 To set up a market information system that provides efficiently information on prices for raw and processed cashew nuts to all stakeholders. This will involve the collection of price data at farm gates, factory gates, warehouse gates, at ports, and at international trading places (e.g. London, India, etc), the setting up of an price information service reachable by everybody via telephone and internet, and the continuous analysis und publishing of market intelligence.

Actors to engage: CBT, MIT, IFAD (MIVARF)

3.5 To improve the efficiency in auctioning raw cashew nuts. This would require working out modalities to enable producers and processors getting more direct access to international buyers for raw nuts and kernels and vice versa. A web-based electronic auctioning and marketing system could be put in place for that purpose.

Actors to engage: CBT, MIT, IFAD (MIVARF)

4. Value Chain Governance

The programme aims at improving the organization and governance of the value chain to be able to reduce costs of internal marketing (from producer to port/local consumer) and make the value chain ultimately more competitive. This also includes the strengthening of the various organizations that are engaged in the governance of the chain. Main objectives under this topic are:

4.1 To strengthen the Cashewnut Processors Association of Tanzania. This would engage measures of organizational development, reanimation of members, development of an organizational strategy, promotion of benefits to members (e.g. political lobbying, service provision and sourcing of equipment in bulk), and capacity strengthening in administration.

Actors to engage: Processors Association, processors, UNIDO-AGR

4.2 To strengthen the cooperatives and their unions and enable them to provide more effectively services and benefits to their members. This involves measures of organizational development, strengthening of ownership of members, capacity building in aspects of farm management, business planning and loan application so they can deliver such knowledge to their members.

Actors to engage: MAFSC, FAO,...

4.3 To strengthen the Cashew Board of Tanzania (CBT). This would involve measures of organizational development, capacity building on leading and managing stakeholder processes, lobbying for a better endowment with staff and financial resources, and training on quality control and marketing so staff is able to provide better services to producers, processors and traders. Emphasis should be less on control and regulation and more on guidance, advisory services and support.

Actors to engage: CBT, MAFSC, UNIDO-AGR,...

4.4 To revise the existing regulations on cashew nut levies. Currently the levy is used to finance pesticide inputs and the moving of raw cashewnuts from producer to port. A change in the distribution of the levy could strengthen CBT. Particularly, part of the fund should be reinvested into the development of the processing sector, e.g. in capacity strengthening of processors and R&D on technical solutions.

Actors to engage: MAFSC, MIT, CBT, MCDTF,

4.5 To reduce the regulations and licenses that are required to sell, buy and trade cashew products. This involves a revision of the current procedures in relation to other sectors and practices in other sectors and countries, the identification of opportunities for simplification, digitalization and streamlining and the testing and implementation of such measures.

Actors to engage: CBT, MIT, MAFSC, ...

4.6 To promote an improvement of the relationships between producers/cooperatives/groups and processors/buyers through the introduction of more elaborated contracting. This would require sensitization of all actors about the benefits of such contracts, the development of contract documents fitted to the conditions in the chain, and support in monitoring compliance.

Actors to engage: CBT, MIT, MAFSC, FAO,...

4.7 To explore options for combined finance of production and processing. This would involve setting up contractual relationships between producers and processors, use of the warehouse receipts as collateral, and educating bankers on the nature of the businesses in the value chain.

Actors to engage: Warehouse Authority, MIT, IFAD (MIVARF)....

4.8 Promote a the provision of value chain support services such as technical and business advice, R&D, input provision, planting material multiplication, etc.. Many of these services are currently provided by underfunded, understaffed and unmotivated government agencies. Measures to improve such services include fostering the setting up a network of private service providers, the accreditation of such service providers, their training, and the setting up of a grant system from

which they can draw. Meanwhile core government functions such as research and technology development at research institutes and universities must be strengthened through sufficient provision of funds.

Actors to engage: IFAD (MIVARV), MAFSC, SIDO, TPSF, NARI, Universities, COSTECH,

Annex III – Detailed Activity Planning for Red Meat/Leather Support Program

1. Primary Production and Inputs

The program intends to boost productivity and output in livestock production, among others, through enabling livestock farmers and communities to obtain better access to knowledge and develop capacities in improved range and herd management as well as feeding practices and feedlotting. Such interventions should also promote a change of mindset in a portion of traditional herders via concerted efforts to raise awareness and training on livestock keeping as a business. To be effective, this must be accompanied with access to improved breeds, access to credits and finance, access to veterinary inputs and fodder and linking to better marketing. Specific objectives include:

1.1 To develop and test improved feedlotting schemes and implement them among pilot groups in the most adapted regions in the country. This would involve a development and testing phase implemented by research and development organizations, a training and demonstration to interested individuals and farmers groups, provision of preferential loans and linking up to marketing opportunities.

Actors to engage: Producer groups, individual livestock farmers, MLDF, DANIDA, FAO, SAGCOT.....

1.2 To develop a feedstuff industry along the Southern Growth Corridor: This would include technical and business support to small and medium enterprises that engage in producing concentrated and supplementary feedstuff on the basis of residues from cereal mills, breweries, sugar cane processors and linking them to livestock producers and feedlotters.

Actors to engage: Feedstuff producers, producers of crop residues, UNIDO, FAO, SAGCOT....

1.3 To introduce improved pastures and dry season feeding. This would involve the training of and demonstrations to livestock farmers including the seeding of improved pastures, collection of grass and the drying and storing of hay, the development of potential dry season fodder suppliers, and the development of a market for animal feeds and fodder.

Actors to engage: Producer groups, individual livestock farmers, MLDF, Mpwapwa, FAO....

1.4 To train and further develop skills among livestock development officers and veterinary staff on the district and village level. This would involve the development of training of trainer curricula, the identification of appropriate training sites, the conduct of a set of training courses and demonstrations and the setting up of network for continuous learning, feedback and exchange of information.

Actors to engage: Livestock extensionists, MLDF, VETA, FAO....

1.5 To development a rapid genetic improvement program introducing improved breeds on the farm and community level (no testing on research stations). This would involve the introduction of improved meat production breads and crossing with resistant local breads in selected

producer groups and subsequent propagation of resulting offspring's after careful selection. It also would engage in raising awareness among livestock farmers regarding the advantages of introducing and proper management of improved breeds including herd management and disease control.

Actors to engage: MLDF, FAO....

1.6 Improve the management of animals during transport to improve the quality of meat. This would involve the upgrading of resting facilities, training of people engaged in animal transport and support to the enforcement of legislation on animal transports.

Actors to engage: MLDF, FAO....

2. Processing

The program intends to develop the slaughtering and meat processing segment of the red meat value chain through upgrading, training and enterprise development. As a result value addition is carried out by many local meat processors and butchers. The main outcome is that value addition in meat processing is increased. Main objectives related to this outcome are:

1.1 To upgrade and extend existing slaughtering capacities. This includes setting up of new slaughtering infrastructure, extension of cooling facilities, transfer and introduction of technologies, trial of more energy-efficient (using by-products) and cleaner technologies, demonstrations of use of technology, support in the rehabilitation of existing machineries and production sites, introduction of good manufacturing practices and HACCP and providing access to loans.

Actors to engage: Slaughterhouse operators, AfDB, private investors, district governments, UNIDO-AGR.....

1.2 To support the setting up of pilot meat processing training centers on the community level. This includes developing organizational capacities among associations, managerial and business administration support, and the supply of basic equipment and cold storage facilities.

Actors to engage: UNIDO-RES, AfDB, district governments

1.3 To propagate the efficient use of by-products and proper waste management and efficient resource use at the level of slaughtering. This would include raising the awareness of a more economic use of by-products such as hoofs, horns, blood, bones etc, training in more efficient collection of such by-products, support in the exploration of markets for such by-products, support to the development of by-product-based businesses and the introduction of proper waste management practices, the introduction of water saving measures and the use of biogas for energy production.

Actors to engage: Slaughterhouse operators, UNIDO-AGR, UNIDO ENERGY.....

1.4 To develop informal and backyard butcherries in rural areas. This would involve training of trainers, rapid analysis of butchery operations, setting up of a training and demonstration

program on good butchering practices, support in the application of food safety standards and hygienic measures as well as waste management.

Actors to engage: Village butchers, SIDO, VETA, UNIDO-AGR.....

1.5 To develop urban butchers and meat/leather processing enterprises. This would include the setting up of a strong training and capacity strengthening program for owners and employees in the butchering/leather business, support in the application of food safety standards, hygienic measures and waste management, enterprise diagnosis and development, business planning, and the facilitation of access to credits. This also includes the development of further processed and differentiated value added products and the support in developing energy efficient cooling chains.

Actors to engage: Butchers and meat processors, MIT, SIDO, UNIDO-BITS, UNIDO-Cleaner Production...

1.6 To strengthen existing training facilities providing diploma and vocational training for employees in the meet industry. This would include improvement of curricula, support in tuition and student grants and organization of training and demonstration days.

Actors to engage: VETA, ...

1.7 To introduce and apply standards of decent work at slaughter houses and meat/leather processing plants. This would involve developing a set of minimal standards and discussing them with processors and stakeholders, identification of potential for improvements, setting up a group of inspectors, visit of processors, and support and assistance in the application of such standards. Main issues may include safety at work, health issues, contractual relationships etc...

Actors to engage: Processors, processing association, ILO, Ministry of Labor, MIT....

1.8 To develop financial products to respond to short, medium and long-term financial needs of traders, butchers and meat/leather processors.

Actors to engage: traders, butchers, meat processors, MIT, Banks, IFAD (MIVARF)....

3. Market and Trade

The program also intends to improve the quality and safety of the products that the red meat value chain generates and puts at the disposition of consumers in the country. For the rather small proportion of exported meat products compliance with international quality standards is required. Main objectives in this field are:

3.1 To study the current trade of live animals and respective marketing channels and the opportunities for marketing of meat products locally, regionally and internationally. This would involve data collection through a trained team of enumerators who would travel to distant parts of the country and collect primary data from herders, agro-pastoralists, traders, feedlotter, local slaughterers, butchers and buyers. It would shed light on many unknown aspects of the red meat value chain. It would also engage in marketing trials at various selling

points in urban and rural areas, assessment of consumer preferences and purchasing power, as well as the reaction to the availability of safer and higher quality meats.

Actors to engage: MLDF, MIT, IFAD (MINARV), meat processors association,

3.2 To conduct a campaign to raise awareness among the consumers regarding the quality and safety issues in meat consumption. This would make use of various channels of mass media (telephone, television, radio, billboards, newspapers).

Actors to engage: MLDF, MIT, UNDP, meat processors association,

3.3 To set up a market information system that provides efficiently information on prices for live animals and meat products across the country. This will involve the collection of price data at farm gates, factory gates, at ports, and at international trading places, the setting up of an price information service reachable by everybody via telephone and internet, and the continuous analysis und publishing of market intelligence. The system would provide transparency regarding the stocks of animals, animals traded and slaughtered and prices to which animals and meat is traded in various parts of the country.

Actors to engage: TMB, MIT, IFAD (MIVARF), meat processors association....

3.4 To promote the application of quality criteria and existing food safety and hygiene standards in the production of meat products. This will include training of inspectors, enabling them to move and inspect and training of all workers and business owners who engaged in slaughtering and butchering. It also implies promotion of and training in good manufacturing practices.

Actors to engage: UNIDO-AGR, UNIDO-TCB, meat processors association, ...

3.5 To support processors in the development of niche markets for quality meats and export markets. This would engage in business planning, the development of shops and outlets, training in shop keeping, marketing campaigns , packaging and advertisement.

Actors to engage: MLDF, MIT, UNDP, UNIDO-AGR, meat processors association,

3.6 To support the setting up of laboratories and analytical services that will evaluate quality and hygienic status of meat and leather products.

Actors to engage: MLDF, MIT, private laboratories, Universities, SUA...

4. Value Chain Governance

The programme aims at improving the organization and governance of the value chain to be able to reduce costs of internal marketing (from producer to port/local consumer) and make the value chain ultimately more competitive. This also includes the strengthening of the various organizations that are engaged in the governance of the chain. Main objectives under this topic are:

4.1 To support the setting up of a meat processors association and enable it to provide more effectively services and benefits to their members. On the level of the association this would engage measures of organizational development, membership acquisition, development of an

organizational strategy, promotion of benefits to members (e.g. political lobbying, service provision and sourcing of equipment in bulk), and capacity strengthening in administration.

Actors to engage: MIT, UNIDO-AGR, Processors Association, processors,

4.2 To promote the vertical integration of animal producers and meat processors via support to the setting up of contractual relationships. This would require sensitization of all actors about the benefits of such contracts, the development of contract documents fitted to the conditions in the chain, and support in monitoring compliance. The contracts could come in the form of purchase guarantees for animals with certain quality. Feedlot operators can be integrated in such systems.

Actors to engage: Processors association, traders, processors, TCCIA, MIT, ITC, UNIDO-AGR, ...

4.3 To support the Tanzania Meat and Leather Boards in building a platform of exchange between the various actors in the value chain. This would include the organization of meetings on the district and regional, and national level. It also could include raising a levy which would support a fund for value chain development.

Actors to engage: MLDF, TMB, ITC, UNIDO-AGR,

4.4 To strengthen the Tanzania Meat and Leather Boards. Capacity building in terms of management skills, retooling, equipment. This would involve measures of organizational development, capacity building on leading and managing stakeholder processes, lobbying for a better endowment with staff and financial resources, and training on quality control and marketing so staff is able to provide better services to producers, processors and traders. Emphasis should be less on control and regulation and more on guidance, advisory services and support.

Actors to engage: MLDF, TMB, UNIDO-AGR.....

4.5 To mobilize private-public partnerships to invest in processing facilities and ranches. This would involve the analysis of existing facilities and management practices, the development of business plans and investment profiles, the search for investors, etc.

Actors to engage: NARCO, MIT, UNIDO-BIT, ...

4.6 To promote the provision of value chain support services such as technical and business advice, R&D, input provision, animal breeding, fodder provision, etc. Many of these services are currently provided by underfunded, understaffed and unmotivated government agencies. Measures to improve such services include fostering the setting up a network of private service providers, the accreditation of such service providers, their training, and the setting up of a grant system from which they can draw. Meanwhile core government functions such as research and technology development at research institutes and universities must be strengthened through sufficient provision of funds.

Actors to engage: IFAD (MIVARV), ITC, MAFSC, SIDO, TPSF, NARI, Universities, COSTECH,



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