

MONTHLY BRIEFS

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Watch out (every months) for this educating bulletin that keeps you informed on what TAHA is doing to make you ever comfortable in the sector!!

FROM THE SECRETARIAT

Dear Readers,

Welcome to the April Newsletter. In this edition you will be amazed by the many great things happening in the horticultural industry. April 2008 is a historical month in the history of Tanzania's horticulture. In this month the Horticultural Development Council of Tanzania (HODECT) has been born. You will be reading more about it in this Newsletter.



We really appreciate the efforts you as stakeholders are making to continue making this industry vibrant. Should you be having any horticultural news items that you think should reach the stakeholders please discuss it with the Secretariat so that we can always publish it on this important bulletin

Enjoy your reading.

ANOTHER INTERVENTION FOR TOMATO PRODUCTION

This month TAHA sat in the Tomato Working Group Meeting which was held in Dar es Salaam on the 10th day of the month. The Working Group which was formed and is coordinated by SNV seeks to address some of the cross cutting issues affecting tomato production in the country. The working group consists of various stakeholders like seed suppliers, small grower representatives, middlemen and brokers, the crop promotion department, research institutions, regulatory bodies and other facilitating organizations.

Towards the end of the meeting, every member of the working group was assigned a task to work on and report back to the working group come the next meeting whose dates are yet to be communicated. TAHA was tasked with following up with the office of the Director of Extension Service on how best extension services can be improved in the horticultural production zones especially tomato producing zones.

Being the first meeting of the working group, the forum used the latest research made in the tomato industry to identify the cross cutting issues in the tomato trade. After coming up with a list of issues, they were then discussed and arranged in order of priority.

The Working Group members air out their views during one of the plenary sessions at the workshop.



WHAT ABOUT A LUNCH MEETING WITH PROSPECTIVE MEMBERS?

In its wider membership drive, TAHA held a lunch meeting with its prospective members. The meeting was meant to give TAHA a chance to explain some of the associations activities and membership procedures. It was also a chance for TAHA to hear the expectations of these prospective members and eventually discuss with them how best both parties can work together.

The targeted prospective members were stakeholders in Arusha and Moshi Regions. The meeting was opened by a welcoming speech from Mr. Greg Emmanuel who represented the TAHA Chairman. Though TAHA expected a wider group, the quorum that formed was very productive and very pertinent issues were discussed.

The prospective members were first taken through three presentations about TAHA and its various activities before the floor was open for discussions. After a lengthy discussion, the prospective members were then taken through a list of benefits of being a TAHA member. The meeting wound up with closing remarks from Mr. Greg Emmanuel, the TAHA Chairman's representative.

A NEW PHASE IN TANZANIA HORTICULTURE

THE SECOND NATIONAL HORTICULTURAL STAKEHOLDERS WORKSHOP

The biggest achievement for TAHA this month was the Second National Horticultural Stakeholders (NHS) workshop which was held at the Naura Springs Hotel in Arusha on the 24th and 25th. Since last year, TAHA has been actively participating in preparatory activities of this event and its actualization was a great success to TAHA. The second NHS workshop steering committee comprised Mr. Geoffrey Kirenga – MAFSC, Prof. Amon Maerere – SUA, Mrs. Ada Mwasha – MAFSC, and Mr. Mike Chambers – TAHA. Having mastered the horticultural industry pretty well, TAHA was tasked with a coordinating role and with the help of an event organizer the TAHA Secretariat managed to invite various stakeholders to this very important event.



Some of the participants of the workshop hold their plenary session to come up with strategies for the development of the industry

The theme of the Second NHS workshop was "A New Phase in Tanzania Horticulture." According to the first NHS workshop which was held in 2005, it was resolved that an Apex Public-Private Council, the Horticultural Development Council of Tanzania (HODECT) should be formed. This council would be tasked with developing and coordinating National Horticultural Strategies that bridge the gap between Public and Private sectors. This resolution of the first NHS was clearly depicted in the

theme of the second NHS and was expressed in the workshop activities which included discussions on the available resources in Tanzania to develop horticultural ventures and how such ventures can develop and increase horticultural production across the country, selection of the councilors and launching of the council.

The Second NHS workshop was Opened by Mrs. Kaduma the Deputy Permanent Secretary in the Ministry of Agriculture (MAFSC)

and was attended by more than 200 stakeholders from the public and private sector. In her speech the guest of honor congratulated the stakeholders for the hard work so far in positioning the Tanzania Horticultural Industry where it is. She expresses her hopes in a faster growth of the industry and encouraged the stakeholders to continue working hand in hand with the government in coming up with strategies that would foster more growth and development.

Towards the end of the workshop, the stakeholders were given a chance to vote whom they wanted to represent them in the newly formed HODECT. The Councilors elected include Mrs. Nancy Kaaya, Mr. David Nyange (USAID), Dr. Kyaruzi (TIC), Mr. Masaga (TBS), Mr. Mital Shah (Serengeti Fresh), Mr. E. Muffu, Mr. Abel Lyimo (RUDI), Mr. Kisamba and the others who formed the Executive Committee. The councilors then voted their leaders who will now lead the HODECT in the next one year. Among those voted are Mr. Felix Moshia – the chairman, Mr. Amon Maerere – Vice Chairman, and Mr. Mike Chambers – Secretary General.

AMAP PRE-MEETING

Prior to the Second NHS workshop there was a workshop on "Expanding Exports of High-Value Vegetables Based on Smallholder Production".

This workshop served to connect key stakeholders who are involved in the Tanzanian horticulture value chain and have a keen interest in expanding high-value vegetable exports. It was sponsored by The United States Agency for International Development (USAID) Microenterprise Development office in collaboration with TAHA.

The event brought together Tanzanian entrepreneurs and investors with horticulture interest and/or experience, representatives of major European Union vegetable importers, GlobalGAP experts, potential international investors, key officials of the Government of Tanzania, and international donors supporting Tanzanian horticulture and

their project implementing partners. USAID technical partners in value chain assessment facilitated the workshop. It was opened by a welcoming Speech from David Nyange USAID representative and the TAHA ED Jacqueline Mkindi.

The agenda of the workshop provided the participants with the opportunity for a free exchange of views and experiences among peers on key issues concerning the value chain for Tanzanian high-value vegetables. It incorporated an introduction to global value chain concepts with a focus on opportunities in EU markets for Tanzanian high-value vegetables as well as advantages and challenges of working with Tanzanian smallholders. The workshop culminated with a discussion regarding a coordinated value chain strategy.

Specifically, the sessions was organized around the following objectives:

- Increase awareness of opportunities for expanding Tanzanian exports of high-value vegetables based on examination of global markets, investment incentives, and the business and enabling environment.
- Appraise potential contribution of smallholder production to the growth and competitiveness of the value chain as well as to poverty alleviation.
- Identify strategies and elements of a shared vision for growth and competitiveness of HVEV value chain based on smallholder production.
- Increase stakeholder recognition of the benefits of a coordinated strategy.
- Contribute to building the foundation for an effective HODECT meeting.

TAHA HOSTS FDA IN DAR ES SALAAM



Participants of the workshop practice some of their just acquired labeling skills on some of the local products

In collaboration with USDA, TAHA organized for a workshop on the US FDA Import labeling requirements for food processors. TAHA was given this task after its Executive Director participated in the USA Port of Entry tour last month. Together with the USDA office in Washington, TAHA was able to identify participants from various parts of the country and bring a variety of food processing stakeholders to this workshop

The workshop which attracted participants from Tanzania, Kenya, Uganda, Ethiopia, Rwanda, Burundi and Malawi was held in Dar es Salaam between the 7th and the 10th of April 2008. In the event, TAHA was represented by its programs officer and Naturipe being a TAHA member, had an opportunity to participate in the event.

The main aim of the workshop was to shed more light on the US food labeling requirements to the food processors in the region who are interested in venturing into the US market. Contrary to many workshops, this was more of a hands-on workshop in which the participants were given a chance of practicing what was on paper. The US was seen to be very strict with its import labeling requirements and the participants had to be taken through a process in which they practiced how to label various products as per the FDA labeling requirements.

After the three days workshop, TAHA took the workshop facilitation team round to visit some of the food producers in Dar es Salaam. The first place visited was Natureripe Kilimanjaro. Natureripe Kilimanjaro sells a variety of flavored cashew nuts. The team also had a chance to visit Premier food products and Mohammed Enterprises.



The USDA & FDA team are shown some of the cashews before they are packaged for distribution. At the centre is Fatma Riyami who is the hostess (Naturipe Kilimanjaro Ltd)

ANOTHER AIRFREIGHT PROPOSAL FROM BEPAK AVIATION SERVICES.

Through the Tanzania Airfreight Project (TAP), TAHA held a meeting with BEPAK Aviation Services and Lignes Congolaises Aeriennes (LAC) in another attempt of getting a freighter's operations at KIA for TAHA members. The meeting which was held at the TAHA offices was organized by the TAP Chief of Party Mr. Gregory Kruse and was attended by TAHA members and the Tanzania Investment Bank (TIB).

Lignes Congolaises Aeriennes (LAC) operates on wet lease a B747-200 freighter from Ocean International, and would like to run a rotation through JRO direct to E AMS. The flight will come in from Eldoret^s with a partial load of flowers and vegetables.

Concerns were voiced about fuel cost, availability of pallets/space on the aircraft, risk of product being left behind, cold chain management during the flight, and guarantee of quality on arrival. By phone, Mr. Gaudence Temu (the Swissport Tz. CEO) agreed in principle for Swissport to act as the growers' agent for freight forwarding and clearing at KIA,

contract signature with the flight operator (LAC), and payment agent, provided Swissport is protected by a TIB guarantee for payments. Because of package deal, with Swissport providing ground handling, clearing and forwarding, and financial services, Mr. Temu agreed in principle to review ground handling costs and make reductions as feasible. TAP has offered to pay for IATA perishables handling courses for Swissport personnel in TZ, and possibly also finance equipment needed at the cold store in order to insure that it is fully operational as quickly as possible, in exchange for some concessions to growers on the handling rate.

Discussion of payment terms focused on solutions satisfactory to all parties, recognizing that the operator needs rapid payment in order to satisfy their obligations to the owner of the aircraft. It was discussed at length, in order to resolve the growers' concerns about reliability and quality of service, and the operator's need for prompt payment. An International Bank Cheque drawn by Swissport in favor of the operator seems to be the most practical solution for rapid payment. Mr. Temu indicated that this is feasi-

ble, but he is concerned about the delay between issuing the check and recovery of payments from the growers. ^l

TIB is willing to provide guarantees, ^l details to be resolved asap, since about 25% of cargo is from growers who do not bank with TIB. TAP can facilitate guarantees in partnership with these growers, 50/50 deposit sharing for first six months.

Bepak agreed to provide a Letter of Intent stating all the specifics of the operation such as destination, tonnage required, etc., and including rates and payments, etc. to facilitate contacts among partners.

TAHA will review the proposed contract format, and prepare a guarantee letter for review by all parties.

GET TO KNOW NEW TAHA MEMBERS

1. Pizza Point Ltd
2. Safari Silk Ltd
3. Marire Estates
4. Glitters Enterprises
5. African Trails Ltd
6. Bustani House Mushroom Initiative
7. Centre for Sustainable Development Initiative (CSDI)
8. Midawe Mshikamano Horticultural Society
9. Digna Massawe
10. Kiungai Emili Travaeli

You can also be part of this very successful association. Please contact us through the contacts at the bottom of this page.

HORTICULTURE WAKES UP TO ANOTHER LOSS

The horticultural industry has awoken to another blow this month. Unlike in the previous month, this time the blow was a natural calamity. As you might have learnt from the media, four flower farms in the northern zone have been greatly affected by the long rains that have left Arusha region counting numerous losses including loss of several lives. The most affected farms were Tengeru Flowers and Hortanzia Ltd.

The disaster struck at a time when the growers were count-

ing down to the second best selling flower season, the mother's day. It therefore destroyed flowers which had been, for a very long time, prepared for mothers' day and left the companies counting losses of about 60,000 Euros each.

Apart from destroying the flowers, the strong water currents also washed away the greenhouse structural foundations including the bases, pillars and translucent plastic housings and dug deep gauges across most of

the farms.

Apart from counting losses for not being able to perform well in the mothers day season, the growers are also forced to look into ways in which they can get more funds to repair the damages caused by the floods. Another nightmare that the growers have now to live with is the high risks of powdery and downey mildew infections. The waters have left the green houses with increased moisture, a condition that makes the plants more vulnerable to the mildew infections.

COUNTING THE LOSSES

SOME OF THE DAMAGES CAPTURED



TAHA TALKS TO THE FISH EXPORTERS

This month, a team led by the Tanzania Airfreight Project (TAP) Chief of Party went to Mwanza to discuss with the fish exporters on the most viable way of partnering to bring a freighter to KIA. The team consisted of Mr. Gregory Kruse- the TAP Chief of Party, Ms Carol Antao and Marlyne Jacob both from Kuehne & Nagel.

The main objective of the meeting was to investigate the situation at Mwanza fish-packers, the shipping requirement and the willingness to truck to KIA or to co-load. From Mwanza the meeting was attended by Mr. Manongo – the Irport Manager of Airco Ground Handlers, Mr Mustafa – The TAA Managing Director, representatives from Mwanza Fishing, Omega Fish, Nile Perch Ltd, Vic Fish, Tanperch and Tanzania Fisheries Ltd.

MWZ airport management is by TAA. Improvements are underway. Resurfacing of the apron for freighter loading and turnaround is almost complete. One layer of tarmac remains to be laid. This will take approximately three months beginning on May 5.

Landing charges and handling charges are due to separate entities at JRO and MWZ. Landing rights and navigation rights due to TCAA might be shared, but direct charges, e.g. KADCO or TAA, Swissport or Airco, must be negotiated separately.

All parties have an interest in seeing exports proceed direct from TZ to destination. New investment in air port is substantial, fish packers need to minimize transit time, value of cargo is higher with only one day less shipping time, local services such as Airco ground handling benefit, opens up opportu-

nity for other exports such as horticultural exports from MWZ, hence potentially significant employment and income effects.

The fish packers are very willing to consider co-loading a freighter rotation through MWZ to JRO, but trucking is out of the question. They can truck on tarmac to Nairobi in the same amount of time, less damage to the cargo, lower freight rates. They have bad experiences trucking in TZ. One effort to get to KIA resulted in a return load, they couldn't get through the Serengeti. Trucking to Dar is often delayed by officials demanding bribes, which is very damaging to highly perishable cargo. This does not happen in Kenya; they let the perishables go through. Trucking cost to Nairobi is estimated at \$0.16/kg to \$0.17/kg. Most fish packers have their own truck fleet.

Their concerns are:

- ✦ Freight rate must be competitive, e.g., \$1.25/kg all in or less;
- ✦ Transit time to be as brief as possible, i.e., delays at JRO are not acceptable;

Destination ideally should be Spain or southern Europe, although some fish is destined for northern Europe, quantity to be determined;

Group fears that largest operators will not collaborate, since some "are getting \$0.90/kg freight rates based on long-standing BSAs." This is doubtful, since fuel surcharge is currently equivalent to \$1.00/kg.

Fish packers ship every day because of perishability of cargo. Fish shipped direct

from Uganda into EU gains €0.05/kg to €0.10/kg premium over TZ fish because it has one day longer shelf life. This is one argument for the MWZ-JRO rotation. Transit time will be reduced by at least 12 hours. Best markets for fish are Monday and Friday, hence best shipping days are Saturday and Wednesday. Frankfurt destination is requested by some of their buyers because of lower clearing and forwarding costs, they say as low as €0.15/kg less. This is hard to believe because flowers clear by Van de Put for only \$0.13/kg. Perhaps fish charges are higher.

They say their association is strong and suggest we talk with President of Fish Packers and Exporters Association re common interests in reducing transport costs through government action.

Group suggests making a proposal to the Ministers or PSs regarding reducing costs and obstacles to direct shipping out of TZ as important economic stimulus to growth of local industry. Suggest Sustainable Fisheries Meeting in Mwanza, coming May 5th. Too little lead time to organize this.

Airco suggests need for longer term concessions at airport, e.g., ten years instead of five, because of substantial investment costs in providing go-downs, high lift loaders, cold storage facilities, etc.

Also, some carriers have been burdened with a long series of short term landing rights fees, when a single long term fee would have saved them a lot of money. TCAA charges single landing rights at \$800 for a foreign operator, while a full year of landing rights may cost only \$1,500.