



**FARM RISK MANAGEMENT IN AFRICA**

**TANZANIA  
STRATEGIC ACTION PLAN  
2015**

## ACTION PLAN FOR FARMAF-MVIWATA 2014-2015

WORK PACKAGE	CHALLENGES	POSSIBLE SOLUTIONS	ACTION/WHO BY
<b>Work package 1: Stakeholder mobilisation</b>			
Cashew policy action groups	Capacity constraints	Carry out capacity building needs assessment Plan and implement capacity building programme targeting relevant groups	MV to contract or undertake Plan with support from NRI and WUR
	Lesson sharing and visibility limited	Document and share experience within Tanzania, FARMAF and beyond	MV/WUR/NRI
Grains subsector Roundtable Forums	What issues?	Definition of issues for policy advocacy	
	Drivers of agenda etc.	Identification of target players and roles.	
	What evidence and how to proceed?	Preparation of evidence and programme for Forum	
		Organisation of Forum	
What next?	Follow-up action and roles in implementation		
Generic farm risk management programmes	The issues, evidence, drivers and how to proceed?	Identification of target players and roles.	
		Preparation of evidence and programme for Forum	
		Organisation of Forum	
		Follow-up action and roles in implementation	

## WORK PACKAGE 2: Capacity building

Primary-level advocacy groups (e.g. cashew)	Evolving and interesting but capacity building needs have to be met	Identify capacity gaps and provide targeted capacity building (including training)	
MVIWATA Board	Commitment to FARMAF and effective role in influencing design and implementation of other FRM programmes.	Update on implementation, rationale and progress made in promoting FRM tools under FARMAF	
		Sensitisation on generic FRM tools to enhance capacity to influence design and implementation of sustainable tools.	MV to organise BOD MV and NRI to provide updates training
TWLB	Weaknesses in WRS oversight raises concerns about suitability of WRS for TCX and in promoting regional grain trade through the WRS	<ul style="list-style-type: none"> <li>Examine oversight processes, Management structures and other procedures to define capacity building needs</li> <li>Develop and deliver training for directors prior to formal inauguration</li> </ul>	
	Capacity of BOD and staff contributing to weak capacity	<ul style="list-style-type: none"> <li>Develop manuals and training for staff and Management.</li> </ul>	
	Funding limitations affecting capacity to internally carry out inspections or outsource service	<ul style="list-style-type: none"> <li>Lobby for appropriate fee level and support for initial inspections</li> </ul>	
Other regulators e.g. CMSA, BOT, Insurance regulators	Lack of awareness of capacity improvement may deepen negative perception	<ul style="list-style-type: none"> <li>Sensitize representatives, including these and key financial institutions on measures to enhance risk management under WRS</li> </ul>	

**Work Package 3:1 WRS for Cashew subsector**

	Lack of transparent marketing system and perception of uncompetitive structure	<ul style="list-style-type: none"> <li>Proposed commodity exchange will offer transparent trading platform and can reduce the length of the marketing chain if player linkages are restructured – allowing individual farmers and primary societies to market through brokers.</li> <li>Will avoid production cost-based indicative price setting which has been one of the triggers for instability in the subsector. Export parity-based indicative prices can still be informative for the subsector players.</li> <li>Draft legislation before parliament and likely to be passed by end of 1<sup>st</sup> quarter of 2015.</li> <li>Exchange incorporated and premises secured</li> <li>Business plan being developed</li> <li>Commence business by June 2015 (with or without legislation as CMSA can work around licensing issue even without the legislation)</li> </ul>	<p>MVIWATA/NRI to produce position paper outlining new system, new roles and proposed actions going forward. To share with key players including Govt. Also share as policy brief for dissemination on website. Consult TWLB for materials/data. Can open up new financing options with the emergence of a stable marketing system with price hedging instruments.</p>
	Layers of players adding little value and increasing cost		
	Government intervention, including indicative price setting adding to opaqueness in the market		
	Underpinning WRS requires regulatory strengthening	<ul style="list-style-type: none"> <li>Build capacity of TWLB reflecting role in preserving huge depositors wealth</li> </ul>	See above.
	Lack of awareness (no plan for sensitisation sighted) – can lead to business opposition.	<ul style="list-style-type: none"> <li>Farmer sensitisation critical to avoid experience with WRS which turned violent.</li> <li>MVIWATA to produce video for sensitisation</li> </ul>	Contract TRP to consult on story/advise Initial consultations with advocacy groups
	Managing conflicts due to changes in roles of different players (levies?)	<ul style="list-style-type: none"> <li>Redefine roles, especially of farmers' rep organizations</li> <li>Include in sensitisation plus advocacy</li> </ul>	Draft paper and consult with Registrar of Cooperatives etc.

Work Package 3.1: WRS for Grains subsector			
	Lack of reliable quality and delivery assurance constraining development of structured trade national and regional e.g. WFP procurement from Umoja SACCO, Magadini, financed by KCBL.	<ul style="list-style-type: none"> <li>• WRS offers one means.</li> <li>• Builds on MVIWATA success with physical markets (warehouse infrastructure to be added to services e.g. weigh bridge, grading laboratory, drying facilities).</li> <li>• Need to attract investors – forum should set out opportunities (national and regional).</li> </ul>	Strengthen/scale up WRS for grains Policy plan share with Walter Swai etc. for Roundtable discussions with subsector players.
	Scale diseconomies restricting WRS for grains; plus other related licensing issues	<ul style="list-style-type: none"> <li>• Attract investors into grain warehousing</li> <li>• Encourage Collection Centres concept for small warehouses and Grain Banks.</li> <li>• Strengthen warehouse oversight capacity by building capacity of TWLB.</li> </ul>	Investor forum Roundtable discussions with subsector players. See above for TWLB
	Market uncertainty regarding trade restricting policies e.g. export ban (limiting exploitation of regional market opportunities)	<ul style="list-style-type: none"> <li>• Policy advocacy paper with alternatives</li> <li>• Policy forum, including farmers</li> <li>• Selection of advocacy leaders</li> <li>• Advocacy drive and monitoring</li> </ul>	MV to contract resource person, include role of NFRA in assuring stable prices (no distortion)
	Fostering regional trade	<ul style="list-style-type: none"> <li>• EAFF food balance paper and regional level management of food security – options</li> <li>• MV/EAGC to negotiate MOU targeting Kenya market (taking advantage of current window)</li> <li>• Other markets, e.g. South Sudan – monitoring at COMESA level for opportunities</li> </ul>	Contract RP by EAFF MV/EAGC to set out framework (TWLB) Engagement of actors: WS, ANSAF, AGRA Policy Node etc.
	Price support by NFRA	<ul style="list-style-type: none"> <li>• Indicative impact doubtful, especially because of targeting difficulties</li> <li>• Setting out alternative procurement structure, including taking account of TCX in June 2015</li> <li>• Defining action plan with roles for different actors</li> </ul>	MV to contract for evidence generation and outlining of options Roundtable forum and actions

<b>Work Package 3.1: Expanding marketing opportunities for other crops e.g. onions</b>			
<b>Fostering regional trade</b>	Lack of awareness	<ul style="list-style-type: none"> <li>Builds on MVIWATA success with physical markets for such crops.</li> <li>Enhance information sharing with regional market players</li> <li>Compute and share import and export parity prices, reviewing trends for the benefit of national and regional traders (including prices in comparative markets)</li> </ul>	
	Technology prospects?	<ul style="list-style-type: none"> <li>Follow up with AGRA/RF on relevant technology progress and uptake pathways</li> </ul>	
<b>Work Package 3.2 MIS improvements</b>			
<b>Cashew subsector</b>	Production cost-based computation source of confusion	<ul style="list-style-type: none"> <li>Explore use of export parity formula used by Tanzania Coffee Board</li> </ul>	MAMIS Manager to undertake
	Improve access to price and other market information to players	<ul style="list-style-type: none"> <li>Share information not only on prevailing prices in terminal market but also supply situation in other competing supply markets</li> </ul>	CIRAD to advise or contract advisor
<b>Grains subsector</b>	Evaluation required to outline required enhancements	<ul style="list-style-type: none"> <li>Carry out impact assessment of MIS</li> </ul>	WUR/CIRAD to lead with involvement of local resource persons
	Implementing improvements	<ul style="list-style-type: none"> <li>Follow up with plans to improve system, including capacity to offer trends reviews and advisory on regional markets etc.</li> </ul>	
<b>Other crops e.g. onion</b>	To promote access to formal national markets as well as regional trade opportunities	<ul style="list-style-type: none"> <li>Identify and track market trends and prices and share</li> <li>Share information not only on prevailing prices in terminal market but also supply situation in other competing supply markets</li> </ul>	

<b>Work Package 4: Crop insurance</b>			
	Lack of supply of required products from local insurance companies	<ul style="list-style-type: none"> <li>• Lesson-sharing visit to Zambia for insurance company/broker, banks, farmer representative and Government (Ministry of Agriculture)</li> </ul>	MV/ZNFU
	Uncertainty about suitability of products from by new providers (e.g. Syngenta and Microinsure)	<ul style="list-style-type: none"> <li>• Comparison of Zambia experience with what is on offer</li> </ul>	MVI
		<ul style="list-style-type: none"> <li>• Feasibility assessment</li> </ul>	MVI/WUR
		<ul style="list-style-type: none"> <li>• Stakeholder assessment and forward plan</li> </ul>	
<b>Work Package 5: Dissemination</b>			
WRS Cashew experience in policy advocacy			
TCX going forward			

### **Special Notes:**

Price support in surplus years impacting on stable market development (e.g. NFRA buying at Tsh. 530 compared to 300 open market and 250 at farm gate. Selling at Tsh. 400-450 per kg)

NFRA price support programme – indicative impact doubtful (comparisons with Zambia experience), especially because of targeting difficulties. Is there any other way?