EXPORT PROMOTION OF
ORGANIC PRODUCTS FROM AFRICA

Basic Data on Certified Organic Production and Export in Tanzania 2003

October 2004

EPOPA (Export Promotion of Organic Products from Africa)
is a development programme initiated by the Swedish
International Development Cooperation Agency, Sida, in 1997.

EPOPA gives African smallholder farmers improved livelihoods through
developing the exports of organic products from Africa.

The programme has been evaluated twice and has proven to be a
valid instrument for African exporters to improve their business
and for thousands of farmers to improve their livelihood.

For more information about EPOPA visit: www.epopa.info

This document has been financed by the Swedish
International Development Cooperation Agency,
Sida. Sida does not necessarily share the views
expressed in this material. Responsibility for its
contents rests entirely with the author.

For questions about this document contact:

EPOPA
PO Box 63
6720 AB Bennekom, The Netherlands
Email: epopa@agroeco.nl

Author: Adah Mdesa Mwasha
Co-author and reviewer: Marg Leijdens

Table of Contents

List of Tables

1. Introduction

EPOPA (Export Promotion of Organic Product from Africa) is a leading organic programme active in Tanzania. As such, it has been repeatedly approached by various organizations for information on the organic sector in Tanzania. This study was prompted by this demand for information on certified organic production and exports from Tanzania by various stakeholders (inside and outside the country). This report of the study done will create awareness amongst the stakeholders as well as provide a source of information for various future studies.

EPOPA

The EPOPA program, recognises that international trade in organic products is growing rapidly; hence its focus to provide opportunity for African farmers to find premium export markets. EPOPA is a programme run by the private sector to stimulate national and international trade in favour of rural communities and the environment. It was initiated by the Swedish International Development Co-operation Agency (Sida) in 1994.

There are several crops that are grown organically 'by-default' in Tanzania These include cotton, coffee, black tea, cashews, cocoa, spices (cinnamon, ginger, vanilla, chili, pepper, nutmeg, cardamom, clove, curry, lemon grass), essential oils, special teas (hibiscus tea), honey, fruits (fresh: citrus, papaya, guava, mango; dried: banana, pineapple, mango, papaya) and herbs. There are also oil seeds (e.g. sunflower, sesame, etc), oil plants (palm oil) and vegetables (fresh and processed). Some of these crops have already been certified as organic by various international certification bodies.

The Objective of the Study

The objective of the study is to create an overview of the certified organic production in and exports from Tanzania through the collection of basic data. This study also highlights the constraints faced by organic producers and exporters in Tanzania.

2. Methodology

Two types of questionnaires were prepared; one for the companies, the other for the certification bodies operating in the country (samples of the questionnaires can be found in Appendix II). These were sent out in July 2003.

The respondents were proposed by EPOPA; certification bodies operating in the country were invited to participate. The questionnaires were sent out to 15 companies by e-mail. Hard copies, that is surface mail or fax, were sent whenever e-mail failed.   The follow up was conducted by telephone calls.

After the completed questionnaires were received from the respondents, they were studied and the findings compiled into this report. Some extra information collected from other sources (mainly through EPOPA contacts in the organic sector) has been added as well. The compilation was prepared and edited by the EPOPA management.
For the sake of confidentiality, detailed information of each company pertaining to the quantities and destinations of their exports is not presented in this report. Instead, this information is presented in total numbers.

Boxes with Cashew nuts for export from Premier Cashew Industries in Daar es Salaam.

3. Study Findings

Although fifteen companies received the first questionnaire, only eight (8) replied. This means that the data in this report, based on the 8 respondents' information, gives an idea of certified organic production and exports, but does not provide the complete picture. A list of all known companies and their products is given below.

Table 1. Certified Organic Companies in Tanzania

Name of the Firm	Organic Production area	Products
Kilimanjaro Native Cooperative Union (KNCU)	Moshi /Kilimanjaro	Arabica Coffee (Certification in 2004)
Tanzania Organic Products Ltd (TAZOP)	Zanzibar, Tanga, Kigoma	Herbs and spices
Mufindi Tea Company Ltd (MTC)	Njombe	Black tea and herb teas
Tanzania Tea Packers (TATEPA)	Mafinga / Dar Es Salaam (tea from MTC, Njombe)	Black tea an herb teas
Zanz-Germ Enterprises Ltd	Zanzibar, Tanga, Kigoma	Herbs and spices (Ginger, pepper, turmeric, chili and lemon grass)
Premier Cashew Industry Ltd (PCI)	Coast, Mkuranga	Cashew nuts
Clove Stem Oil Distillery (CSOD)	Pemba	Essential oils: Lemon grass oil, cinnamon leaf oil, eucalyptus oil and sweet basil oil
Kagera Cooperative Union (1990) Ltd (KCU)	Kagera	Robusta Coffee
Biolands International Ltd	Kyela (Mbeya region)	Cocoa
Dabaga Vegetable Can Company Ltd	Iringa region / Njombe	Canned Pineapple (Certifiction expected in 2005)
Kimango Farm Enterprise Ltd	Morogoro	Herbs and Spices
Tanganyika Instant Coffee Company Ltd (Tanica)	Kagera	Instant coffee
Biore Tanzania Ltd	Shinyanga/ Meatu	Cottton
Matunda Mema / Kipepeo	Karagwe	Dried fruits
Kibidula	Mafinga	Herbs (in conversion), no export
No questionnaire sent		
Bombay Burmah Trading Corporation Ltd.	Usambara/ Soni- Herkulu Estate	Fair trade and organic tea
ADP Isangati	Isangati district - Mbeya	Turmeric (no export)

Number of Farmers and Organically Cultivated Areas

The study found that most companies do not produce crops themselves. Small-scale farmers carry out the organic production under special arrangements with them. Two (2) of the eight (8) companies are estates and the other six (6) are exporting firms. The latter six (6) firms are recorded to have contracted approximately 28,000 organic out-growers as at October 2003.

Of the 15,000 ha owned in total by the two estates (Clove Stem Oil Distillery and Mufindi Tea Company Ltd), a total of 650ha is given to produce organic crops for essential oil extraction and for the production of tea respectively.

The total organic certified area (small holders and estates together) is approximately 14,000 ha. There are another 1,000 ha. under conversion, totaling 15,000 ha. of land under certified production. The total area under cultivation in Tanzania is approximately 10,000,000 ha. The 15,000 ha certified organic land accounts for 0.15% of cultivated land.

Most of the certified organic produce is sold in outside the country. This is also the case with Cashew nuts from Premier Cashew Industires.

Certified Organic Production

The findings indicate that in the year 2001/02 a total of 1,722 MT of various organic products was produced. A total of 1,594 MT was exported during the same period to Germany, Sweden, Switzerland, UK, EEC and USA. Most of the products were sold outside the country, very little was sold in the country. Some companies are still under conversion and not yet certified as organic, such as Dabaga Vegetable and Fruit Can Co' Ltd. and Kibidula.

Table 2. Summary of the Companies' Set Up

Company[1]	Ownership	Status	Business Organisation			Certification Body
			Estate Farm	Out growers	Co-operatives	
KNCU	Corporate	Local			X	IMO, Naturland
MTC	Corporate	Foreign	X			EcoCert
Zanz-Germ	Corporate	Foreign		X		IMO
PCI	Partnership	Local		X		IMO, Naturland (NOP)
CSOD	Corporate	Local	X			IMO
KCU	Corporate	Local			X	KRAV
Biolands	Proprietorship	Local		X		KRAV, NOP
Matunda Mema	Partnership	Local		X		IMO

The study revealed that six (6) firms are under corporate ownership, one (1) is a sole proprietorship and two (2) are partnerships (Table 2.). Most are local firms (6 firms). It was also found that two (2) firms are estates, two (2) are cooperatives and four (4) work with out-growers schemes. Different certification bodies from different countries certified these firms.

[1] For explanation of abbreviations, see Table 1.

4. Organic Certification Bodies

Certification is required for products to be sold in the international organic markets. There are several certification bodies that provide this service. The certification bodies originate from different countries and are usually based in the countries where the markets are (mainly Europe, USA, Japan). It should be noted that organic production requires systems of control to ensure that the producers and exporters comply with organic standards.

Certification Bodies Operating in Tanzania

There are five (5) certification bodies operating in Tanzania; all of them are from foreign countries. The coverage of each certification body differs from one other e.g. IMO certifies 50% of the firms while KRAV covers only 25%. The list of the certification bodies is presented in table 3.

Table 3. Certification Bodies Operating in the Country

Abbreviated Name	Country of Origin
IMO	Switzerland
Naturland	Germany
EcoCert	France/Germany
KRAV	Sweden
Bio Inspecta	Switzerland

KRAV operates in the Kyela, Bukoba and Mkuranga districts and certify cocoa, coffee and cashew for Biolands International Ltd, Kagera Cooperative Union and Premier Cashews respectively. KRAV also certifies instant coffee for TANICA in the Bukoba district. Bio Inspecta certifies organic cotton from the Shinyanga region. The other certification bodies and the firms they certify are shown in table 2

The Soil Association from the UK used to work with the Tabora Beekeepers Association on fair trade and organic honey from Tabora. Tabora Beekeepers Association is however no longer certified today. The reason for that is unknown to the authors of the study.

5. Factors Limiting Organic Agriculture Development

The study analysed the views of the stakeholders and found some limiting factors that hindered the development of organic agriculture in the country. The problems are recorded in Table 4 below. Most operators indicated that certification costs were very high and that, in turn, increased operation costs significantly. The lack of capable farmers and extension workers was emphasized as a serious setback. It is important in an out-grower set up to increase organic production knowledge.

Table 4. Summary of Problems Limiting Organic Agriculture Development
(Each company could mention several problems)

Problem	Frequency
High costs of certification	3
Lack of knowledge on organic agriculture amongst out-growers	3
Soil improvement inputs are limited because farmers do not know how to process products like organic fertilizers	3
Little support for organic development from the government	2
Lack of organic/natural pesticides for disease and pest control	2
Organic agriculture production is labour intensive	2
High transportation costs	2
Insufficient supply of organic products (too little is produced)	1
Lack of quality control facilities	1
Lack of credit facilities	1
Lack of markets particularly the local market	1
Charges imposed on crops increase farmers' burden	1

6. Suggestions for Improvement of Organic Agriculture in Tanzania

The stakeholders came up with several ideas on how organic agriculture can be improved to increase production and productivity in order to benefit from the export, and possibly local, markets. These suggestions are presented below (Table 5). It was observed that most operators preferred to have a local certification body because that would be cheaper than hiring a foreign body. As a result, production costs can be lowered. As mentioned previously, capacity building is another area that was emphasized.

Table 5. Proposed Solutions for Improvement of Organic Agriculture
(Companies could mention several suggestions)

Suggestion / Solution	Frequency
The country to establish its own organic standards and certification body to reduce operation costs	3
The government to create awareness among farmers and all parties involved about increasing production and consumption of organic products	3
Build capacity of extension workers in organic farming	3
Soft loans provided to farmers to improve organic production	3
Ensure that premium prices are paid in the local market for organic products	2
Tax on processed products for export should be much lower than the raw materials of the same for export	1
The government to provide quality control facilities and technicians to ensure production of quality products	1
Transportation costs to be subsided by the government	1

7. Summary and Conclusion

In Tanzania, as far as it is known, 16 companies are involved in certified organic production and exports. Exact data on production, number of farmers, cultivated areas and products are not (yet) complete as only half of the addressed companies answered the questionnaire.

From the information gathered (October 2003), the following was learned:
Six (6) firms contracted a total of 28,388 organic farmers, the 8 respondents together farm a total certified organic area of 14,644 ha. (parts of which are still in conversion, but are expected to be certified soon.). This area is equal to 0.15% of the cultivated land area in Tanzania.

In the year 2001/02 a total of 1,722 MT of various organic products was produced. Of this 1,594 MT was exported to countries such as Germany, Sweden, Switzerland, UK, EEC and USA.

In reality these numbers should be higher than the above mentioned. For the number of farmers, the total cited as 28,388 in this study is close to reality because all companies with large numbers of out-growers responded. However, the area under certified organic cultivation could be increased by a further 50% (rough estimate) from what was found in the study as only half of the certified organic companies responded to the questionnaire. This uncertainty about the exact numbers shows the need for a regular update to ensure that collected data is more complete..

Most of the products are sold outside the country, very little is sold in the country. A stronger domestic market could stimulate organic production in the country. This is especially helpful for producers who want to venture into exporting but need time to build up their business and experience.

Five foreign certification bodies are active in Tanzania, of which IMO is the most prominent. The exporting companies have expressed the need for a Tanzanian certification body, in order to reduce costs.

The data collected is incomplete due to the fact that only about half of the addressed companies were able to respond (in time). The lesson learnt here is that future studies should be approached differently. The study team should visit the respondents and interview them directly for a prompt response.

Development through organic trade

Since the early 1960s there has been a growing market in Europe, Japan and the USA for products grown in a sustainable manner and without the use of agro chemicals. The organic market has grown from US$ 13 billion in 1998 to US$ 25 billion in 2005. This is due to the increasing environmental concerns by the consumers in these developed countries. As such, they are willing to pay premium prices for certified organic products. Slowly but surely, governments, as well as development cooperatives, are recognising the contributions that organic agriculture can make to environmental, health, bio-diversity and food security issues.

The aforementioned situation made for an ideal opportunity for African countries to find premium export markets. Thus, the EPOPA programme – Export Promotion of Organic Products from Africa – was birthed by SIDA in 1997.

The first two phases of EPOPA-programme from 1997-2001 and from 2002-2004 proved to be successful. In 2004, more than 29,000 smallholders participated. It is encouraging to note that the first two projects initiated by EPOPA, involving another 30,000 farmers, are self-sustaining to this day.

The price that the farmers receive for their cash crops is 15 to 40 percent higher. Many farmers report a significant increase in productivity due to more intensive crop management measures. The farmers also produce their own food organically.

The farmers also appreciate the extra attention given to them by the extension workers and generally respond to that by caring more about farming.

The higher prices are not achieved by the organic qualification only but also by better quality products and in some cases, by more direct trading structures. In one project, the exporter is also on the fair trade coffee register. These three aspects together resulted in a 50 to 100 percent increase in income..

Read more about EPOPA at: www.epopa.info

epopa

EXPORT PROMOTION OF
ORGANIC PRODUCTS FROM AFRICA