



# AGRICULTURE

## TANZANIA

Despite consistent economic growth, Tanzania faces challenges in reducing poverty and malnutrition. While contributing nearly one-third of the country's GDP and employing over two-thirds of the population, the agriculture sector hasn't fully realized its potential. USAID is committed to continuing to partner with the Government of Tanzania (GoT), private sector, NGOs, and other donors to address these issues, aligning our efforts with national plans like Tanzania's Agriculture Sector Development Program.

Our focus areas include:

- **Boosting productivity and competitiveness:** Through targeted investments and private sector engagement, USAID empowers smallholder farmers to become more competitive and profitable. This includes increasing production of staple foods as well as vegetables and fruits.
- **Improving nutrition:** The Feed the Future program promotes consumption of high-quality, nutritious foods and improved food processing techniques, such as fortifying flour with essential micronutrients.
- **Building long-term sustainability:** We support research with local institutions to strengthen capacity and foster innovation in the agricultural sector.
- **Enhancing the business environment:** By advocating for policy initiatives and private sector engagement, USAID helps create an environment conducive to growth and investment.

### **OPPORTUNITIES:**

- **Increased government commitment:** President Samia Suluhu Hassan's vision for combating food insecurity globally, coupled with a tripled agriculture budget, signals strong GOT dedication to the sector.
- **Strategic location and untapped potential:** Tanzania boasts multiple deep-water ports and

participation in regional free trade agreements, offering strategic advantages and ample room for growth in agricultural productivity and sales.

- Leveraging USAID's expertise: With decades of experience partnering with Tanzania on agricultural initiatives, USAID is well-positioned to support increased productivity and entrepreneurialism.

Building on past successes, like creating the avocado export industry and adding over 500,000 jobs during a previous Feed the Future investment period, USAID is poised to work collaboratively towards a more prosperous and food-secure future for Tanzania.

### **CHALLENGES:**

- Climate change: Prolonged droughts and unpredictable weather patterns threaten the livelihoods of Tanzanian farmers, particularly smallholder subsistence farmers.
- Limited resources: Insufficient access to productive resources (land, water, inputs), financial resources (credit, loans), infrastructure (storage, transportation), and extension services hinder agricultural development.
- Policy and investment barriers: Unfavorable policies, limited access to long-term capital, and low levels of business skills and capacity constraints hinder private sector investment in agriculture.
- Balancing growth and sustainability: Rapid population growth and agricultural expansion can put pressure on Tanzania's natural resources, impacting long-term sustainability.

### **IMPACT:**

- Building resilience: USAID has been instrumental in establishing the SAGCOT Center, a public-private partnership generating \$50 million in sales in FY 2022 alone. This initiative positions Tanzania as a regional food supplier and fosters resilience against external shocks.
- Empowering smallholder farmers: USAID's investments in the Tanzania Horticultural Association (TAHA) and the avocado industry have created a vital source of income for over 35,000 households, generating 500,000 jobs and contributing over \$800 million to the Tanzanian economy.
- Boosting productivity and sales: Through capacity building and support, USAID has helped organizations like TAHA, SAGCOT, and ASPIRES become leaders in the agricultural sector. Producers and firms receiving USG assistance now boast nearly \$80 million in annual sales across various agricultural products.
- Promoting sustainable practices: In 2023 alone, over 63,000 smallholder producers have adopted improved management practices and technologies with USAID's assistance, contributing to more sustainable farming while raising agricultural productivity.
- Enhancing seed production: USAID catalyzed production of 490 metric tons of sunflower and wheat seed in the last three months of 2023 and will aim to scale to 10,000 metric tons by the end of December 2025. This initiative strengthens food security and reduces reliance on imported seeds.

These tangible impacts underscore USAID's commitment to supporting a thriving and resilient agricultural sector in Tanzania, fostering economic growth, improving livelihoods, and contributing to global food security.