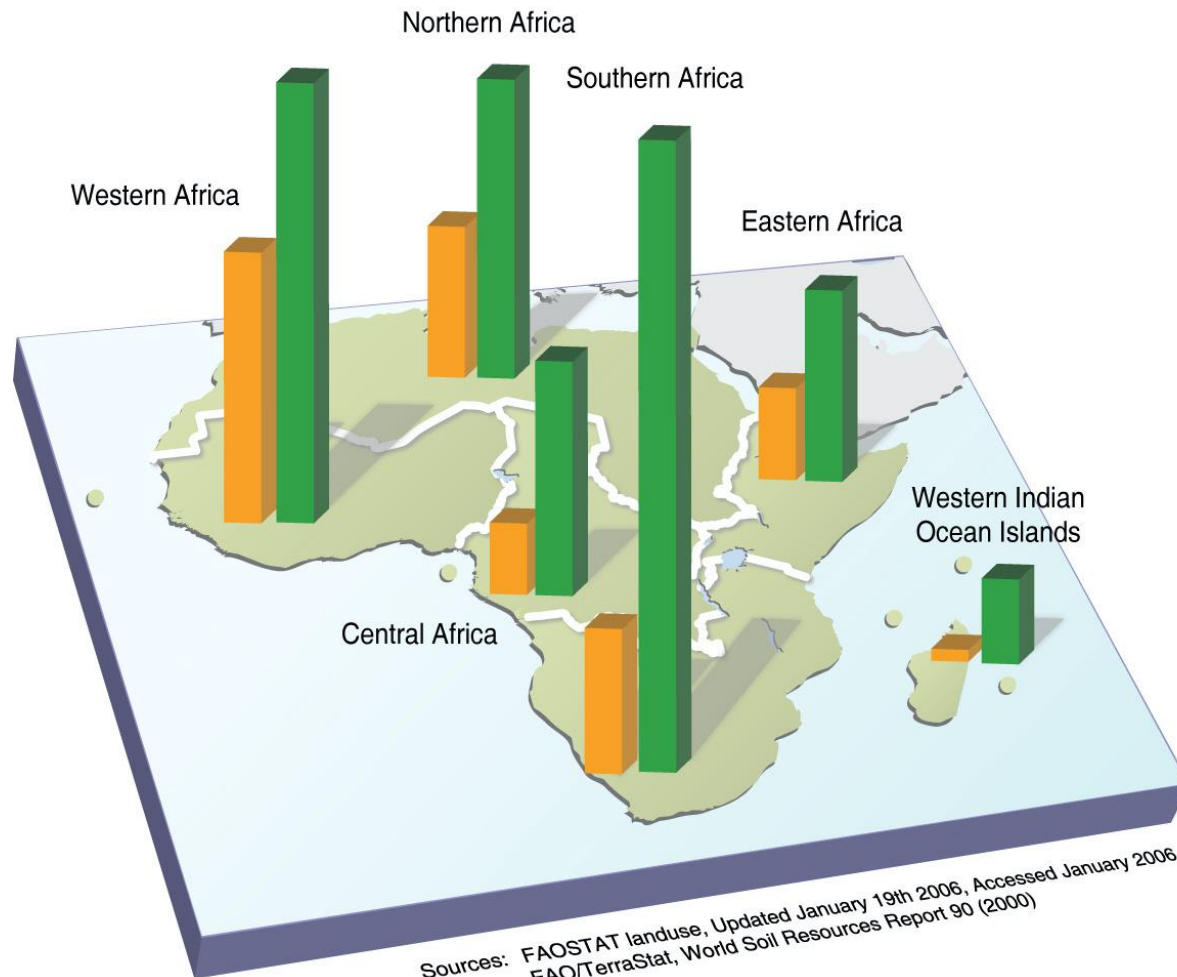




# HIGH-LEVEL BRIEF – THE SAGCOT INITIATIVE IMPLEMENTATION

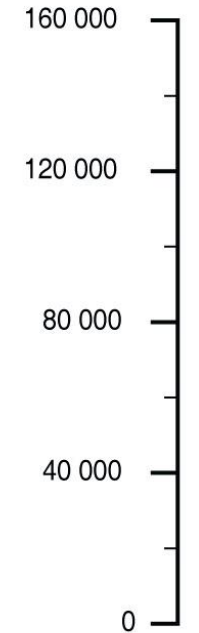
**March 2024**



# 60% of Africa land is not utilized or not under proper agricultural management properly



Sources: FAOSTAT landuse, Updated January 19th 2006, Accessed January 2006  
FAO/TerraStat, World Soil Resources Report 90 (2000)

Thousands of hectares  
of arable land

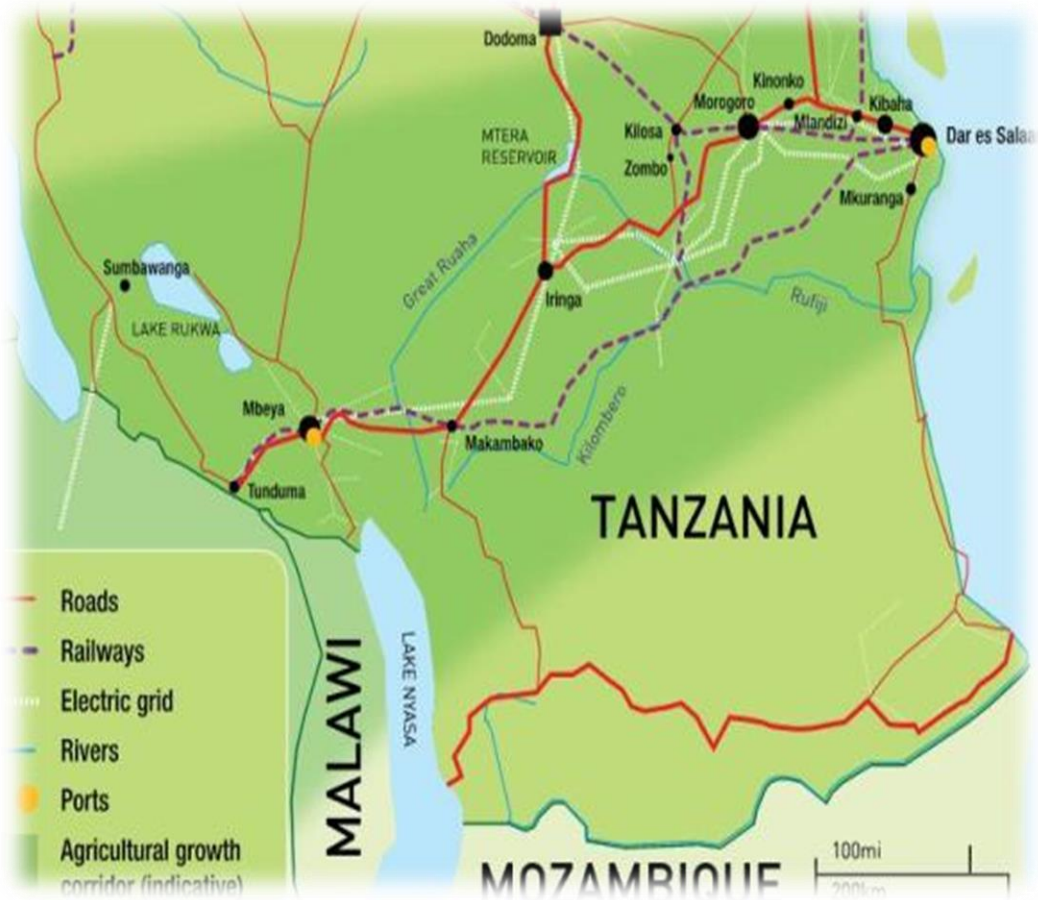


-  Current area of arable land (2003)
-  Estimated potential of equivalent rainfed arable land area

Currently, Africa spends more US \$35 billion a year on imports of agricultural produce, while exports are negligible. The share of intra-African trade is less than 5 percent. By 2050, the African population is expected to be about 2 billion. To feed this population, and going by the current import trend, the food import bill would be US \$110 billion in 2025.

Between now and 2050, the population of sub-Saharan Africa is expected to double from 1.1 billion to [2.4 billion](#). As the population grows, so will the demand for agricultural land to produce food. To sustain this expanding population, it is crucial that nations on the continent work to increase their agricultural production. With sub-Saharan Africa having [50 percent](#) of the world's agricultural land, one might think this is a simple fix. However, only about [1 percent](#) of that land is useful for long-term cultivation. This gap is primarily due to nutrient deficiencies in the soil, sub-optimal land management, pest infestations.

## Historical geographical area



The Southern Agricultural Growth Corridor of Tanzania (SAGCOT) initiative is a joint innovation by the Government of Tanzania and the private sector to **accelerate public-private partnership to spur agricultural growth in Tanzania's southern highlands.**

# SAGCOT: An Example of PPP

The  
Government

Chamber of  
Industry  
and Trade  
(CTI)

Agricultural  
Council of  
Tanzania  
(ACT)



# Achievements to-date



**859 K hectares**

Area of land under improved technology



**903 K farmers**

The number of smallholder farmers impacted



**\$ 351 Million**

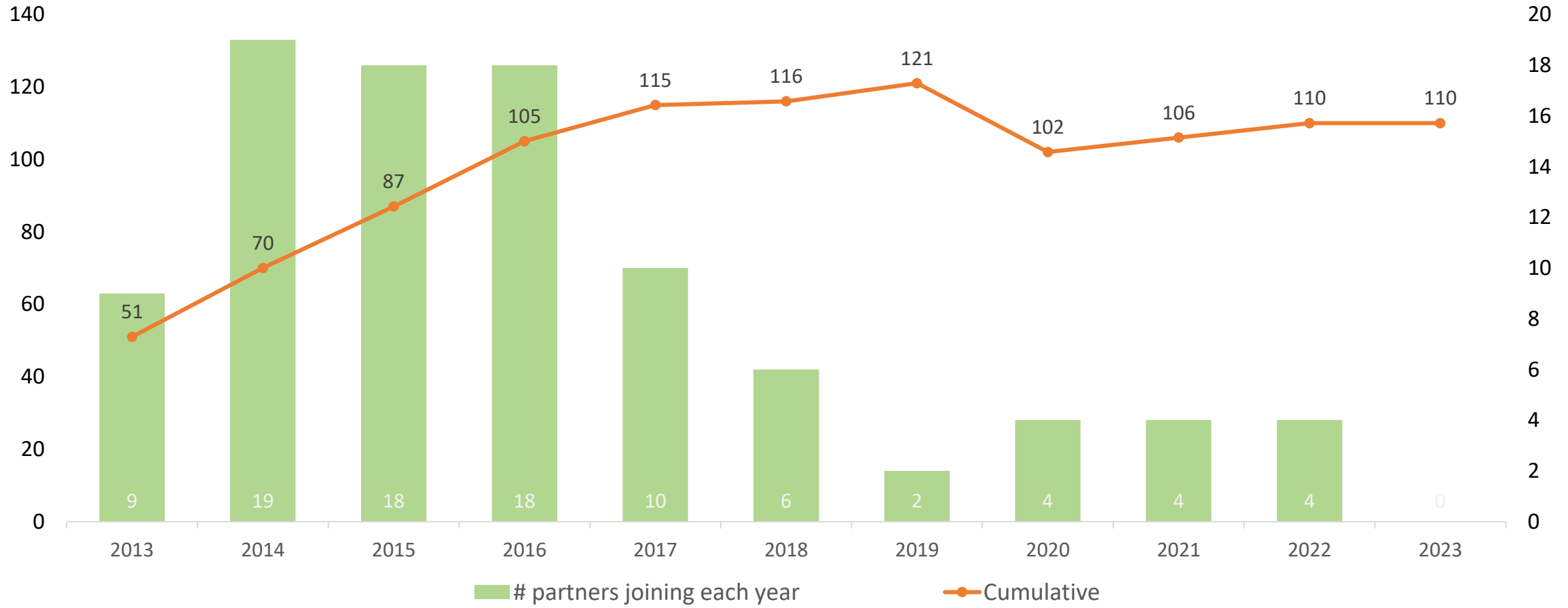
Value of commodities sold



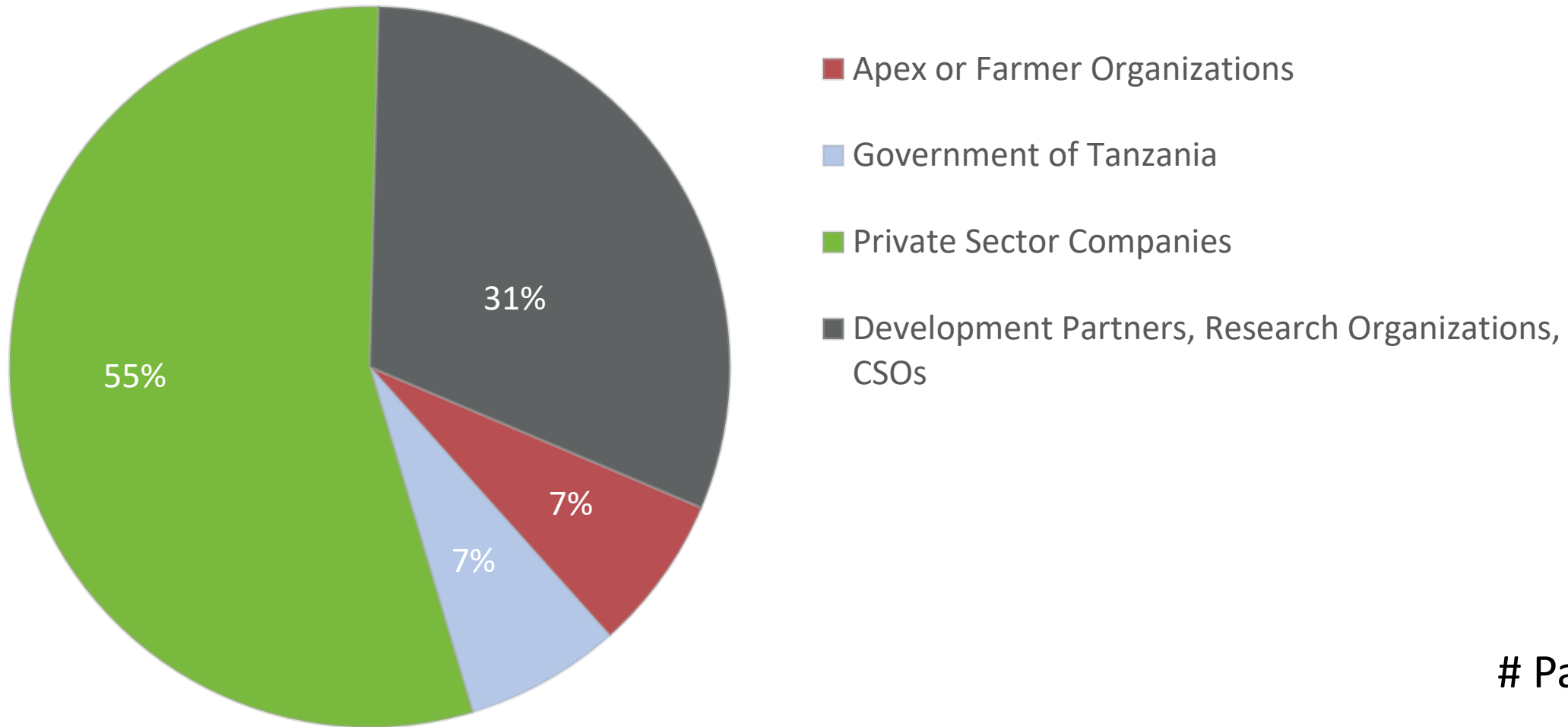
**\$1.32 Billion**

Amount of private investment facilitated

### Partnership growth from the beginning of the initiative



# Partner Portfolio by Type



# Partners = 110



# PROMOTION OF THE CLUSTER APPROACH

- **SAGCOT Corridor comprises of 6 Clusters:** Ihemi, Mbarali, Kilombero, Sumbawanga, Ludewa and Rufiji.
- **Ihemi, Mbarali and Kilombero Clusters** are now operational, growing agribusiness in 5 regions of Tanzania: *Iringa, Njombe, Mbeya, Songwe and Morogoro*
- *The rest of the remaining regions in the Corridor are now being serviced through the Cluster offices*

## **CLUSTER APPROACH**

Facilitate the availability of the following services to the Private sector:

- Production
- Infrastructure
- Storage
- Processing
- Research
- Support services

**Enhances competitiveness**

## *HOW THE SAGCOT INITIATIVE WORKS: SAGCOT CLUSTERS*

- ***Convening*** of public and private sector stakeholders at national and sub-national levels
- Coordination and Implementation of Joint Implementation agreements- ***Compact Agreements (at national and sub-national levels)***
- ***Identify and promote*** existing and new investment opportunities in the Clusters (value chain based, services, and infrastructure by gov.)
- Develop strategies for adaptation for identified social and environmental risks – Green Growth – ***Inclusive Green Growth Tool***
- ***Championing Commodity Compacts – starting with soybean and then paddy or rice or horticulture and edible oil seeds***



# SAGCOT - looking into the future

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Davos  
18 January, 2023

## PRESS RELEASE

### TANZANIA'S AGRICULTURE SECTOR TO GROW BY 10% IN 2030 - SAMIA

President Samia Suluhu Hassan has said Tanzania expects its agriculture sector to grow at an annual rate of 10% by 2030 compared to the current growth of around 3.6% as part of the country's ambitious agriculture transformation vision.

The President said Tanzania has developed a national pathway for food system transformation, which is expected to strengthen local production, improve livelihoods, help mitigate and adopt to climate change.

She made the remarks in her speech as a panellist at a session on 'Food Action Partnership: Investing in Greater Resilience', on the sidelines of the World Economic Forum's Annual Meeting in Davos, Switzerland.

In implementing a sustainable food system in Tanzania, President Samia said a number of efforts have been done, including establishing a programme for youth, while continuing to build on the successful work of agricultural growth corridors such as SAGCOT.

From this financial year, Tanzania's budget for the agriculture sector was increased 4 times from the previous budget. Tanzania also plans to host Africa's Food Systems Forum this September to showcase progress and learnings.

The Food Action Alliance session convened more than 50 leaders from Africa, Asia, Europe and the Americas to accelerate partnerships and investments for greater resilience at country-level.

Among the panellists scheduled to speak on achieving food system goals were Hon. Gustavo Petro, President of Colombia, Tran Hong Ha, Deputy Prime Minister and Minister of Natural Resources and Environment from Vietnam and Alvaro Lario, President of the International Fund for Agricultural Development (IFAD), Rome.

Zuhura Yunus  
Director of Presidential Communications, State House

“In implementing a sustainable food system in Tanzania, President Samia said a number of efforts have been done, including establishing a programme for youth, while continuing to build on the successful work of agricultural growth corridors such as SAGCOT”

PRESS RELEASE BY STATEHOUSE  
DAR ES SALAAM, 1 JAN. 2023



# AGENDA 10/30 and the youth Program Building Better Tomorrow





## SAGCOT - looking into the future cont

- Continue recognizing the power of partnership – that has enabled SAGCOT to be established.
- Despite many challenges – SAGCOT is delivering and has remained relevant in the transformation and development of the food systems in Tanzania – crops and livestock sectors
- The Green print and its IGG Tool demonstrate – NGOs, GOT, and Businesses can work together and turn compliance into a tool to be efficient and remain competitive
- SAGCOT reach has extended out of the corridor: in the form of policy reforms, and mindset change (leadership moved from the Corridor to elsewhere, emulating SAGCOT way; and businesses expansion)
- In a verge to commence looking into strategic areas outside the corridor for strategic commodity compacts for soybeans, rice, and horticulture



- The rest of the country is asking for SAGCOT like services – hence the call for establishing The Agricultural Growth Corridors of Tanzania
- As new challenges unfolds from within and outside Tanzania – we believe SAGCOT way of partnership and investment facilitation is needed – we have a way to convene, change mind set and persuade.

# Some examples of our work with our partners!

# Transforming the potato value chain

- **Location:** Ithemi (Iringa and Njombe) and Mbarali (Mbeya and Songwe)
- Revision of the Seed Act of 2003 to allow seed marketing, joining UPOV
- Bringing in professionalism and international varieties via private company - HZPC
- **Regulator (TOSCI):** Trained in regulating seed potato
- A potato partnership established and brings together land preparation, fertilizer, seed, crop protection, and storage marketing companies to establish or expand businesses
- **Market:** Local and regional market – Tz is still importing potatoes from South Africa, Egypt, Europe *etc.*

## SUCCESS TO DATE



- Demand for clean seeds increased
- Productivity in farmers fields increased from less than 8mt to 30 Mt per hectare
- Emergence of 4 new seed companies
- Farmers' demand for seeds outstrips supply many times.
- **Processing investors in the coming?????**



# Transforming lives through tomato value chain



- Tomato – most important vegetable in Tanzania
- New Investments: RAHA Farm with our partner – Green Vale Agro, for soil health and moisture management via *mtumbwi* technology
- In a joint effort to support Medium and Small-Scale youth women entrepreneurs, SCL facilitated the expansion of the Raha Farm seedling nursery.
- Promotion of protected horticulture cropping system – screen houses

## SUCCESS TO DATE

- Increased production of tomato seedlings from 3,000 to 400,000 per month.
- Increased value of sales from 1,500,000 TZS to TShs 8.0 million
- Increased number of employees from 15 to 58, with 85% being women.
- Increased productivity under smallholder farmers
- Opening a new 10 acre site and a new centre in Tanga region.

## Transforming lives through poultry keeping



- New Investments: e.g. Silverlands, AKM Glitters, AFRIFARM and Tanfeeds International
- Business environment: Most of the policy challenges have been removed – now perfecting the systems e.g. removal of multiple regulatory institutions
- Local and international investors are becoming interested.
- Providing markets for local maize, soya and sunflower seeds cakes

### SUCCESS TO DATE



A proud AKM Glitters poultry farmer

- Removal of VAT on processes animal feeds
- Removal of VAT on additives
- Increased demand for day-old chicks and animal feeds
- Introduction of modern poultry breeds in many rural communities

# The potato value chain is being reinvigorated via new varieties



Sagitta is an example of new varieties that are now becoming very popular with farmers and consumers.

Good quality – potato varieties bringing up to 4 times income par area



Many of the farmers that have adopted new varieties are happy and now considered themselves out of poverty



A common site in Njombe and Mbeya During potato harvesting

## 2023 Production and Aggregation cycles- Pilot

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- ❑ 21,725 Farmers Profiled (38% F, 21% Youth below 35 years old)
- ❑ 140 Soybean Demo farms and 48 model farms established across 19 District Councils
- ❑ 66 Clusters “hotspot” established, the distribution of clusters across regions is as follows: Songwe (11), Rukwa (9), Ruvuma (11), Njombe (9), Iringa (9), Mbeya (6), and Morogoro (6).

## SEED SYSTEM

---

- ❑ New introduced seed varieties TGx2001-11DM and TGx2001-10DM currently NPTs
- ❑ 4.5 MTs of Basic seeds have been harvested. This is 90% of the target (5 MTs)
- ❑ 25 MTs of certified seeds are available for the 2023/2024 season

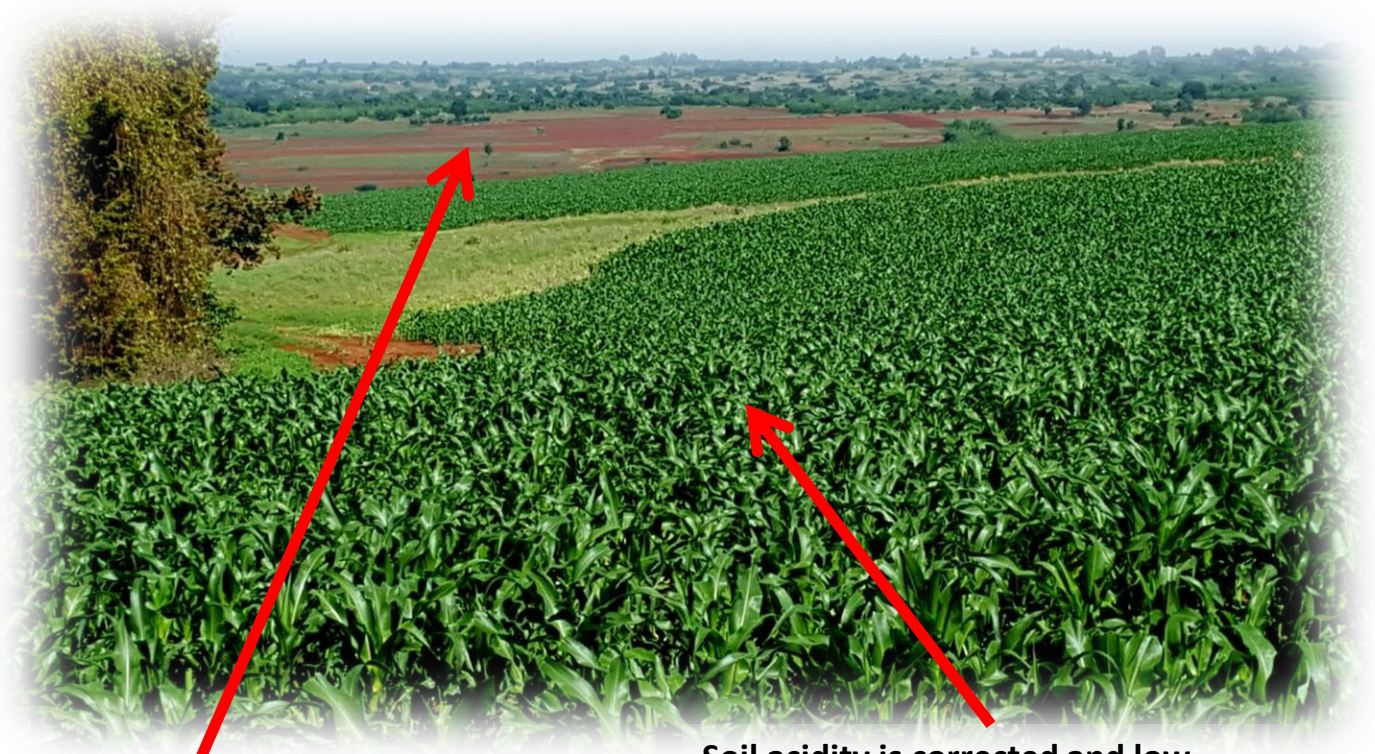


## Strategy Development and Commodity Compact

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- ❑ The government, through the Ministry of Livestock and Ministry of Agriculture, endorsed the formulation of a stand-alone National Soybean Development Strategy.
- ❑ A task force proposed to champion the process under the guidance of SAGCOT.
- ❑ Private sector commitments to provide input financing received notably from CRDB 4B, NMB 500M, EFTA, and EQUITY.
- ❑ Investment notes covering seed production, processing, and commercial extension service developed and presented by the Ministry of Agriculture at the World Food Forum

# Promotion of climate-smart agriculture: Tripling productivity



Small holder farmers lost their crop because of the drought in Dec 2016.

Soil acidity is corrected and low acidifying fertilizer are applied

Health Soils increases drought tolerance



## The IGG Tools is successfully revised:

### Based on feedback/input from users and partners

- Scoring ratings re-configured and clarified
- Scoring categories elaborated to take the guess-work out of selecting a category
- Included climate change and nature-based solutions
- Developed Excel version to facilitate scoring and self-tracking/monitoring over time

### Next Steps

- Agree on printing and dissemination plan of the revised tools—Alignment with WWF and IUCN started
- Align better with PASS IGG Tool ---this has already started
  - Identify synergies that would reduce duplication of effort (e.g., updating compliance requirements)
  - Standardize recommendations for improvements based on tool performance
  - Reflect on potential implications for support for high scorers (e.g., certain value chains fundamentally will score higher than others)

## A good example of collaboration – SAGCOTs Provides a unique window for development partners to widen engagements in Tanzania



Meeting with the leadership in the Ministry responsible for agriculture:

- Discuss sensitive opportunities and challenges
- Address policy challenges as they occur
- Explore investment opportunities in a non partisan environment – SAGCOT is a neutral broker.





# SAGCOT - looking into the future

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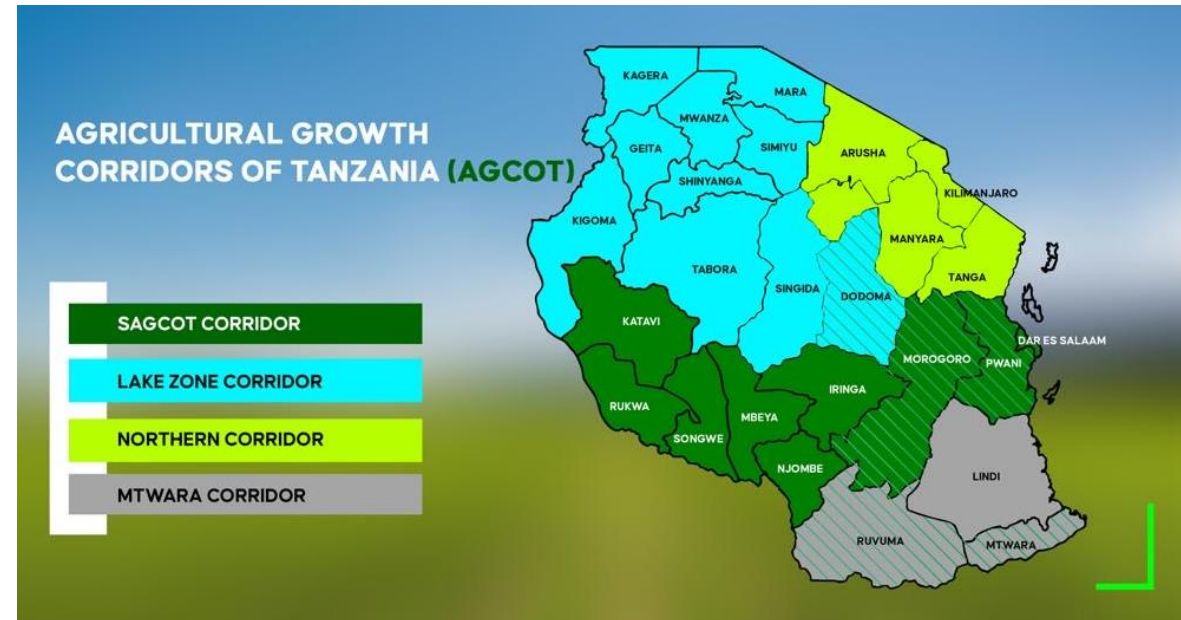
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UP TO NOW, THE SAGOT INITIATIVE HAS RECEIVED SUPPORT FROM



Empowered lives.  
Resilient nations.



**THANK YOU!**