

**KEYNOTE ADDRESS by Honourable Mizengo P. Pinda (MP), Prime Minister of the United Republic of Tanzania, at the Eleventh Sokoine Memorial Lecture, Sokoine University of Agriculture, Morogoro, 17th October 2008**

**SALUTATION**

Mr. Alnoor Kassum, Chancellor of the Sokoine University of Agriculture;  
Ambassador Nicholas Kuhanga, Chairman of the Council;  
Prof. Gerald Monela, Vice Chancellor;  
Academic Staff and Students;  
Distinguished Guests;  
Ladies and Gentlemen.

At the beginning, let me express my profound gratitude to you Mr. Chancellor and the entire Team - the Leadership of Sokoine University of Agriculture for the invitation extended to me to be the Guest Speaker at this Eleventh Sokoine Memorial Lecture. What a Great Day and Honour for me to speak at this occasion of the commemoration of a committed, hardworking and tireless son of Tanzania, the late Honourable Edward Moringe Sokoine.

You will all agree with me that today, Mzee Sokoine is no longer with us physically but mentally and through his good work is still with us. And that is why we are all gathered here today. He will always be remembered for his heroic and tireless efforts in creating a just Society by fighting corruption, economic saboteurs and racketeers.

**IMPORTANCE OF THE UNIVERSITY NAME**

**Mr. Chancellor,**

This University is named after the late Sokoine not only due to the tragic coincidence of the establishment of this University and his death on 12 April 1984, but also, and perhaps more importantly, because of his strong commitment to the development of this Country in general, and of the ordinary people in particular, most of whom happen to be poor farmers. This segment of population in Tanzania is estimated to be more than 75 per cent of the entire population.

Sokoine's support to agriculture and rural development in general was indisputable. He pursued what he believed in with a lot of determination, zeal and a great sense of patriotism. It is indeed heart-warming that this University has chosen to organise the Annual Sokoine Memorial Lectures, to remind ourselves periodically, of the person, and the ideals he stood for. It is my hope that these lectures do also serve to inspire the Sokoine University Community to strive towards greater commitment to Agricultural Development and National Development in general.

**THEME FOR THE DISCUSSION**

**Mr. Chancellor,**

In remembering Sokoine today, I have chosen to speak on the subject of agriculture, not because I am an expert on the subject, but because I feel that it is important to remind each other as often as possible, on the centrality of Agricultural Sector in the development of our people

and our Country. Likewise, on the enormous responsibilities that lie ahead of the University, as the only Agricultural University in the Country, that is required in leading the way in agricultural development in our Country.

We have since Independence preached the slogan 'Kilimo ni Uti wa Mgongo wa Taifa Letu' (Agriculture is the Backbone of our Nation). I have no problem with this slogan at all. This slogan is very good and even pertinent today than ever before. My problem and the problem of many Tanzanians is that this slogan has remained speech making (rhetoric) without demonstrating it practically by all Stakeholders including Institutions like SUA or many others. This is a challenge, a serious challenge we must all face and address.

**Mr. Chancellor,**

I intend therefore, to take stock of the current situation of agriculture in our Country, challenges that we face, and the role that an Institution such as SUA should play in supporting the revolution of the Agricultural Sector. It is only, through this way we will be able to move away from 'talk the talk' and engage into 'walk the talk'. The theme for today's discussions is therefore "Agricultural Development in Tanzania : Which Way Forward for Sokoine University of Agriculture".

#### **ROLE OF AGRICULTURE IN TANZANIA'S ECONOMY**

**Mr. Chancellor,**

Agriculture in Tanzania plays an important role in the overall development of the economy and the livelihood of its people. It provides livelihood to more than 70 percent of the population. The Agriculture Sector is the main pillar to Food Security at the household levels and National levels especially in the rural areas. In 2007, the Sector contributed 25.8 percent towards the Country's Gross Domestic Product and provided strong inter-sectoral linkages with non-farm sectors, both forward and backward linkages. During the year 2007/08 farming season, the Sector managed to produce 10.78 million Tones of food. The National Estimated Food demand for the year 2008/2009 is about 10.34 million tones, leading to food self-sufficiency of about 104 percent in the Country.

#### **FAVOURABLE FACTORS FOR AGRICULTURE**

**Mr. Chancellor,**

Tanzania is well blessed with enough fertile arable land, good climatic conditions, plenty of water sources (lakes, rivers, seas, wells, springs etc) all across the Country from North to South and East to West. There are other parts of Tanzania like Morogoro Region that get rains twice a year. Morogoro has over 143 perennial Rivers, large potential arable land. There are several other Regions with the same or more characteristics. Therefore, I am convinced that Tanzania with its 44 million Hectares of arable land could be a major food-exporting Country if all these opportunities were efficiently and effectively exploited. But so far, still Tanzania's agricultural potential is largely undeveloped.

At present, only 24 percent out of about 44 million Hectares of the total land area suitable for Agriculture is under cultivation and mainly by Smallholder Farmers. The planted area has been stable for several years in spite of the growing population indicating that land expansion has ceased to be a major source of Agricultural growth. Furthermore, out of 29.4 million hectares with irrigation potential, only 290,000 hectares which is about 1 per cent is currently under irrigation.

#### **AGRICULTURAL INPUTS AND IMPLEMENTS**

**Mr. Chancellor,**

Several factors have contributed to the modest performance of the Agricultural Sector in Tanzania. One of the major reasons has been the reliance on hand hoe and the low level of mechanization for most of the agricultural operations. It is unbelievable and disturbing to know that at the 21st Century, in Tanzania, about 70 percent of the Farmers still use hand hoe for their cultivations, 20 percent use ox - ploughs and only 10 percent use tractors. This is happening in the world that is characterized by unprecedented innovations, sophisticated technology, science and information communication technology.

**Mr. Chancellor,**

The usage of modern agricultural inputs is also very low. Data for 2005/2006 season indicates that only 15 per cent of all farmers used fertilizers in Tanzania . The low use of inputs has rendered the Country to record low crop productivity. On average maize production is about 1.2 Tones per Hectare. This figure is far below the yield of 3.5 - 4.0 Tones per hectare expected under good management.

The recent reintroduction of fertilizer subsidy has yet to show its effect. At the same time, profitability analysis reveals thin gross margins for traditional maize and paddy rice because of the continued use of local unimproved seeds, which respond poorly to fertilizers. Thus, the fertilizer subsidy alone will not help to increase the productivity of smallholder farmers using local unimproved seed varieties. Improving crop profitability requires a comprehensive approach involving a combined use of extension services, farm mechanisation, fertilizers, improved seeds and an effective market system.

At present, the Ministry of Agriculture, Food and Co-operatives and the Agriculture Council of Tanzania (ACT) are establishing the Tanzania Agriculture Input Partnership (TAIP) which is to assist farmers to access affordable Agricultural Inputs, to increase their farm productivity and incomes. For success of TAIP, bold policies and strong political commitments are required to provide farmers with access to affordable Farm Inputs as well as good stable prices for their marketed surpluses.

#### **CROPS DIVERSIFICATION**

**Mr. Chancellor,**

Much of the Sector's recent growth has been due to production diversification at the farm levels. Traditional food crops such as maize, rice, sorghum and millet now occupy only 50 per cent of total planted areas, while non-traditional export crops such as oilseeds, pulses, vegetables, roots and tubers have increased their shares. To sustain and expand production diversification at the farm level, yields of food crops need to increase to meet the rising domestic, regional and global demands.

**Mr. Chancellor,**

However, while food crops are important for food security, they are still mainly produced for subsistence and the incentives to produce them for the market are not in place. Tanzania faces the problem of inefficient food markets within the Country. Field evidence reveals that Regions with a surplus such as Rukwa, Mbeya, Kigoma, Ruvuma, Manyara, etc. prefer to export their produce to the Neighbouring Countries because of the poor state of transport infrastructure within Tanzania, undeveloped Market Information Systems regarding prices and needs of other Regions. Furthermore, Tanzania's agro-food industry is very small and not able to meet local demands.

#### **FISH INDUSTRY**

**Mr. Chancellor, Ladies and Gentlemen,**

As you might have heard, Tanzania's most important non-traditional agricultural exports are fish and fish products. Available statistics indicate that in 2006, fish and fish products earned the country 138.6 million USD which is half as much as all traditional agricultural exports. Nile Perch from Lake Victoria constitute about 80 per cent of Tanzania's total fish exports. The sea-fishing potential of Tanzania is still largely unexploited, due to shortage of modern fishing equipments. Modern fishery industries could have a major value addition to this Sector. Another challenge facing the fishery Sector is the problem of dynamite fishing and overfishing in deep Seas mainly undertaken by foreign large vessels. The Government has already started to undertake measures to address these challenges. The Ministry of Livestock Development and Fisheries has undertaken various measures to control overfishing by foreign large vessels such as;

- Cancellation of all licences in deep Sea Fishing.
- New licencing procedure have been adopted and all vessels are required to re-register and get a new licence.
- All large vessels are not allowed to encor through any other Port other than the Port of Dar-es-Salaam.

Despite these efforts, the fish industry also faces the challenge of having to comply with quality and sanitary standards imposed by importing Countries. Our expectation is that the newly established Ministry will continue to address this and related challenges.

#### **LIVESTOCKS**

**Mr. Chancellor,**

In the SADC Region, Tanzania is the leading Country having large number of livestock units followed by South Africa, Zimbabwe Namibia and Angola. Tanzania has about 18.8 million herds of cattle and is the third largest in Africa, after Ethiopia which has 30 million and Sudan 31 million and yet the livestock Sub-sector contributes only about 4.7 percent to GDP. In 2007, its share in total exports was very small - less than 1 percent.

Most of our Livestock Keepers have not benefited very much from their animals. We have not been able to add value to our animals. The Sub-sector is being faced with challenges of providing our livestock keepers with adequate extension services and value addition facilities that will enable them benefit from their livestock, i.e. establishment of livestock processing industries, better animal husbandry in Ranches and ensure availability of drugs and veterinary facilities, and better pastures.

#### **NATIONAL DEVELOPMENT STRATEGIES**

**Mr. Chancellor,**

The National Strategy for Growth and Reduction of Poverty (NSGRP) commonly known as MKUKUTA in its Kiswahili acronym has identified poverty as largely a rural phenomenon, and that the poor are concentrated in subsistence farming. The strategy has therefore singled out Agriculture as one of the priority Sectors for achieving poverty reduction and economic growth objectives. But the Agricultural Sector growth of 4 percent has been very low, thus unable to contribute significantly to the reduction of poverty of the rural poor. It is imperative therefore that, agriculture must grow much faster if rural poverty reduction is to become a reality in Tanzania.

**Mr. Chancellor,**

In order to reinvigorate Agricultural Sector, the Government in collaboration with Development Partners have formulated and started the implementation of the MKUKUTA objectives through the Agricultural Sector Development Strategy (ASDS) and Agricultural Sector Development Programme (ASDP). The Strategy aims at improving Agricultural Productivity and profitability in order to raise farm incomes to reduce rural poverty and achieve greater Food Security. The ASDS have identified 5 strategic interventions:

- i. Strengthening the Agricultural Institutional Framework;
- ii. Creating a Favourable Environment for Commercial Sector Investment;
- iii. Clarifying Public and Private Sector roles in improving Agriculture Support Service;
- iv. Strengthening Marketing Efficiency of Agriculture inputs and Out puts; and
- v. Mainstreaming Planning for Agriculture Development in other Sectors.

#### **AGRICULTURAL BUDGET**

**Mr. Chancellor,**

With the implementation of MKUKUTA the share of agriculture in the total Government Budget has increased considerably from 5.8 percent to 6.4 percent in 2005/2006 and 2008/2009 respectively. Overall, the Sector Budget allocations has increased from Tshs. 76.5 billion equivalent to US\$ 62.4 million in 2003/2004 to Tshs.460.0 billion equivalent to US\$ 365.5 million in 2008/2009.

Despite these positive developments in the Agricultural Sector, the Government is still working hard to increase the levels of expenditure to about 10 to 15 percent of the total Government Budget. This level is in line with the Comprehensive Africa Agriculture Development Programme (CADP) goals of spending at least 10 percent of the Budget on agriculture.

**Mr. Chancellor,**

Agriculture is not only about food but a lucrative business that positively contributes to the economic growth, achievement of sustainable development and eradication of poverty. This is not a far-fetched dream. We are now witnessing Countries such as India, Malaysia, Indonesia, Vietnam, China and others in Asia that have experienced the Green Revolution, and are now net food exporters and their economies are now growing at a tremendous speed. The Asian Green Revolution has been characterized as:

- being small farmer-led;
- market-led but with Government-mediation through regulations;
- subsidies, supportive taxation policies (e.g. recognition that export levy is disincentive), and enabling environment for business to operate effectively; and
- sustained long-term investment in education and rural infrastructure, including roads, irrigation and electrification.

After food self-sufficiency had been attained, Asian Countries have continued to support their Processors; Traders; and Research and Development Programmes in order to secure targeted export markets.

Based on the Asian experience of the Green Revolution, the Government is transforming our agriculture, by enhancing the following broad strategies:

***(i) Sustained Long Term Strategic Investment in Agriculture***

Agricultural growth requires a focused, sustained, long term series of actions which will have a cumulative impact over time. Previous expenditure on the Sector has been mainly for short term consumptive purposes with few sustainable results. It will therefore be important to make long term strategic investment plans in the Sector on the understanding that the benefits will be realized several years later.

***(ii) Improving Farmers' Access to Technologies and Support Services***

To improve the productivity and profitability of small holder agriculture, farmers will need to have better access to appropriate technologies, support services like research, extension, credit, inputs supply, markets, as well as infrastructure like rural roads and small

scale irrigation schemes. It will be necessary to intensify support to Farmers in terms of enhancing their access and effective utilization of these services, including establishing disease-free zones to facilitate livestock marketing. This will entail taking short and medium term measures through Local Government Authorities and with the support of NGOs, CBOs, Donors and Private Service Providers.

(iii) Attracting Private Sector Investment into Agriculture

Agriculture is essentially a Private Sector activity, indeed Smallholder Farmers are private actors. However, small scale Farmers alone can not in my view transform the Sector without the participation of (commercial) large scale producers and other Private Sector Operators, including various service providers, traders, transporters, processors etc. In addition, to ensure national food self sufficiency and increased export earnings, it will be necessary to encourage large and medium scale producers. The Government will continue with its efforts of creating a conducive environment for the Private Sector to invest into the Agricultural Sector.

(iv) Facilitating the Emergence of Medium Scale Farmers

While the bulk of agricultural production will continue to be through Smallholder Farmers for the foreseeable future, transformation of the Sector will entail creating a cadre of Medium Scale Farmers as envisaged in Vision 2025. Such a cadre will not only contribute to the modernization of the Sector, but will also act as models for Small Scale Farmers to emulate hence contributing to the transformation from subsistence to commercial farming. Special effort will therefore need to be made by the Government to facilitate the emergence of Medium- Scale Farmers. These strategies will need to be implemented in tandem with a high degree of coordination and collaboration amongst all the key stakeholders.

Mr. Chancellor,

The Government has taken various steps to encourage Private Sector

participation in all Sectors of the economy. However, the involvement of the Private Sector in the Agriculture Sector is still very low. Still remains some challenges to both the Government and the Private Sector. On the part of the Government we need to design innovative policies and strategies that will encourage more involvement of medium and large scale Private Sector in the Agriculture Sector. The Private Sector also need to be encouraged to accept the concept of contract farming. This will form strategic alliance and partnership with individual Farmers or groups. I understand that despite the huge land available for arable farming there is still a fear on the part of most Government Leaders and especially to Local Government Authorities to allow joint venture between Small Holder Farmers and Large or Medium Private Sector in the Agriculture Sector. I would appreciate to get advise from SUA Academicians on what incentives should the Government put in place in order to encourage Medium and Large Scale Farmers in the Agriculture Sector. We will also appreciate getting better global practice and experience from other Countries such as East Asian Countries, as well as some of African Countries, e.g. Namibia . Farmers also need to be helped to form strong groups and enter into good contracts with the would be Private Sector Investors in the Agriculture Sector.

#### INITIATIVES OF THE GOVERNMENT TO DEVELOP AGRICULTURE

Mr. Chancellor;

The fact that our Agriculture is still backward is not for lack of efforts. Overtime, various Agricultural Policies, Strategies and Programmes have been implemented. Agriculture has featured prominently in the Ruling Party's Policies and other Development Initiatives. For example:

(a) The 1967 Arusha Declaration which for a long time provided the strategic direction of our socio-economic development mentioned that

"Maendeleo yataletwa na Kilimo....na kwa sababu nia kubwa ya maendeleo ni



kupata chakula zaidi na fedha zaidi kwa ajili ya kujipatia mahitaji yetu mengine, ndiyo kusema kuwa jitihada ya kuongeza mazao ni jitihada, na kwa kweli jitihada peke yake, ambayo italeta maendeleo, yaani chakula zaidi na fedha zaidi kwa kila mwananchi";

(b) The 1972 SIASA NI KILIMO Declaration by TANU emphasized on the importance of agriculture, and the need for the people to increase their efforts and competitiveness in agriculture so as to bring about agricultural revolution;

(c) Likewise in 1981, CCM in recognizing that agriculture is the backbone of our economy directed that "...usimamizi thabiti na makini wa Chama cha Mapinduzi uelekezwe zaidi katika sekta hii ya uchumi wa Taifa. Kazi iliyo mbele yetu ni kuleta mapinduzi katika kilimo".

(d) CCM in its various Election Manifestos has always provided the strategic guidance on what needs to be done in the Agriculture Sector. In its broad Ten Year Policy of 2000 - 2010, CCM has proposed that strategies in agriculture should aim at:

- . enabling farmers to increase their crop yields in line with the existing potential of each crop;
- . enabling farmers to expand their acreage; and
- . encouraging the emergence of Medium and Large Scale Farmers.

Mr. Chancellor;

Over the years the Government in collaboration with Donors has also taken various initiatives in the form of Programmes and Projects aimed at improving the performance of the Agricultural Sector. Many of these initiatives were targeted at the Smallholder Farmers, while at the same time the Government got directly involved in the provision of various services to Farmers and in production, processing and marketing. Some of you will remember the various Campaigns that were undertaken under the slogans "Siasa ni Kilimo", "Chakula ni Uhai", "Kilimo cha Kufa na Kupona", all aimed at improving Smallholder Agriculture through better farm management practices

and the use of improved technologies. Emphasis was placed on expanding and improving the delivery of services to the Agricultural Sector. Following economic liberalization and the shift away from State involvement in economic activities, many of these initiatives have now shifted to the Local Government Authorities, NGOs, CBOs and other Private Actors.

Mr. Chancellor;

Herein lies the challenge for all of us, but I would suggest, for the SUA Academic Community in particular. For being the Highest Institution of Agricultural Learning in the Country, our Society looks to you for guidance and for solutions to many problems facing the Agricultural Sector. One of the problem which we have to address through modernisation of Agriculture is food self sufficiency.

Mr. Chancellor,

The era of cheap food is over! The World has witnessed an unprecedented increase in food, grain and commodity prices on international markets, and prices are expected to remain high for the foreseeable future. In April 2008, for example, the World recorded the highest prices of major commodities in 10 years. In the first quarter of 2008, wheat and maize prices increased by 130 and 30 percent, respectively over price of 2007 figures.

For the World's poorest people, high food prices can be devastating. Food can account for as much as 60 to 80 per cent of a poor person's daily expenses. Today, the World is paying the price for its complacency over the past 20 years, when food was relatively plentiful and cheap. The need for continuing investment in Agriculture lost its urgency and, consequently, development aid for Agriculture dropped from 18 per cent of all aid in 1979, to just 2.9 per cent in 2006. The higher cost of food is threatening to set

back poverty reduction efforts we have been implementing. Food production is not increasing at the rates required to feed the growing populations. A growing number of Countries are experiencing serious food shortage, wide-spread of hunger and malnutrition. Food prices have sourced far beyond the reach of ordinary people in both Urban and Rural Areas. Worse still more people are being thrown into dire poverty and misery. In other words, the "Vicious Circle of Poverty" is widening and entrapping more people. Many are not able to benefit from higher prices because they cannot afford the necessary Agricultural Inputs to increase productivity. Often they lack access to markets because roads are poor or transportation is too expensive. Higher food prices do not always filter down to the farm-gate, where poor Farmers are often forced to sell their produce. In addition, many poor Farmers are net buyers of food.

#### ROLE OF WOMEN IN AGRICULTURE

Mr. Chancellor,

The impact of higher food prices on Women is particularly profound. Women play key roles in Agricultural Societies. In parts of sub-Saharan Africa , Women contribute about 80 per cent of the total food production. Their contribution is about 65 per cent in Asia and 45 per cent in Latin America . In Rural Communities, in particular, Women play a central role in ensuring food security; when Women have access to income they tend to spend a high percentage on food for the family, while men tend to spend more on themselves. When there is less money for food, Women go hungry. The challenge is on how to enable them use their land more productively.

Mr. Chancellor,

With the right investments, policies and Development Programmes in place, poor rural people have huge potential to increase food production and benefit from higher prices, improving their lives and contributing to greater food security.

The Government has put in place initiative measures since 2006 to avert the

unending food crisis and to enhance Agricultural Productivity. Many of these initiatives are targeted at the Smallholder Farmers that includes Research in Agriculture, Technology and Building the Capacity of Rural Farmers to absorb new technologies, developing Small Agriculture and food processing factories, encouraging Private Large Scale Farms, and access to information and communication technology to farmers. These also, include streamlining and simplifying the regulatory environment, improving the functioning of the legal system and addressing human resource constraints. Other ongoing support services to the Agricultural Sector include provision of subsidies to the main cereal producing Regions, increased funding for Agricultural Extension Services, and the strengthening and rationalization of the Export Credit Guarantee Scheme.

Mr. Chancellor,

Experience shows that helping Smallholder Farmers can contribute to a Country's economic growth and food security. For example, Vietnam has gone from being a food-deficit Country to a major food exporter, and it is now the second largest rice exporter in the World. This was achieved largely as a result of the development of Vietnam 's Smallholder Farming Sector. Last year, poverty fell to below 15 per cent, compared with 58 per cent in 1979. Seventy-three per cent of Vietnam 's population live in rural areas and Agriculture is their main source of income.

Smallholder Farmers can contribute to a greater food supply for the World in response to today's shortages. But first, they need secure access to land and water, and to rural financial services to pay for inputs. They also need roads and transportation to get their products to market, and technology to receive and share the latest market information, so they can get the best prices when they sell. And they need stronger organizations so they can have greater bargaining power in the marketplace and can influence National, Regional and Global policies related to Agriculture. Above all,

they need the World, and their Governments, to make long-term commitments to Agriculture, backed-up by greater investment in Agriculture.

#### CHALLENGES FACING THE GOVERNMENT

Mr. Chancellor,

The Government has faced, and continues to face many challenges in its efforts to develop Agriculture and to rescue our people out of poverty. Some of these challenges have no easy solutions. But the Government and our people expect this University to be a pioneer in making our Agriculture a thriving industry. Let me give a few examples:

(a)                    A Fundamental Dilemma of Balancing the Need for Increase on Food Commodities Prices and Low Food Prices

While we want high prices for food commodities in order to stimulate increased Agricultural Production, we at the same time want to ensure that food prices at the markets are low to enable poor people have access to food. We must therefore device policies that ensure there is a fit between the two extreme scenarios. A well researched information/advice will be needed from the University.

(b)                    Genetically Modified Organisms (GMOs)

We are informed that Researchers in Developed Countries have created crop varieties, through genetic engineering, that are higher yielding, resistant to pest attack and more tolerant to drought. Such varieties, we are told, are the answer to Africa 's perennial food shortages. At the same time concern has been raised about the safety and the long-term effects of such

varieties to our environment. Others have raised concern about the loss of our seed sovereignty, citing the use of so-called terminator genes in some varieties that prevent the germination of seed that is replanted. Ethical questions have been raised with regard to genetically modifying what God has created! We as a country are told of the huge potential of GMOs to feed our people, but doubts still linger. We need to make rational and informed choices, and where else to get well-researched advices than this University?

### (c) Agricultural Subsidies

The need for Agricultural Subsidy has been demonstrated in many Countries and in many situations. We know, for example, that the European Union spends substantial amount of money per year to subsidise European Farmers. In Tanzania , starting in 2003, the Government introduced fertilizer transport subsidy for selected Regions in the Country, and has gradually expanded the programme to cover more Regions and more commodities. This year we have introduced the Voucher System to Subsidise Farmers instead of Subsidising the Transporter. The Government expects to use 31.5 Billion Shillings as Agricultural Input Subsidy. The target is to distribute 2,350,000 Vouchers to Farmers. Currently a total of 891,800 Vouchers have been received by the Ministry of Agriculture, Food Security and Marketing from suppliers. Actual distribution to Farmers todate is 478,000 Vouchers for both fertilizer and seed subsidy

Yet, there is hardly any other issue that has attracted such passionate debates internationally, especially in the WTO discussions, and nationally, between Donors and the Government than the issue of Subsidies. Some of the questions being debated include:

- . Who deserves to be subsidized?
- . What is the most efficient way of targeting Subsidy?
- . How do we subsidise without distorting the market?

. What should be the source of funds to subsidise Agriculture?

The Government has made a commitment to relieve our Farmers of the high cost of Inputs so that they can realize a decent income from agricultural activities, but this needs to be well justified from an economic point of view.

Furthermore, such Subsidy needs to be properly implemented so as to show tangible results. We need ideas on how to go about perfecting this system.

(d) Private Sector Participation in Agriculture

Following the economic liberalization, the Government has withdrawn from direct participation in agricultural production, marketing and processing, and has instead, focused on providing the necessary Policy and Legal Framework to facilitate stronger Private Sector Participation. The Government has also continued to support Agriculture through the provision of research, training and extension services, for which the Government also expects increased Private Sector Participation.

There is pressure for the Government to play only a minimal role in the Sector on the understanding that Agriculture is primarily a Private Sector activity, and that Farmers, even Small Scale Farmers, are indeed Private Sector Operators. But one wonders whether at this stage of their development, our Small Scale Farmers can afford to rely entirely on the forces of supply and demand for the development of their Agriculture.

I believe there is something to be said on the role of the Government in mediating between the Farmers and the forces of the market. However, we need to properly clarify and delineate the roles to be played by the Government in supporting agricultural development, and those that should be played by the Private Sector, and how Government can support the Private

Sector to play its role effectively.

Mr. Chancellor,

The most often-talked about role of the Private Sector is in the area of agro-processing and value addition, so that we can reduce post-harvest losses, our agricultural products can penetrate the Export Market and our Farmers can get higher prices. We are told for example, out of 2.75 million tones of fruits and vegetable produced annually, only 4 percent is processed. Close to 50 percent goes into the fresh market at throw away prices, while about 40 percent goes to waste for lack of post-harvest storage and processing facilities. Obviously, such a situation discourages Farmers from increasing production.

This University can play its role by collaborating with Private Sector operators to develop small and medium scale agro-processing technologies that can be installed in various places in the Country to absorb the various commodities that are produced in the different localities. I believe that, given our stage of agricultural development, it would make more sense to rely on small and medium scale agro-processing facilities located at the different points of production, rather than on large-scale processing facilities that would require long distance transportation of produce to central locations.

This will also help to reduce cost for packaging, sorting, standards and needs for cold storage facilities.

(e) Climate Change

Climate Change brings with it huge challenges to Agriculture. The adverse effects of Climate Change are now evident almost everywhere in the World. But for our Country Climate Change is particularly worrying. We know that



globally, almost one-third of the emissions of green house gases originate from Agriculture. We also know that as temperatures rise, water for agricultural purposes will become a major constraint. To make matters worse our Farmers are the least able to mitigate the adverse effects of Climate Change.

Mr. Chancellor,

Climate Change poses a real threat to the very survival of our Small Scale Farmers and it behoves this University to focus its intellectual energies on this phenomenon, and to advice the Government on appropriate short-term and long-term measures that ought to be taken so as to minimize the adverse impact of Climate Change on our Agriculture.

(f) Bio-Fuels

Mr. Chancellor,

Today Bio-Fuels have a high place on the Global Agenda, largely due to rising concerns about National Energy Security, higher energy prices and increased concern about Global Climate Change.

The idea of using Bio-Fuel is in itself not new, but what is new is the stride in technology development which has facilitated greater access to Bio-Fuels such as ethanol, Bio-Diesel and biogas.

The trends in Bio-Fuel production are startling. Global ethanol fuel production, which accounts for 90 percent of the total Bio-Fuel production, more than doubled between 2000 and 2005. In contrast, global oil production increased by only 7 percent in the same period. Brazil , the pioneer in ethanol production since 1970s, was surpassed in 2005 by the United States as the largest ethanol producer. The European Union is the largest producer and consumer of Bio-Diesel and continues to set very ambitious targets for

itself.

A study by the International Energy Agency assessed the impact of Bio-Fuel production on cropland if the US and EU expand their production according to the current plans, and the figures are frighteningly high. They show that up to 43 percent of cropland would be needed for Bio-Fuel production. A blending target of 15 percent of transport fuel by Bio-Fuel (a goal that is aimed for in a number of countries) would mean that, for instance in Japan , 300 percent of the Country's actual cropland will be needed to suffice needs. This implies that most of the new production will be done outside Developed Countries most likely in Countries such as ours.

Mr. Chancellor,

Let me remind you that without China , the absolute number of the hungry has increased in the last decade from 823 to 830 million. Nutritional problems related to lack of healthy food have remained severe. Figures given by WHO in 2005 indicate that early childhood under-nutrition contributes 50 percent of the 11 million child deaths per annum.

So when food becomes energy, one wonders what will happen to poor and food deficit Countries like Tanzania . Certainly, expanding Bio-Fuel production needs to take into account the realities of our Agriculture. Today's circumstances of crowded, food insecure and an energy hungry World, provoke contentious questions around Bio-Fuel including the following:

- . Where are the opportunities for Bio-Fuel production and for whom?
- . What are the associated risks and challenges?
- . How can the opportunities be tapped while addressing risks and challenges?
- . What kind of institutional setup is needed to balance between food

and energy production?

. What kind of policy frameworks need to be in place to guide ventures into Bio-Fuels?

. What about the traditional food systems and Smallholder Farmers?

These are some of the contentious questions that the Government expects to be provided with well informed answers from this University so as to come up with sound policies that will help to exploit the opportunities presented by the demand for Bio-Fuels, without compromising our future.

#### FOCUS OF THE UNIVERSITY TRAINING

Mr. Chancellor,

In conclusion, let me remind you of your noble mission as enshrined in the instruments establishing this University, that of Promoting Development through Training, Research and the Provision of Service to the Public and Private Sector. As you look to the future of Agriculture and the role that SUA should play, I would like to suggest that you consider the following possibilities.

1. The University Training Programmes must aim at producing Graduates who can make direct and practical contributions to the development of the Agricultural Sector in their various capacities.

2. In other words, the University should aim at producing Graduates with the correct knowledge, practical skills, entrepreneurial spirit and aspirations, who can be directly involved in production, marketing, processing or in any other activities in the whole Agricultural value chain.

3. The training should target at changing the mindset of our Graduates that agriculture is for the rural poor people and the least educated. If we have to make a breakthrough in Agriculture, we must regard

it as a worthy profession.

4. I would also suggest that you tune your Research and Development activities to solving the practical challenges that our Farmers and the Country face in modernising the Agricultural Sector. I recognise the necessity, sometime, of responding to Donor interests, but I do believe also that as a University you have a well-articulated and justified Research Agenda that Donors are willing to support. I would therefore strongly urge SUA to critically look at the challenges facing the Sector in the whole value chain, and develop a Research Agenda which you can then use to solicit support from various Public and Private Organizations. My suggestion here is for SUA to be proactive rather than to always wait for research calls from Organizations that have already set the Research Agenda.

Mr. Chancellor,

In providing advisory service to the Public and Private Sector, I would like to encourage the SUA Academic Community to create thematic think-tanks that will spearhead Public Debates and influence Policy decisions on various issues in the Agricultural Sector. I would like to hear a stronger voice coming from SUA in debating and deciding on crucial issues touching on the Agricultural Sector. As you are undoubtedly aware, the Government is always ready to listen to advice before making any decision, but it is upon SUA to add its voice to that of other Stakeholders in the area of Agriculture.

#### CONCLUSION

Mr. Chancellor,

Distinguished Participants,

Invited Guests,

Dear Scholars,

Ladies and Gentlemen,

Let me end by again reminding ourselves of the huge responsibility that SUA

has, by quoting the retired President Benjamin William Mkapa, who, on a similar occasion, observed that the Report of the Africa Commission of which

he was a member, had noted that "Qualified professional staff are essential

to all forms of development.... They are crucial for collecting and managing data and debating and developing good policies based on evidence of

what works and what doesn't. They are essential to implementing those policies and to monitoring how they are put into practice".

Without effectively developing such a cadre of professionals we can not expect to achieve significant development. It is my sincere hope that you

are fully conscious of what is expected of you by our Society, and that being so aware, you will continue to strive for a more effective contribution to the development of the Agricultural Sector.

As a Prime Minister - the Leader of Government business I challenge you to

come forth with proposals on how to develop the Agricultural Sector, of the

21st Century. Let's form a Joint Technical Team with my experts in the Government which will work out the 'modus operandi' on how to improve the

Agricultural Sector for the good of this Country. I promise you my full support and that of my Government in this endeavour.

I thank you all for your kind attention.