

# Tanzanian Soybean Auction Signals Boom: More Investment Needed to Unleash Full Potential



On June 20, 2024, the Ruvuma Region within Tanzania's Southern Agricultural Growth Corridor (SAGCOT) celebrated a record-breaking soybean auction. Facilitated by the Warehouse Receipts Board through the Tanzania Mercantile Exchange (TMX) and cooperatives, this auction saw 451,367 kilograms of soybeans traded at impressive prices ranging from TZS 1,310 to TZS 1,430 per kilogram.

SAGCOT CEO Geoffrey Kirenga expressed his enthusiasm, stating, "We are thrilled with the auction's outcomes. They exemplify the immense potential of Tanzania's agricultural sector when fortified by robust systems and transparent practices."

**Fair Trade and Increased Market Access for Farmers:** This remarkable success not only highlights the effectiveness of the warehouse receipt system in promoting fair trade and empowering farmers with better market access but also underscores the surging demand for high-quality soybeans.

**Government Support and Sustainable Production:** Recognizing soybean's pivotal role in food security and livestock feed, the Tanzanian government actively champions its cultivation. In collaboration with the International Institute of Tropical Agriculture (IITA), ASPIRES, and the World Food Programme's Farm to Market Alliance (WFP-FtMA), SAGCOT leads the Tanzania Sustainable Soybean Initiative (TSSI), funded by the Royal Norwegian Embassy (RNE), with substantial results in improving the potential for sustainable soybean production in Tanzania.

The TSSI initiative established 137 soybean demonstration plots and 45 model plots across 19 districts during the 2023/2024 season, further solidifying the nation's commitment to sustainable agriculture.

The demo plots have showcased various technologies applicable to soybeans including the use of quality soybean seeds and soybean inoculants. TSSI, through the International Institute of Tropical Agriculture (IITA), has partnered with TOSCI, TARI, and SANGE Agro to ensure the availability of market-ready, high-quality soybean seeds. This collaboration bridges the gap between research, farmers, and markets, supporting the Hand in Hand Initiative (HiHi) implemented by the Ministry of Agriculture. The

HiHi focuses on climate-smart investments in soybeans, wheat, and sunflowers, particularly on soybean seed multiplication, extension services, and processing facilities.

The initiative was presented to stakeholders in Rome, Italy, during the 2023 World Food Forum. The Permanent Secretary of the Ministry of Agriculture, Mr. Gerald Mweli, called for an investment of approximately \$7,372,797.97 to revamp the sector, with about \$2,677,208.23 needed specifically for seed multiplication to develop the necessary physical and soft infrastructure.

### **Bright Future for Tanzanian Soybean Farming: Increasing Production and Government Support Drive Growth**

Tanzania's soybean production is rising, spurred by growing demand for human consumption, animal feed, and industrial uses. While domestic production is insufficient to meet the nation's needs, significant strides are being made to close this gap.

Recognizing the importance of soybeans for food security and economic development, the Tanzanian government has prioritized increasing soybean self-sufficiency. The 2024/2025 agricultural budget emphasizes boosting local production, establishing processing facilities, and enhancing food security and nutrition. These efforts aim to reduce import dependency and stimulate the rural economy.

While challenges remain, including the need for continued investment in infrastructure and farmer support, the future of soybean farming in Tanzania is promising. With concerted efforts from the government, initiatives like TSSI, and the growing demand for soybeans, the sector is poised for significant growth. It offers the potential for increased farmer incomes, improved livelihoods, and greater economic prosperity for the nation.