



SAGCOT Strategic Partnership: Soya Value Chain Partnership

Overview

There is significant potential to expand the production of soya for animal feed, oil extraction and as a nutritious food in Tanzania. The majority of the demand for animal feed protein is currently being met by imports of soya beans and Soya meal and “*dagaa*” fish. Despite the Government of Tanzania having identified soya production as a key priority for the country’s agricultural development, presently, domestic production of soybeans remains limited. The Southern Highlands region is home to the majority of the country’s soya cultivation, with Ludewa Cluster (Ruvuma Region) taking the lead and the Ihemi Cluster as a particular focus for smallholder production. Smallholder yields are often low, due to acidic soils, minimal use of fertilisers, limited availability of quality seeds and poor crop management.

Building a strong value chain is critical to boosting production. The soya value chain can incorporate a wide range of actors, from smallholders to large-scale producers, brokers and agents, processors, retailers and consumers. SAGCOT is working with a range of partners, to build an interlinked value chain in maize, soya and animal feed. The Soya Partnership will develop linkages along the value chain and tackle some of the obstacles to the growth of the sector, such as seed availability, regulation and production methods.

The Southern Agricultural Growth Corridor of Tanzania (SAGCOT)

is a public-private partnership that seeks to catalyse responsible agribusiness investments in the country’s southern corridor. The SAGCOT Centre Ltd serves as a partnership broker and information hub among SAGCOT partners to facilitate socially inclusive and environmentally sustainable value chain investments. Each year, several strategic partnerships emerge that SAGCOT actively promotes and facilitates due to their high impact and potential for expansion.

What makes the Soya Partnership a Strategic Partnership?

- **Improves livelihoods and supports food security.** The Soya Partnership enables smallholder farmers to increase their incomes by boosting productivity and accessing markets. It also supports Tanzania’s food security by reducing reliance on imports and supporting the growth of the livestock sector.
- **Seeks end-to-end value chain solutions.** The Soya Partnership works with partners from across the value chain – from smallholder farmers to processors to retailers – to build strong linkages and address gaps.
- **Convenes partners.** A range of partners are working together to build the Soya Partnership.
- **Broad impact.** An estimated 6,500 smallholder farmers will continue benefiting from the initiative.
- **Demonstrates positive environmental impact.** The Soya Partnership works closely with smallholder farmers to improve soil management techniques, to ensure the sustainability of production.



Inclusive and Sustainable Impact

The Soya Partnership has cumulatively engaged about 6,500 smallholder farmers, with CDI alone engaging 2,900 in production and marketing of soybeans through the Hub Farmer Platforms (HFP), reaching out to AMCOS and VICOBA with catalytic financing to increase access to Seed in Kilolo, Iringa and Mafinga, enabling them to improve productivity and increase income.

Additionally, there is an increased demand for soybeans from both the feed manufacturers in Tanzania and international buyers for non-gmo soybeans. As a result, there is a lot of interest in promoting the crop to increase the production in the Southern Highlands. In order to develop a sustainable soybean chain in Tanzania, the Soya partnership will promote in-country utilization as an essential input in ensuring reliable market access to the farmers.

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Key Stakeholders in the Soya Partnership

- Bill, Hillary and Chelsea Foundation.
- SeedCo
- Silverlands
- TOSCI
- Iringa, Njombe and Ruvuma RS and LGAs
- Farm AG International
- Dar Lyon Investment
- CARE International
- TARI-Uyole
- IITA
- TRA
- Ministry of Agriculture
- EAGC
- International TANFEEDS
- TAFMA

Challenges and Next Steps

In order to establish a fully functional soya value chain, SAGCOT and the Soya Partnership are working to overcome a number of challenges currently facing the sector. For example, the level of availability of soya seeds for the industry is limited, and the seed registration process can be slow. To overcome this, the Soya Partnership will bring together sector stakeholders to identify seed suppliers and distributors in the region. This will enable a more efficient monitoring of availability and distribution networks.

There have also been delays in the uptake of soya production, with farmers sometimes reluctant to grow the crop due to lack of seed and market linkages. Soya can also be relatively unprofitable in the first year, meaning that smallholders need access to affordable financing. To address this, SCL is building a consortium of partners to actively promote soya farming in the region to actors across the value chain. The consortium will also prepare guidelines and procedures to support the rollout of soya farming, and will identify and address any gaps in the value chain. To increase smallholders' access to financing, SCL is also working with financial sector stakeholders to identify innovative financing mechanisms.