



**Newsletter  
Jan-June 2020**



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# SAGCOT Inclusive Green Growth guiding toolkit launched

- The SAGCOT Green Reference Group in consultation with the government of Tanzania and private sector companies have published an Inclusive Green Growth (IGG) guiding tool to ensure agro-investments under SAGCOT Partnership are socially inclusive and environmentally friendly. The target audience for this tool include small, medium and large-scale processors and producers.
- Speaking after launching the toolkit, the Deputy PS Vice President's Office, Amb. Joseph Sokoine said the IGG toolkit aims to integrate economic growth, environmental sustainability and social inclusiveness in executing commercial enterprises and it is the central operating principle of investments in the SAGCOT region.
- The Green Reference Group is comprised of technical partners who participated to develop the IGG guiding tool including; The Nature Conservancy (TNC), World Wide Fund (WWF), International Union for Conservation of Nature (IUCN) and CARE International with guidance of the Vice Presidents' Office and consultation with the private sector companies working in the SAGCOT region.
- IGG aims to guide investments on four main areas namely: social inclusivity that include equal rights on economic gain; environmental management that describes judicious use of natural resources; sustainable business strategies; and developmental requirements where non-legal issues are considered. IGG allows investors in agri-business to conduct self-assessments using a checklist which forms part of the IGG guiding tool and establish their own compliance report.



Commenting on the IGG Toolkit launch, the SAGCOT Centre CEO, Geoffrey Kirenga said: “We promote responsible investment that is done in a sustainable way but also contributing to food security and making sure that the communities especially the smallholder farmers and the livestock keepers as well the fishermen are included in the agricultural development. The SAGCOT Blueprint advocates environmental sustainability and we call it inclusive green growth. To effectively implement this, we needed to have a tool that would help us to measure compliance to environmental legislations and international good practices. This tool also aims to provide opportunities to the youth, women and disadvantaged people or groups”

The ultimate goal of the SAGCOT initiative is to ensure all its commercial partners are compliant to inclusive green growth hence sustainable investment in the SAGCOT region.



# Minister Kairuki visits Ihemi and Mbarali Clusters



- The minister of state for investments in the ministers office, Hon Angella Kairuki visited the Ihemi and Mbarali clusters in the Iringa, Njombe and Mbeya regions where she met and had discussions with investors, farmers and the regional and local government on challenges they face in the agriculture sector and explored long term solutions to the challenges. Commenting on the IGG Toolkit launch, the SAGCOT Centre CEO, Geoffrey Kirenga said: “We promote responsible investment that is done in a sustainable way but also contributing to food security and making sure that the communities especially the smallholder farmers and the livestock keepers as well the fishermen are included in the agricultural development. The SAGCOT Blueprint advocates environmental sustainability and we call it inclusive green growth. To effectively implement this, we needed to have a tool that would help us to measure compliance to environmental legislations and international good practices. This tool also aims to provide opportunities to the youth, women and disadvantaged people or groups”
- The visit served as a familiarisation tour of the SAGCOT and partners initiative transforming lives in the agricultural corridor. In Iringa, she met with the management of ASAS Dairies, Raphael Group, Silverlands, Farm for the Future, Masifio Estates and GBRI in the value chains of dairy, poultry, soya, and animal feeds respectively. On her visit in Njombe she toured the Unilever Tea Estate, Njombe Outgrower Scheme (NOSC), Njombe Milk Factory and Olivado Tanzania while in Mbeya she visited the Stawisha Potato Project which has and Unilever to see the construction of the new tea processing factory. Raphael Group was one of the key highlights of the visit due to its inclusive business model. The company has set up collection centres in Kyela, Sumbawanga, Momba and Mbarali districts where it collects the rice and other crops for processing at its mill in Mbeya providing an assured market to thousands of smallholder farmers and other players in the value chain as well as direct and indirect employment.

Olivado Tanzania was one of the key highlights of the ministerial visit in Njombe and Mbeya. Olivado has built a 2.5 million modern avocado oil production facility from scratch on a 30-acre piece of land at Itulahumba village, Wanging'ombe district in Njombe region producing avocado oil from non-export grade avocados.



## Our quarterly featured partner



**Minister Angela Kairuki posing for a photo with the SAGCOT Centre CEO Geoffrey Kirenga and the Olivado Tanzania MD, Jose Anton during the minister's visit to Olivado's factory in Njombe.**

Olivado Tanzania (EPZ) Ltd, a newly signed SAGCOT partner is on course to transform the avocado value chain. The company has built a 2.5 million modern avocado oil production facility from scratch on a 30-acre piece of land at Itulahumba village, Wanging'ombe district in Njombe region producing avocado oil from non-export grade avocados. This investment has made a significant contribution on the commercialization and value addition to the existing value chain of fresh avocado exports while creating jobs, lifting families out of poverty by offering a steady market that creates additional income for non-export grade avocados. In just three years, Olivado is already reaching over 2,500 smallholders, bringing them into a commercial value chain, increasing their productivity and profitability while building their skills.

Olivado Tanzania is part of the Olivado Group, the largest organic producer of edible avocado oil in the world producing 80% of world's organic extra virgin avocado oil an equivalent of 200 metric tons a year. With a current processing capacity of 50 metric tons of avocados daily, Olivado continues to make a positive impact on smallholder farmers.



## Progress and Impact

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- This investment has added value to an existing value chain of fresh avocado exports and continues to develop a new value chain of avocado for oil production further increasing incomes for smallholder farmers in the Southern Highlands. The investment provides market for non-export grade avocados from smallholder farmers in Njombe, Mbeya, Iringa and Ruvuma regions where about 50% of avocados produced by these farmers don't meet export requirements and has historically remained in the farm as a waste. Olivado's business model transforms this waste into an incremental revenue to smallholder farmers and ensures that no avocado goes to waste.
- The Olivado investment in Tanzania has three main components including avocado oil production facility, Organic and Fair-Trade program for smallholder farmers and the Biogas plant which converts waste into energy and fertilizer.



## Inclusivity and Sustainable Agriculture

- Olivado has taken several steps to ensure social inclusivity and environmental protection compliance. Through its Organic and Fairtrade smallholders' program, the company has employed a team of 12 field officers who provide extension services to avocado farmers as part of a strategy to ensure the highest standards of compliance in sustainable agricultural practices. The company has also trained 24 local personnel on Organic Fairtrade and Global GAP certifications and has introduced a training-of-trainers program. This program focuses on ensuring that its registered avocado growers are operating in harmony with the global sustainable agriculture standards and complies with all applicable environmental protection laws and international good practices. To date, over 2,500 farmers have been trained.

## Achievements summary

- Total of US\$ 2.5 million invested
- 30 acres of land under development
- Current processing capacity of 50MT
- 100MT of fruits processing capacity by next season
- 1,893 farmers impacted in Njombe, Iringa, Ruvuma and Mbeya
- Expecting to reach 5,000 farmers in four years
- 3 billion shillings spent on purchase of avocado from small holder farmers since 2018
- Shipping 16 metric tons of avocado oil every week
- Direct employment to 250 people. Expecting to employ 450 people by next season.
- Supports 2,500 farmers with logistics related to transporting the produce from the farms to the factory

# IHEMI HIGHLIGHTS

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## Coalitions delivering impact

- Three new coalitions were initiated in Ihemi to address challenges facing horticulture partners, namely Tamu Tamu, Tanzanice, Olivado and GBRI.
  - The first coalition is between Tamu Tamu Tanzania Ltd and the Ministry of Agriculture, Ministry of Energy and TANESCO to facilitate a quick connection to the grid.
  - The second coalition was established between Tanzanice and Olivado companies with Njombe Regional Secretariat and the Ministry of Agriculture to facilitate the establishment of avocado farmers' cooperative union and locating of all organic avocado growers, establishing a regulated system for avocado seedling production and enforcement of regulation on proper pesticide use among avocado farmers.
  - We also facilitated an establishment of a soil health project aiming to demonstrate soil health technologies and the use of lime which is expected to ultimately increase farmers' productivity.
- Unilever Lwangu factory has successfully been connected to the alternative Tanwat line to support the unstable Madaba line. This is a solution to frequent power cuts which was facing Lwangu factory in Njombe region. This is a result of a collaboration facilitated by SAGCOT Centre, through a coalition between Unilever Tanzania, the Njombe regional secretariat and TANESCO.
  - The government has approved a budget of approximately TZS 470 million to finance a project that will connect Masifio estates, Tamutamu Tanzania Ltd and other two nearby investments to a power grid. Tamutamu Tanzania Ltd a newly registered SAGCOT Partner and Masifio estates a potential partner were facing high operational costs due to lack of access to grid power. Establishment of a coalition between the Ministry of Agriculture, Ministry of Energy and TANESCO has facilitated a quick connection to the grid.

### Silverlands eyeing a Grand Parent Operation in Tanzania

- SCL has established a coalition between PMO, MoA to support Silverlands Tanzania establish a Grand Parent Operation in Tanzania in order to improve access of required vaccines for their birds. Silverlands is currently exploring ways of replicating experiences from other countries to develop a grand operation in Tanzania.
- Supporting the improvement of avocado quality
- SCL has established a coalition between Olivado Tanzania Ltd, Tanzanice, Njombe RS and TARI Uyole aiming to improve the quality of avocado seedlings. The coalition has already visited 46 avocado nurseries in 4 councils including Njombe DC, Njombe TC, Makambako TC and Wanging'ombe DC and has identified key challenges facing avocado seedling producers. These findings will help develop a training program for ward extension officers and seedling producers as well as establishing a more coordinated avocado seedling production mechanism.



# MBARALI CLUSTER HIGHLIGHTS

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## Increased availability of sunflower seeds

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- SAGCOT Centre Ltd in collaboration with the Ministry of Agriculture, AMDT, ANSAF, TADB, DALBERG and USAID disseminated information regarding Government's and sunflower stakeholders' support to the sunflower value chain growth. 60% of cooking oil consumed in Tanzania is imported (costs about 250M USD) annually. In 2018 the Government reviewed tax policies and in 2020 the import duty for imported oil has been escalated from 25 to 35% these measures lead to increased processing capacity for sunflower seeds up to 50000MT per year, at the same time stimulated increased production of seeds in the country especially Record seed variety that is being produced by the Ministry of Agriculture and hybrid seeds from private sector. The price of Record went down and the price of hybrid seeds was cut to half compared to the price of imported seeds we had previously. Seed producers have invested up to 200,000 USD. Hybrid have helped farmers to increase their yields 3 times and their income 2 times. Therefore, increased production and processing capacity of sunflower seeds contributed to the agriculture transformation, industrial revolution, reduce unemployment.

## Improving avocado quality and standards

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- SAGCOT Centre Ltd has supported the Ministry of Agriculture to conduct pest risk assessment for avocado in Tanzania to pave way for export of the Tanzanian avocado to the European Union and other international markets. The report has been submitted to South Africa, India, China and European Union our main markets for avocado.
- Organic certification - in order to ensure that Tanzanian avocado attract best prices in the word market, the Government of Tanzania is in a process of setting standards for organic certification. SAGCOT has at least three partners with international organic certifications, who participated in the exercise of advising the government through a checklist that was provided.

## Partner engagement and outreach during COVID-19

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- SAGCOT Centre reached out to partners whose value chains were immediately affected by the pandemic particularly horticulture, dairy, fish and poultry. These businesses were affected by the new regulations and restrictions on international flights and a disruption on social-economic activities in the domestic market.



## POLICY AND ENABLING ENVIRONMENT UPDATES

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- SAGCOT Centre has collected and presented all cross-cutting issues along with suggested interventions to the the COVID-19 task force under TPSF. Some of the suggestions were the banks to provide interest holiday to loans, provide tax exemption and other incentives. The partners who were interviewed are Njombe Milk Factory, Kibidula Farm, GIBR, Tomoni Farms, AKM Glitters, Tanfeed International, Mwamy Veggie, Deka Foods, Lima Kwanza, Olivado, Tanzanice, Tamtam, Rungwe Avocado, and Big Fish.
- SCL signed an MOU with Sokoine University of Agriculture (SUA). The MOU will allow SCL to use SUA technical skills to conduct policy studies and analysis to develop recommendations for policy reforms. On the other hand, the MOU provides internship opportunities for fresh graduates from SUA at SCL agribusiness partner companies. To date, SCL has linked SUA with SCL private sector partners for the creation of internships opportunities for students to provide opportunities for hands on experience in agriculture.



# GREEN GROWTH

SAGCOT Centre has trained 63 Agriculture extension officers from Iringa DC, Mufindi TC, Mafinga TC & Iringa Municipal on how Agriculture activities can improve food security while protecting nature through Climate Smart Agriculture (CSA). These extension officers have been linked with individual private sector companies in their localities and supported by SCL to collaborate and assist in improving awareness of SCL partners on CSA.

- For the sunflower sector to be competitive, there is a need to promote further investment in improved sunflower seed multiplication, remove VAT by zero rating crude and refined sunflower oil, to maintain current import duties on crude and refined palm oil imports and to maintain VAT exemption for machinery to improve competitiveness.
- The study also recommends carrying out a new agricultural census to obtain new data that would better inform policy making and facilitate new sunflower investments. Tanzania's last agricultural census was conducted in 2007-8. Development of tailored digital financial products for smallholder farmers and investment in storage of sunflower seeds is also recommended

