



Sunflower Value Chain

Strategic partnership

Overview

The sunflower (*Helianthus annuus*) is one of the prioritized value chains in the Mbarali cluster in SAGCOT Corridor.

The sunflower value chain has a potential to make a significant contribution in increasing smallholder farmers incomes and in creation of employment opportunities for youth and contribution to overall economic growth of Tanzania. Considering a huge demand for sunflower oil in the local and export markets, the SAGCOT Centre in collaboration with the government and other stakeholders has taken various initiative to support growth of sunflower value chain which is one of the prioritized value chains in the Agriculture Sector Development Programme phase two (ASDP II). Some of the initiatives that have been undertaken to develop sunflower include tax incentives, and introduction of improved seed varieties to improve productivity.

SAGCOT initiative is in line with government policies and initiative like ASDP. Thus, sunflower has been prioritized as one of the strategic value chains under the SAGCOT initiative. SAGCOT Centre Limited (SCL) has convened a series of meetings with the Sunflower Strategic Partnership to resolve key policy and non-policy issues to boost growth of the sunflower value chain. SCL has been participating in various policy platform in order to champion policy reforms and a conducive environment for development of the sunflower value chain



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. SAGCOT Centre actively promotes and facilitates strategic partnerships due to their high impact and potential for expansion

What makes the sunflowers partnership a strategic partnership?

Tanzania imports 60 % of the country's cooking oil costing over \$250 million per year. However, the sunflower sector is transforming following the government decision to offer tax incentives that has encouraged industrial investments in the sunflower oil sector as well as tariff changes to privilege domestic sunflower production.

The 2017/18 tax and trade reforms introduced VAT exemption on agricultural processing equipment, which covers solvent extraction and refining equipment that is necessary to produce competitively priced sunflower oil. At the same time, VAT exemption on sunflower seedcake came into effect to improve the economics for sunflower processors while the decision to maintain the import tariff on palm oil - at 10% for crude palm oil and 25 per cent for refined palm oil which competes with domestically produced sunflower oil has played an important role in improving competitiveness. These tax and tariff changes have transformed the whole sector by prompting investors to pursue hybrid seed, processing and other investments in the sunflower sector. The seed sector has responded first by importation of hybrid seeds and now local production of such seeds has started.

- **Potential for transforming farmers from smallholder to commercial and contribute significantly in poverty reduction:** The huge demand market for edible oil like sunflower at local, regional and international has the potential of transforming smallholder's farmers to commercial farmers. Also, through processing of sunflower oil there is huge potential for job creations and hence poverty reduction.
- **Seek end to end value chain solutions:** for value chain to develop it very important for the value chain stakeholders to work together in addressing the sector challenges collectively.
- **Sunflower Partnership provides feedback loop to policy makers:** The sunflower strategic partnership provides room for giving feedback to policy makers and allow them to periodically review policies.
- **Demonstrates positive environmental impact.** Through the Sunflower strategic partnership, farmers are constantly supported to raise productivity in a way that ensures the responsible management of natural resources.

Key stakeholders in the Sunflower Strategic Partnership

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| <ul style="list-style-type: none"> • Ministry of Agriculture (MoA) • Ministry of Industry and Trade (MIT) • SNV • TASUPA • TANTRADE • TARI • AMDT • ANSAF • TADB • Bytrade • Silverlands • Sunflower Development Company • Mbesopa • Raphael Group | <ul style="list-style-type: none"> • CRDB • NMB • TCCIA • TIC • Local Government Authorities • Regional Secretariats • TRA • ASA • TOSCI • Dalberg • ANSAF • Sunflower farmers |
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Inclusive and sustainability impact

Sunflower value chain is naturally inclusive with women and youth participating in farming, processing and distributing edible oil. Therefore, a stable partnership between key actors in the sunflower value chain will continue to attract more youth to participate in the value chain and contribute significantly on improving livelihoods.

To ensure the Sustainability of the partnership SCL is facilitating partner to meet so that they can understand the importance of meeting in solving key problem along the value chain. This will contribute in ensuring in future the sustainability of partnership even without existence of SCL.



KEY CHALLENGES AND OPPORTUNITIES

OPPORTUNITY	CHALLENGES
Increased production of improved sunflower seeds	Limited improved sunflower seeds- Inadequate availability of improved sunflower seeds, recycling of low yield seeds, low productivity
Increased production of sunflower seeds for processing	Limited sunflower seeds for processing- Inadequate sunflower seeds for processing, existing hybrid seed is still expensive, post-harvest handling is poor, the use of outdated processing technology
Improved access to finance and crop insurance	Limited access to finance and crop insurance- limited access to credits for both millers, agrodealers and smallholder farmers, limited availability of crop insurance
Quality Sunflower final products to Compete for Local and International Market	Poor Quality Sunflower final products to Compete for Local and International Market- lack of appropriate packaging materials, lack of TBS certification to most of the processors

For more information please contact us

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