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# SERA POLICY PROJECT YEAR 3 QUARTER I REPORT

## TANZANIA ENABLING POLICY ENVIRONMENT FOR AGRICULTURAL SECTOR GROWTH

**OCTOBER 1, 2013 – DECEMBER 31, 2013**

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# SERA POLICY PROJECT

# YEAR 3 QUARTER I REPORT

Contract No. 621-C-00-11-00003-00  
USAID Feed the Future SERA Policy Project  
Tanzania Enabling Policy Environment for Agricultural Sector Growth

Implemented by Booz Allen Hamilton

**DISCLAIMER**

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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## ABBREVIATIONS AND ACRONYMS

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AIRD	Associates for International Resources and Development
BRN	Big Results Now
BMGF	Bill & Melinda Gates Foundation
BoT	Bank of Tanzania
CI	Custom Indicator
COP	Chief of Party
DFS	Department of Food Security
DMD	Disaster Management Department
ERS	Economic Research Service
FAO	Food and Agriculture Organization
FSND	Food Security and Nutrition Department
FtF	Feed the Future
GoT	Government of the United Republic of Tanzania
iAGRI	USAID Feed the Future Research and Education Project
IR	Intermediate Result
MAFC	Ministry of Agriculture, Food Security and Cooperatives, GoT
MIT	Ministry of Industry and Trade
MLF	Ministry of Livestock and Fisheries
MoF	Ministry of Finance
MoL	Ministry of Lands, Housing and Human Settlements Development
MUCHALI	Tanzanian Food Security and Nutrition Analysis System
NAFAKA	USAID Feed the Future Staples Value Chain Project
NBS	National Bureau of Statistics
NFRA	National Food Reserve Agency
NPS	National Panel Survey
OMIS	Opt Media Information Solutions
PMO	Prime Minister's Office
PMP	Performance Management Plan
PS	Permanent Secretary
RALG	Regional Administration and Local Government
RGoZ	Revolutionary Government of Zanzibar
SAGCOT	Southern Agriculture Growth Corridor of Tanzania
SERA	USAID Feed the Future Policy Project
SMEs	Small- and Medium-Scale Enterprises
SOW	Statement of Work
SPP	Strategic Prioritization Plan
STTA	Short-Term Technical Assistance

TANEXA	Tanzania Exporter Association
TAPP	Tanzania Agricultural Productivity Program
TASTA	Tanzania Seed Traders Association
TMG	The Mitchell Group, USAID FtF Implementing Partner
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USG	United State Government
ZDFSN	Zanzibar Department of Food Security and Nutrition

## EXECUTIVE SUMMARY

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The Tanzania SERA Policy Project (SERA) of the United States Agency for International Development (USAID) Feed the Future Initiative (FtF) began in May 2011 and completed the second full year of operation on September 30, 2013. The SERA Policy Project is focused on improving the policy environment for agriculture, and developing individual and institutional capacity to undertake policy analysis and advocate effectively for policy reforms.

The first quarter of Year 3, from October 1 to December 31 of 2013, focused heavily on establishing relationships with new actors in policy and on designing and staffing new activities to be undertaken in Year 3. Several important staff changes took place in the Government of the United Republic of Tanzania (GoT) in Q3 and Q4 of Year 2, requiring SERA to establish new relationships with these key GoT officials. Among the most important, was the shift of the Permanent Secretary (PS) in the Prime Minister's Office (PMO) to the State House to lead the Big Results Now (BRN) President's Delivery Bureau. This led to the appointment of a new PS in the PMO. The acting PS in the Ministry of Agriculture, Food Security and Cooperatives (MAFC) was also appointed PS. Meetings were requested with new appointees, and held with the official appointed to lead the BRN President's Delivery Bureau and the new PS in the PMO. A meeting could not be arranged with the new PS in the MAFC due to her busy schedule. Her policy priorities are not yet clearly understood and future efforts will be made to meet her while we continue to support and communicate with her through MAFC channels. A new policy coordinator was also appointed in the MAFC and has worked closely with SERA to identify policy priorities and coordinate policy analysis.

In addition to these relationship building activities, an analysis of the profitability of irrigated and rain-fed rice in Zanzibar was completed and presented to the Revolutionary Government of Zanzibar (RGoZ) in December 2013. Work began on the design of a rules-based system for food imports at the request of the GoT. Further analysis on land issues was undertaken, and a meeting requested with the Minister of Lands to present the findings. Additional efforts were made to encourage the GoT to develop and implement a collateral registry system. Capacity building activities continued with the Zanzibar Department of Food Security and Nutrition (ZDFSN) and the Department of Food Security (DFS) of the MAFC on the mainland. The capacity building activity with the DFS will be undertaken in Q2-Q4 jointly with the Economic Research Service (ERS) of the U.S. Department of Agriculture (USDA). This activity will train approximately 30 staff of the MAFC and other Ministries on the food basket methodology for estimating food requirements at the regional level. A scientifically rigorous study of the impacts of the maize export ban on maize prices in each region was planned in Q1 and will begin in Q2 and continue into Q3. Recruitment to replace the Operations Manager and Communications Officer, who both left the project in 2013, was undertaken with advertisements in the Guardian and Daily News that received nearly 100 applications for each position. Interviews were conducted for the Operations Manager position and a candidate selected. The Communications Officer position was modified to more closely meet the changing requirements of the SERA Project. An international consultant was engaged to finalize the website which will be launched in Q2 of Year 3.

## INTRODUCTION

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The Tanzania SERA Policy Project assists both the Government of the Republic of Tanzania and the private sector to enable a broad-based, sustainable transformation of the agricultural sector through policy reform. The vision for this project is twofold: to improve the policy and regulatory environment for agriculture growth and to build a group of public sector institutions, advocacy organizations, and individuals capable of performing rigorous policy analysis and advocating for policy reform. Improving agricultural policies will be accomplished by working with the GoT and other stakeholders to identify important policy constraints to growth in the agricultural sector and by helping to alleviate these constraints through policy reform. The SERA Project conducts and commissions evidence-based policy research to inform the GoT and other stakeholders of the impacts of existing policies and the potential benefits of improved policies. In addition, the SERA Project develops the capacity of individuals and organizations to engage in policy analysis and advocate for policy change. At the conclusion of the project, we expect USAID will leave behind an improved policy environment and a legacy of enabling the GoT and other stakeholders to initiate, develop, and utilize evidence-based research in policy decisions and implementation. The SERA Project focuses its activities around priorities identified in collaboration with the Southern Agriculture Growth Corridor of Tanzania (SAGCOT) initiative.

## OVERVIEW

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The SERA Policy Project has three primary components: Policy Research and Reform, Capacity Building, and Advocacy and Communications. Other important activities include Collaboration and Leadership, and Monitoring and Evaluation.

### **Policy Research and Reform**

The SERA Project's approach to policy reform is to provide high quality research on important policy issues to inform GoT and other stakeholders on policy impacts and options. This has proven to be an effective method of encouraging policy debate and achieving policy reform.

### **Capacity Building**

The SERA Project is engaged in both institutional and individual capacity building in support of policy reform. This includes institutional evaluations and support for strategic planning as well as formal training for Ministry staff. Capacity building to individuals includes financial assistance for research on important policy issues and training for selected individuals.

### **Advocacy and Communications**

The approach to advocacy and communication is to provide information and disseminate research findings rather than to publicly advocate for policy reform. This is consistent with our approach to policy reform which is focused on government counterparts for policy reform rather than using grass roots organizations to advocate for policy reform.

## **Collaboration and Leadership**

The SERA Project collaborates with other development and FtF partners, leverages its limited resources through partnerships and collaboration, and provides intellectual leadership on important policy issues. That has allowed SERA to achieve a high level of respect and credibility with the GoT, USAID, and other development partners.

## **Monitoring and Evaluation**

Measuring the impacts of our policy reforms and capacity building activities is a high priority for the SERA Project, but provide significant challenges. Some activities, such as support for institutional reform, are difficult to quantify while others, such as the impact of lifting the maize export ban, are difficult to measure. Despite these challenges, efforts are made to quantify the impacts of SERA activities.

## IMPLEMENTATION PROGRESS

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### **COMPONENT I: POLICY RESEARCH AND REFORM**

The SERA Project undertakes analysis and research on important policy issues in an effort to provide evidence-based analysis of policy impacts and provide policy options to government. Some of this research is conducted by SERA staff, and some is contracted to consultants. In all cases, high standards are maintained.

#### **1. Intermediate Result 1: Improved Agriculture Productivity**

##### **A. Seed Policy**

Access to high quality seeds is essential to raising productivity and improving the competitiveness of the agricultural sector. However improved seeds in Tanzania are less than 15 percent of total seeds planted, which is among the lowest in the region. This situation is due, at least in part, to weak enforcement of existing regulations and strong GoT controls on certain aspects of the seed industry which limits private sector involvement. The SERA Project seeks to improve access to high quality seeds at internationally competitive prices, and to stimulate investment in the seed sector by creating an enabling economic environment for the private sector. In Year 3, SERA will review the seed sector and meet with local experts and MAFC officials in order to identify priority policy reforms needed to create an enabling environment. SERA will then focus research on these issues in an effort to inform policy makers of policy alternatives that could improve the sector's performance.

##### **Tasks Completed in Q1:**

- None.

##### **Tasks Planned for Q2:**

- Review existing policy studies.
- Identify priority policy issues with seed experts and MAFC officials.

##### **Milestones:**

- Priority policy issues identified. (Q2)
- Concept note completed. (Q3)



**Resources:**

- SERA Staff.

**Key Partners:**

- Tanzania Seed Traders Association (TASTA), SAGCOT, MAFC.

**Contribute to:**

- Intermediate Result (IR) 4.5.1-24 Number of policies/regulations/administrative procedures in each of the following stages; Stage 1: Analyzed, Stage 2: Drafted and presented for public/stakeholder consultation, Stage 3: Presented for legislative decree, Stage 4: Passes/approved, Stage 5: Implementation has begun.
- Custom Indicator (CI) 1.1.1 Volume of improved seed available in domestic market.
- CI 4.1.1 Number of research output.

**B. Seed Taxes**

High taxes on seeds and seed packaging materials have been identified as one of the constraints to expanded local production and sale of seeds, and the SERA Project is working with the seed industry through TASTA and SAGCOT to improve the tax treatment of seeds and seed packaging materials. The case for reducing taxes on seeds and seed packaging materials was prepared by SERA in collaboration with TASTA and SAGCOT in Year 2 and submitted to MAFC. This material was used to support MAFC's request to the Ministry of Finance to reduce taxes. However no policy action was taken. SERA will focus on strengthening the case for reduced taxes on seed packaging materials and pursue other tax issues in future years.

**Tasks Completed in Q1:**

- None.

**Tasks Planned for Q2:**

- Prepare the material to support MAFC's request to reduce taxes on seed packaging materials.

**Milestones:**

- Supporting material to reduce taxes on seeds packaging material completed. (Q3)
- Taxes on seed packaging materials reduced. (Q3)

**Resources:**

- SERA Staff.

**Key Partners:**

- TASTA, SAGCOT, MAFC.

**Contribute to:**

- IR 4.5.1-24 Number of policies/regulations/administrative procedures in each of the following stages; Stage 1: Analyzed, Stage 2: Drafted and presented for public/stakeholder consultation, Stage 3: Presented for legislative decree, Stage 4: Passes/approved, Stage 5: Implementation has begun.
- CI 1.1.1 Volume of improved seed available in domestic market.

## **2. Intermediate Result 2: Expanding Markets and Trade**

SERA Project is working to expand markets through improved trade policies, improved market performance, and increased access to credit. Trade policy is an important component of economic policy and an enabling economic environment. The SERA Project has focused on two important trade policy issues. The first is the requirement that traders obtain export and import permits from GoT before trading. The second is to address the ad hoc approach of GoT to emergency food imports which disrupt markets and are vulnerable to rent seeking. Improved credit also contributes to expanding markets and trade and is addressed by the collateral registry system being developed with the Bank of Tanzania (BoT). SERA will also begin efforts to improve the performance of food crop markets.

### **A. Export Permits**

Permits are required from the Ministry of Agriculture, Food Security and Cooperative to import or export food crops to or from Tanzania. The confusing, lengthy, and costly procedure for obtaining permits has led to widespread efforts to circumvent the system. Research conducted by the SERA Project in Years 1 and 2 showed that export permits do not provide accurate information on export levels nor do they control the flow of exports. Imports are similarly controlled by permits and trader's report that food crops are often imported without appropriate permits. The SERA Project is working with the MAFC and the PMO to remove unnecessary permits and provide a better method of recording trade.

#### **Tasks Completed in Q1:**

- Met with MAFC and PMO to discuss removal of export/import permits.

#### **Tasks Planned for Q2:**

- Review current legislation and Acts regarding trade of agricultural products.

#### **Milestones:**

- Current legislation and Acts reviewed. (Q2)
- Export/Import permits not required for trade of food crops. (Q3)

#### **Resources:**

- SERA Staff.

#### **Key Partners:**

- NAFKA, Associates for International Resources and Development (AIRD)

#### **Contribute to:**

- IR 4.5.1-24 Number of policies/regulations/administrative procedures in each of the following stages; Stage 1: Analyzed, Stage 2: Drafted and presented for public/stakeholder consultation, Stage 3: Presented for legislative decree, Stage 4: Passes/approved, Stage 5: Implementation has begun.
- CI 4.1.1 Number of research output.

### **B. Transparent and Rules-Based Import Policy**

The GoT allowed duty-free rice imports from January to March of 2013 leading to market disruptions and protests by the private sector. A more transparent policy would be for the GoT to enforce existing tariffs and allow the private sector to import and export freely based on

market conditions. The SERA Project will assist the GoT in designing and implementing a rules-based and transparent mechanism to allow emergency food imports.

**Tasks Completed in Q1:**

- Met with MAFC and PMO to discuss a transparent and rules-based mechanism to allow duty free food imports.

**Tasks Planned for Q2:**

- None.

**Milestones:**

- Transparent and rules-based mechanism for emergency food imports implemented. (Q4)

**Resources:**

- SERA Staff.

**Key Partners:**

- NAFKA, AIRD.

**Contribute to:**

- IR 4.5.1-24 Number of policies/regulations/administrative procedures in each of the following stages; Stage 1: Analyzed, Stage 2: Drafted and presented for public/stakeholder consultation, Stage 3: Presented for legislative decree, Stage 4: Passes/approved, Stage 5: Implementation has begun.
- CI 4.1.1 Number of research output.

### **C. Credit to smallholders and SMEs**

The SERA Project has encouraged the GoT to establish a modern collateral registry as part of its efforts to improve the financial system. Our efforts over more than two year-long have resulted in the Bank of Tanzania releasing its National Financial Inclusion Framework in December of Q1 which included the development of the collateral registry as one of its priority activities. A Concept Note will be prepared by the BoT with SERA support and will be submitted to GoT for approval and a mandate to develop the project. The SERA Project will provide financial support for local and international experts to contribute to the BoT effort as requested by the BoT. A modern collateral registry would provide the legal framework and computer registry that would improve access to credit by allowing lenders to more easily use collateral for lending.

**Tasks Completed in Q1:**

- Support provided and Bank of Tanzania announced plans to develop the legal framework for the collateral registry.

**Tasks Planned for Q2:**

- Provide as needed support to the development of the legislation pending approval of the concept note.

**Milestones:**

- Draft legislation completed. (Q2)
- Legal framework developed. (Q3)
- Legislation passed by parliament. (Q4)

**Resources:**

- SERA Staff.

**Key Partners:**

- BoT, Ministry of Finance (MoF).

**Contribute to:**

- IR 4.5.1-24 Number of policies/regulations/administrative procedures in each of the following stages; Stage 1: Analyzed, Stage 2: Drafted and presented for public/stakeholder consultation, Stage 3: Presented for legislative decree, Stage 4: Passes/approved, Stage 5: Implementation has begun.
- R 4.5.2-30, Number of MSME's businesses, including farmers, receiving USG assistance to access loans (S).
- IR 4.5.2-7 Number of individuals who have received United States Government (USG) supported short-term agricultural sector productivity or food security training.

**D. Improving Markets**

Research has shown that food markets in Tanzania are not as efficient as those in neighboring countries with slower and less complete adjustments to market fundamentals. The SERA Project will design research to determine the causes for these inefficiencies and recommend policy changes that will improve market performance.

**Tasks Completed in Q1:**

- None.

**Tasks Planned for Q2:**

- Develop a concept note and scope of work (SOW) for research on food crops market performance.
- Identify and engage a consultant to undertake research.
- Research food crop market performance.

**Milestones:**

- Concept note and SOW completed. (Q2)
- Research completed. (Q4)
- Policies to improve food crop markets implemented. (Q4)

**Resources:**

- SERA Staff, local short-term technical assistance (STTA).

**Key Partners:**

- iAGRI.

**Contribute to:**

- IR 4.5.1-24 Number of policies/regulations/administrative procedures in each of the following stages; Stage 1: Analyzed, Stage 2: Drafted and presented for public/stakeholder consultation, Stage 3: Presented for legislative decree, Stage 4: Passes/approved, Stage 5: Implementation has begun.
- CI 4.1.1 Number of research output.

### **3. Intermediate Result 8: Improved Enabling Policy Environment for both Agriculture and Nutrition**

#### **A. Food Security**

The SERA Project's research on the impacts of the maize export ban continue to influence GoT policy as shown by a recent interview in the Daily News with the Minister of Agriculture, Food Security and Cooperatives published October 2, 2013 (Annex 1). In that interview, the Minister said that research by the SERA Project of USAID Feed the Future Initiative has shown that the export bans were not effective at ensuring food security, controlling food prices or preventing exports and the idea of banning food exports was a failure. In an effort to reinforce this message, additional research on the impacts of the 2011/2012 maize export ban will be undertaken by an international consultant in order to quantify the impacts on maize prices at the regional level. The research will be directed at obtaining an academically rigorous study that can be submitted for peer review for publication in an academic research journal. That will provide quantitative evidence to GoT of the impacts of the export ban and reinforce the decision to lift the maize export ban and achieve longer term policy sustainability. A Policy Options paper will also be prepared for the mainland GoT bringing together research from Years 1 and 2 on important issues such as trade policy, social safety nets, and food reserves. This paper will be presented to GoT in Q4, and will conclude SERA research efforts to provide Tanzania with a more comprehensive food security program except for new challenges that may develop and require analysis.

#### **Tasks Completed in Q1:**

- SOW completed and preparation of Policy Options Paper started.

#### **Tasks Planned for Q2**

- Consultant identified and engaged for Policy Options Paper.
- Prepare a Policy Options Paper on Food Security for GoT.

#### **Milestones:**

- Policy Options paper presented to GoT and stakeholders at national workshop. (Q4)
- New Food Security Program adopted. (Q4)

#### **Resources:**

- SERA Staff.

#### **Key Partners:**

- NAFKA, AIRD.

#### **Contribute to:**

- IR 4.5.1-24 Number of policies/regulations/administrative procedures in each of the following stages: Stage 1, Analyzed; Stage 2, Drafted and presented for public/stakeholder consultation; Stage 3, Presented for legislative decree; Stage 4; Passes/approved; Stage 5, Implementation has begun.
- CI 4.1.1 Number of research output.

## **B. National Food Reserve Agency**

An assessment of the policies, procedures, and priorities of the National Food Reserve Agency (NFRA) was initiated in Year 2 and will be completed in Year 3. That will provide an improved understanding of the emergency food requirements. NFRA's policies and procedures will also be examined in order to create a more efficient and effective Agency.

### **Task completed in Q1:**

- None.

### **Tasks to be completed Q2:**

- Complete the NFRA assessment. (Q2-Q3)

### **Milestones:**

- Assessment report completed and presented to GoT. (Q3)

### **Resources:**

- SERA Staff.

### **Key Partners:**

- NAFKA, AIRD.

### **Contribute to:**

- IR 4.5.1-24 Number of policies/regulations/administrative procedures in each of the following stages: Stage 1, Analyzed; Stage 2, Drafted and presented for public/stakeholder consultation; Stage 3, Presented for legislative decree; Stage 4; Passes/approved; Stage 5, Implementation has begun.

## **C. Land Policy**

Only one-quarter of the land suitable for cropping in Tanzania is actually used to grow crops, which suggests that there is substantial land available to expand agricultural production by new investors and existing farmers. However, much of this is used for other livelihood activities by people with informal use rights. These people are displaced when land is allocated to investors. That has made land use and land policies very controversial. The SERA Project was invited to undertake a study on compensation and benefits sharing approaches used in the region. The first draft report was completed in Q1, and provided substantial new findings that local communities can engage directly with investors while still retaining the rights to their land. This research found both legal authority and precedence for local communities to directly enter into agreements with domestic or foreign investors without transferring their land to the national government. This finding has the potential to increase the willingness of local communities to provide land to investors since they would be able to retain the rights to the land. The approach currently advocated by the Ministry of Lands, Housing and Human Settlements Development (MoL) is for local communities to transfer their land to the national government before land is leased to investors. However, local communities are reluctant to follow this approach since they are unlikely to have the land returned at the conclusion of the lease or to share adequately in the lease fees or other revenues generated by the project. The findings were presented to USAID management in Q1 and will be presented to the MoL as early as possible in Q2. A

national workshop is also planned to disseminate the findings of the land study in either Q2 or Q3 of Year 3.

**Tasks Completed in Q1:**

- Land Compensation and Benefits Sharing study completed.
- Presentation to USAID management completed.

**Tasks Planned for Q2:**

- Meet with Ministry of Lands to present findings.
- Hold workshop with stakeholders.

**Milestones:**

- Land Compensation and Benefits Sharing report completed and presented at national workshop. (Q2)

**Resources:**

- SERA Staff, Landesa Consulting, local STTA.

**Key Partners:**

- MoL, Landesa Consulting.

**Contribute to:**

- IR 4.5.1-24 Number of policies/regulations/administrative procedures in each of the following stages: Stage 1, Analyzed; Stage 2, Drafted and presented for public/stakeholder consultation; Stage 3, Presented for legislative decree; Stage 4; Passes/approved; Stage 5, Implementation has begun.
- CI 4.1.1 Number of research output.

## **D. Business Environment**

The SERA Project will review investment incentives available to large-scale agricultural projects and compare them with those offered by neighboring countries. This activity will help to inform the GoT of how their incentives compare with others in the region and provide a basis to adjust current investment incentives as necessary to be more competitive.

**Tasks completed Q1:**

- Research conducted.

**Tasks to be complete Q2:**

- Prepare a concept note and SOW for a report comparing the incentives available to large-scale agricultural investors in Tanzania and neighboring countries.
- Engage a consultant to undertake the study.

**Milestones:**

- Concept note and SOW completed. (Q2)
- Consultant engaged. (Q2)
- Report completed. (Q4)

**Resources:**

- SERA Staff, STTA.

**Key Partners:**

- SAGCOT.

**Contribute to:**

- IR 4.5.1-24 Number of policies/regulations/administrative procedures in each of the following stages: Stage 1, Analyzed; Stage 2, Drafted and presented for public/stakeholder consultation; Stage 3, Presented for legislative decree; Stage 4; Passes/approved; Stage 5, Implementation has begun.
- CI 4.1.1 Number of research output.

**COMPONENT II: INDIVIDUAL AND INSTITUTIONAL CAPACITY BUILDING**

The SERA Project's approach to capacity building is twofold. The first approach focuses on institutional capacity building activities for selected organizations that can provide the greatest impact to support development of an enabling policy environment. The second approach addresses increasing capacity for research and evidenced-based policy analysis of individuals through training and support for research and policy analysis.

In Year 3, the SERA Project will focus on public sector institutions, and individual capacity building to support the implementation of policy reforms. The majority of resources will focus on GoT and RGoZ agriculture line ministries and institutions. The SERA Project will continue the individual capacity building efforts already underway and will initiate new ones based on demand. In some cases, trainings will be part of larger institutional capacity building effort.

**1. Intermediate Result 4: Improved Enabling Policy Environment for both Agriculture and Nutrition****A. MUCHALI - Institutional Assessments and Capacity Building Action Plan**

MUCHALI is the Tanzanian Food Security and Nutrition Analysis System. The system includes two core institutions, the national MUCHALI team and secretariat, and local government authorities (Council) MUCHALI teams. The national team is composed of public, private, and donor stakeholders, with the secretariat and day-to-day management as part of the MAFC Department of Food Security Crops and Early Warning Unit. MUCHALI is jointly managed by the PMO Disaster Management Department (DMD) and the MAFC which provides the final assessment of food security needs to the GoT and recommendations on the locations and levels of food assistance required from the NFRA. In Q1 of Year 3, the SERA Project met with the MUCHALI secretariat to outline activities for an institutional capacity building action plan. The plan requires input and commitment from the PMO-DMD before it can be finalized, and the capacity building action plan is expected to be finalized and activities started in Q2.

**Tasks Completed in Q1:**

- MUCHALI tools and background information received.
- Completion of task is awaiting input from PMO-DMD.

**Tasks Planned for Q2:**

- Finalize capacity building action plan.
- Draft SOW for a review of MUCHALI assessment tools.
- Identify consultant to conduct review.
- Draft SOW for institutional training needs assessment.



- Identify consultant and initiate needs assessment.

**Milestones:**

- A.1. Assessment Tools:
  - SOW completed. (Q1)
  - Assessment tools, reporting mechanisms, and processes reviewed. (Q2)
- A.2. Training Program:
  - Training needs assessment completed. (Q2)
  - Training program developed. (Q 3)
  - Report and recommendations delivered. (Q3)
  - Trainings held. (Q3, Q4)
- A.3. SERA Database: Database transferred to MUCHALI Secretariat. (Q4)

**Resources:**

- Expat STTAs and local STTAs

**Key Partners:**

- MAFC Department of Food Security, Crops and Early Warning Unit, PMO DMD, MUCHALI Secretariat.

**Contribute to:**

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.1.1. Number of institutions receiving USG assistance.

**B. Ministry of Agriculture, Food Security and Cooperatives, Department of Food Security**

The Economic Research Service of the U.S. Department of Agriculture, the DFS, and the SERA Project developed a capacity building program based on the food basket methodology researched in Year 1, and piloted in Year 2. This work is led by ERS and will be based on the Food Basket Analysis (Annex 2). The activity will focus on the Ministry of Industry and Trade (MIT), the Ministry of Livestock and Fisheries (MLF), and the PMO Regional Administration and Local Government (RALG). Participants, priority regions and an illustrative timeframe have been identified. The SERA team met with the DFS on several occasions to define roles and responsibilities and draft a letter of collaboration for the PS MAFC.

**Tasks Completed in Q 1:**

- Letter of collaboration and SOW completed.

**Tasks Planned in Q 2:**

- Conduct initial training of MAFC staff.

**Milestones:**

- Letter of collaboration and SOW completed. (Q1)
- Trainings completed. (Q4)

**Resources:**

- SERA Staff, USDA ERS.
- Local STTA.

**Key Partners:**

- USDA ERS, MAFC DFS, MLF, MIT and RALG.

**Contribute to:**

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.1.1. Number of institutions receiving USG assistance.

**C. Retail Price Data**

The Food Basket Methodology depends on retail prices to estimate the cost of a typical food basket, and retail prices are collected by several GoT institutions including the National Bureau of Statistics (NBS), MIT and MAFC. However, the prices are not collected using a consistent methodology and are not always submitted in a timely manner. MIT collects retail food prices, but collection procedures are not consistent, methodologies vary, and the delivery of the information is delayed by deliveries of hard copies via post. MAFC also has staff collecting retail prices, but these prices are collected on an irregular basis. In some districts, the same person collects prices for both MIT and MAFC. To address data needs and current inconsistency, the SERA Project, in collaboration with the ERS and MAFC, is working to improve current price collection systems and the exchange of that information among GoT institutions. In Q1, the SERA team met with the MAFC DFS Early Warning Unit and the MIT to determine the interest and capacity for this activity. It was agreed that a better understanding of current collection methodologies and system is needed. This includes a mapping of current collection systems, a determination of data needs from DFS, and an analysis of how to meet DFS needs through changes and improvements in existing systems. Working with ERS, the SERA Project and the MAFC will develop SOWs to conduct an assessment of retail price collection among GoT institution, complete a needs assessment of retail price data users, and make recommendations on how to improved collection and information dissemination.

**Tasks Completed in Q1:**

- Meeting with MAFC DFS Early Warning Unit and MIT completed.

**Task planned for Q 2**

- Draft SOW for the information network assessment to determine MAFC DFS data and information requirements and options to enhance or improve the collection of that data and information.
- Identify consultant for the information network assessment.

**Milestones:**

- Activity SOW developed. (Q2)

**Resources:**

- Expat STTA and local STTA.

**Key Partners:**

- SERA Staff, USDA ERS, MAFC Department of Food Security, MLF, MIT and RALG.

**Contribute to:**

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.1.1. Number of institutions receiving USG assistance.

#### **D. Economic Modeling - Ministry of Agriculture, Food Security and Cooperatives, Department of Policy and Planning**

The SERA Project has explored the need for greater analytical capacity for policy research with the iAGRI Project of FtF and agreed to support efforts of iAGRI to develop an economic modeling activity to be located at either the MAFC or Sokoine University. Discussions continue, but a final plan has not yet been finalized.

##### **Tasks Completed in Q1:**

- Concept note not completed, and discussions with iAGRI continue.

##### **Tasks Planned for Q2:**

- Complete concept note and commit resources to develop an economic modeling capability.

##### **Resources:**

- SERA Staff.

##### **Key Partners:**

- iAGRI, Michigan State University, MAFC Policy and Planning Department.

##### **Contribute to:**

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.2.1 Number of institutions receiving USG assistance.

#### **E. Strategic Support**

Private sector organizations that are key stakeholders in policy reform activities will be considered for strategic capacity building support in Year 3. Organizations identified for potential support including:

- i. Tanzania Seed Traders Association: TASTA is receiving capacity building support from the Bill & Melinda Gates Foundation (BMGF) to develop a capacity building action plan. SERA plans to continue to provide targeted support to TASTA.
- ii. Tanzania Exporter Association (TANEXA): TANEXA is a key stakeholder in the Export Permits policy activity.

##### **Tasks Completed in Q1:**

- None.

##### **Tasks Planned for Q2:**

- Select private sector organizations for capacity building.
- Support for stakeholder events (as needed).
- Support policy research (as needed).

**Milestones:** TBD.

**Resources:** TBD.

##### **Key Partners:**

- iAGRI.

**Contribute to:**

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.2.1 Number of institutions receiving USG assistance

**F. MAFC ICT Systems**

Price and data collection systems in the MAFC's DFS are varied. DFS made a request to the SERA Project to evaluate these systems. The SERA Project will work with the DFS to develop terms of reference for a review of existing communications technology and systems for data transfer.

**Tasks Completed in Q1:**

- Two meetings held to discuss price data collection system.

**Tasks Planned for Q2:**

- Draft terms of references for information network assessment to determine MAFC DFS data and information requires and options to enhance or improve the collection of that data and information.
- Identify consultant for the information network assessment.

**Milestones:**

- SOW developed. (Q2)
- Consultant identified. (Q2)

**Resources:**

- SERA Staff.

**Key Partners:**

- USDA ERS, MAFC Department of Food Security, MLF, MIT and RALG.

**Contribute to:**

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.1.1. Number of institutions receiving USG assistance.

**G. Policy Seminar Series at Sokoine University**

The SERA Project and iAGRI have jointly sponsored a Policy Seminar Series for faculty and student at Sokoine University to encourage policy research. Four research teams received support to prepare research papers for presentation at the Policy Seminar Series and the papers were presented in Year 2. The activity will continue in Year 3.

**Tasks Completed in Q1:**

- None.

**Tasks Planned for Q2:**

- Review the first Policy Seminar Series and make necessary program adjustments.
- Select teams to undertake the second round of policy research for the Policy Seminar Series and support them to undertake research.

**Milestones:**

- Policy research papers and seminars completed. (Q4)

**Resources:**

- SERA Staff.

**Key Partners:**

- iAGRI.

**Contribute to:**

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.2.1 Number of institutions receiving USG assistance.

**H. Policy Analysis Training Course**

The most requested capacity building activity of SERA has been for training in policy analysis. In response, the SERA Chief of Party (COP) designed and jointly taught with the SERA junior policy analyst an eight week course on policy analysis to 20 students from various Ministries in Zanzibar. The course was very well received and may be taught on the mainland in Year 3, depending upon interest and SERA staff time available.

**Tasks Completed in Q1:**

- None.

**Tasks Planned for Q2:**

- Explore interest in the policy analysis course.

**Resources:**

- SERA Staff.

**Key Partners:**

- TBD.

**Contribute to:**

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.2.1 Number of institutions receiving USG assistance.

**COMPONENT III: ADVOCACY AND COMMUNICATIONS**

The SERA Project starts Year 3 with a re-alignment of the advocacy and communications component and a renewed commitment to our primary target audiences, the GoT and other policy makers. The SERA Project will focus on communication activities that support the policy research agenda and target public sector institution. The advocacy and communication component activities will fall under the leadership of the individual and institutional capacity building component and be supported by a local communications/capacity building specialist and expatriate communications professionals. In Q1, the recruit of a communications and capacity building specialist began, and this position is expected to be filled in Q2.

## **1. Intermediate Result 4: Improved Enabling Policy Environment for both Agriculture and Nutrition**

### **A. SERA Website**

The website will become the main communications tool for SERA, making available evidence-based research and other key policy information and data. In Q1, the SERA Project reviewed the status of the website, re-connected with the website developer and negotiated needed changes to the structure and format. A website hosting service was selected after surveying several providers. The website developer will be contracted in Q2 to make agreed changes, train the communications/capacity building staff in basic programming, and support the launch of the website on SERA Project's existing domain.

#### **Tasks Completed in Q1:**

- Website developer was engaged to continue work on the site.
- A website host was selected.

#### **Tasks Planned for Q2:**

- Populate the website.
- Training local communications/capacity building support on technical aspects of the website.
- Launch website.

#### **Milestones:**

- Website launched. (Q2)

#### **Resources:**

- Expatriate STTA, Opt Media Information Solutions (OMIS).

#### **Key Partners:**

- OMIS.

#### **Contribute to:**

- CI 4.1.3 Number of hits/visits to the SERA website.

### **B. Policy Briefs**

No additional policy briefs were prepared in Year 2. It is anticipated that SERA will continue to draft research and policy briefs on a case-by-case basis as part of our revised Communication and Advocacy Strategy.

**Tasks:** TBD.

**Milestones:** TBD.

#### **Resources:**

- Communications and Capacity Building Specialist.

**Key Partners:** TBD.

#### **Contribute to:**

- CI 4.1.2 Total number of SERA mentions in the press and social media.

### **C. Revised Communications and Advocacy Strategy**

The first quarter of Year 3 included a review of the SERA Project Communications and Advocacy Strategy. The revised strategy will be incorporated into the work program of the new Communications/Capacity Building Specialist.

#### **Tasks Completed in Q1:**

- Communications and Advocacy Strategy reviewed and revised.

#### **Tasks Planned for Q2:**

- Hire a Communications/Capacity Building Specialist.

#### **Milestones:**

- Communications and Advocacy Strategy Revised. (Q1)

#### **Contribute to:**

- CI 4.1.2 Total number of SERA mentions in the press and social media.

## **ACTIVITIES IMPLEMENTED IN ZANZIBAR**

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### **1. Intermediate Result 2: Expanding Markets and Trade**

#### **A. Rice Import Policy**

Rice is the main food staple crop in Zanzibar and about 75 percent of consumption is imported. This makes Zanzibar very dependent on the world market. There are also close linkages with the mainland rice market as rice is imported from the mainland and also exported to the mainland to take advantage of the differential tariff rates between Zanzibar and the mainland. The SERA Project worked closely with the DFSN to better understand the rice market in Zanzibar and to advise the RGoZ on the strategic rice reserve.

#### **Tasks Completed in Q1:**

- Irrigated and Rain-fed rice profitability analysis completed.
- Presentation of rice study to RGoZ at workshop.

#### **Resources:**

- SERA Staff, AIRD.

#### **Key Partners:**

- NAFKA, Tanzania Agricultural Productivity Program (TAPP)

#### **Contribute to:**

- IR 4.5.1-24 Number of policies/regulations/administrative procedures in each of the following stages: Stage 1, Analyzed; Stage 2, Drafted and presented for public/stakeholder consultation; Stage 3, Presented for legislative decree; Stage 4; Passes/approved; Stage 5, Implementation has begun.
- CI 4.1.1 Number of research outputs.

## **2. Intermediate Result 8: Improved Enabling Policy Environment for both Agriculture and Nutrition**

### **A. Zanzibar Department of Food Security and Nutrition**

The SERA Project continued its organizational capacity building program with the Food Security and Nutrition Department (FSND) beginning with the Performance Monitoring Plan training. This activity included a one and one-half day workshop with FSND employees and concluded with work assignments for section leaders and their teams. The SERA Project will continue to provide training in Q2 to complete the Performance Management Plan (PMP) and the Strategic Prioritization Plan. The SERA Project has also committed to providing strategic support in the establishment and adoption of a food basket approach as part of the Early Warning Information System (done in collaboration with ERS USDA). Activities that support this area will begin in Q2.

#### **Tasks Completed in Q1:**

- PMP training workshop and remote support.

#### **Task to be completed in Q2:**

- PMP training.
- Finalization of the Strategic Prioritization Plan (SPP) and the PMP.
- Develop SOW for the development and adoption of the food basket approach.

#### **Milestones:**

- PMP completed and SPP. (Q2)
- SOW for the development and adoption of the food basket approach. (Q2)

#### **Resources:**

- Organization Capacity Building Specialist.
- USDA ERS, local STTA.

#### **Key Partners:**

- ZDFSN.

#### **Contribute to:**

- IR 4.5.2-7 Number of individuals who have received USG supported short-term agricultural sector productivity or food security training.
- CI 4.2.1 Number of institutions receiving USG assistance.

## **PROJECT MANAGEMENT AND PERFORMANCE**

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In Q1 of Year 3 SERA Project recruited for two staff member, the Operations Manager and the Communication and Capacity Building Specialist. The recruitment and hiring process for the Operations Manager was completed and the position offer accepted. The new Operations Manager will begin in Q2. It is anticipated that the recruitment process for the Communications and Capacity Building Specialist will be completed in Q2.



## PROBLEMS / CHALLENGES

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Challenges faced by the SERA Project include the limited capacity of counterparts, weak systems for collecting and disseminating data, and delays in completing agreed tasks in a timely manner. These impact the entire range of SERA activities from policy analysis to capacity building. For example, the lack of consistency and rigor in collecting data reduce the accuracy of data and limits the effectiveness of the systems that rely on this data such as the food basket methodology. The lack of detail on crop quantities and grades limits the value of crop price data and makes analysis of policy impacts less precise and more difficult. Delays in disseminating data from key ministries increases the resources required to obtain and maintain databases used for research. Many of these challenges are due to inadequate training and the heavy work load that many GoT officials face. The SERA Project makes every effort to overcome these challenges without placing undue burden on counterparts or engaging in unnecessary activities that do not have clear and beneficial outcomes.

## SPECIAL ISSUES

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Not applicable.

## CROSS-CUTTING ISSUES

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### **1. Gender**

Gender is an important cross cutting issue and the SERA Project has begun to explore ways of identifying the gender impacts of its policy reform activities. Discussions with NAFKA and The Mitchell Group (TMG) FtF implementing partners suggest several ways that such impacts may be measured. If substantial gender impacts of SERA policy reforms are found, then more targeted approaches will be sought to strengthen these impacts. The initial investigation will focus on whether higher producer prices that result from lifting the export ban have a gender dimensions.

### **2. Poverty**

Poverty is an important cross cutting issue and SERA policy reform activities are expected to be pro-poor because they deal with food crops produced by most rural households. Important policy research is needed to determine whether higher maize prices benefit the poorest rural households as previous research has shown, and if so, by how much. Such research will be undertaken by SERA as resources become available.

## FINANCIAL SUMMARY

QUARTERLY REPORT	SERA YEAR 3 - QTR 1				
	Oct-13	Nov-13	Dec-13	Quarter Total	Project Cumulative
Reimbursable Costs	\$65,416	\$217,595	\$213,251	\$496,263	\$3,423,210
Fee	\$5,231	\$17,405	\$17,058	\$39,694	\$273,777
<b>Reimbursable Costs plus Fixed Fee</b>	<b>\$70,647</b>	<b>\$235,000</b>	<b>\$230,309</b>	<b>\$535,956</b>	<b>\$3,696,987</b>
<b>Contract Cumulative</b>	<b>\$3,231,678</b>	<b>\$3,466,678</b>	<b>\$3,696,987</b>		

## PERFORMANCE MANAGEMENT PLAN

**Table 1. USAID Standard Indicator and Required if Applicable Indicator Targets for Life of Contract**

Indicator		Baseline	Y3 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Y3 Total	LIFE OF CONTRACT TARGET
IR 4.5.2-7 Number of individuals who have participated in USG support training activities (RiA)	New	0	159	0					1,700
	Continue	0	80	17					
	Male	0	159	11					
	Female	0	80	6					
IR 4.5.2-36 Value of exports of targeted agricultural commodities as a result of USG assistance (RiA)	Maize	\$20,820,000	\$31,910,000	NA					
	Rice	\$37,050,000		NA					
IR 4.5.2-30 Number of MSMEs businesses, including farmers, receiving USG assistance to access loans (S)	Medium	0	800	0					2,400
	Small	0	125	0					350
	Micro	0	75	0					250
IR 4.5.1-24 Number of policies / regulations / administrative procedures in each of the following stages of development (S)	NA								16
	• Stage 1: Analyzed	0	0	0				0	2
	• Stage 2: Drafted and presented for public / stakeholder consultation	0	2	0				0	3
	• Stage 3: Presented for legislation decree	0	1	0				0	0
	• Stage 4: Passes / approved	0	3	0				0	0
	• Stage 5: Implementation has begun	0	3	1				1	11

**Table 2. Project/Custom Level Indicator Targets for Life of Contract**

Indicator	Baseline	Y3 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Y3 Total	LIFE OF CONTRACT TARGET
CI 4.2.1 Number of institutions receiving USG assistance	0	4	1				1	15
CI 4.1.3 Number of hits/visits to the SERA website	0	2,500	NA				NA	9,000
CI 4.2.2 Total number of SERA mentions in the press and social media	0	10	1				1	40
CI 4.1.1 Number of research output	0	2	0				0	7
CI 1.1.1 Volume of improved seed available in domestic market	26,545 tons	5,000 tons	NA				NA	36,000 tons

## ANNEX 1: Interview with MAFC Minister

The National Newspaper www.dailynews.co.tz

# DAILY NEWS

ISSN 0856-3812 No. 11,007 PRICE 1,000/- KShs. 100 TANZANIA WEDNESDAY, OCTOBER 2, 2013

## Food export ban move a failure, reports Chiza

By **ABDULWAKIL SAIBOKO**

Kenya is host to the largest refugee camp in the world, Dadaab - home to about half a million people - near the Somali border, while it is believed that more than 30,000 Somali refugees live in Nairobi alone.

The prayers were hosted by Kenya's Inter-Religious Council, with clerics from different faiths, who sat together on a stage facing the congregation, calling for national unity, reconciliation and healing.

During the service in this Kenyan capital, Bishop Gerry Karabara, asked the congregation to stand, shake hands and pray for "peace."

The prayers were broadcast live on all national television stations, with private broadcaster TV labelling the transmission "United in Prayer" along with the hashtag #WeAreOne, which some Kenyans have been using on social media in response to the attack.

Adan Wachu, secretary general of the Supreme Council of Kenyan Muslims, said: "Islam is not terrorism and terrorism is not Islam. Islam is peace."

Another religious leader said that religion had been "misused" and the intention of the clerics on the Inter-Religious Council was to eliminate such misconceptions.

President Kenyatta praised the clerics for organising the prayers, which showed that "tolerance and mutual understanding are the cement holding" Kenyans together.

*Continues on Page 2*

THE idea of banning food exports as a way to prevent hunger has proved a failure. The only option left is surplus production to meet local and international demands.

This was said by the Minister for Agriculture, Food Security and Cooperatives, Eng. Christopher Chiza said this in Dar es Salaam yesterday during a news conference with a group of US journalists, who are visiting Tanzania to document the country's agriculture and food security endeavour.

"In previous years, we exercised food export ban but the initiative proved failure due to high demand from neighbouring countries such as Kenya, South Sudan and DRC (Democratic Republic of Congo), among others," he said.

Eng. Chiza noted that it was learnt that during the time of export ban, still much food was exported through illegal routes and as a result, the government lost millions of shillings that would have been earned through revenues.

He added that the target is to be able to produce up to 100,000 tonnes of maize, 290,000 tonnes of rice and 150,000 tonnes of sugar in two years from now in a bid to satisfy local and international demands.

The minister said that the government has many programmes at hand to achieve the target which will include, among others, massive investments in the sector in collaboration with private actors.

"We want to have massive engagement of investors in the agricultural sectors that will also play a role in strengthening small-scale holders," he said.

Eng. Chiza assured small scale farmers of full support from the government, adding that no land belonging to them will be given to large scale ones.

"In this undertaking we do not have any intention to replace small-scale farmers with large scale ones, our target is to see small scale farmers growing in scale and knowledge as a result of big investments in agriculture," he said.

The minister also noted that the ministry has a programme dubbed 'Youth in Agriculture,' which aims at bringing on board youths and make sure that they play a key role in the sector, as a way of addressing unemployment and increasing productivity.

"Our agriculture is labourer in nature and it therefore not friendly to many youths who have been looking for easier means of earning a living, but the plan is to introduce modern farming to a larger extent as a way of attracting youths into agriculture," he said.

Just recently, an expert with the US aid agency (USAID), Mr Tom Hobgood, advised Tanzania to stop using export bans to address food security concerns.

Mr Hobgood said that Tanzania has a unique opportunity to become a major exporter of food crops, especially maize and rice, in the region where there is a growing import demand.

"This export opportunity has been hampered in the past by periodic export bans to address food security concerns," Mr Hobgood said.

He pointed out that research by SERA Project of the USAID Feed the Future (FtF) initiative has shown that export bans were not effective at ensuring food security, controlling food prices or preventing exports.

According to USAID researchers, Tanzania has already become a large maize exporter and probably exported more than 100,000 tonnes of maize and over 70,000 tonnes of rice in 2011.

However, official customs records show that maize exports were less 3,000 tonnes and 36,000 tonnes of rice.

"The difference is due to the fact that many exports go unreported through official border posts and many move out informally through 'panga' routes," he added.



**ENG. Chiza**

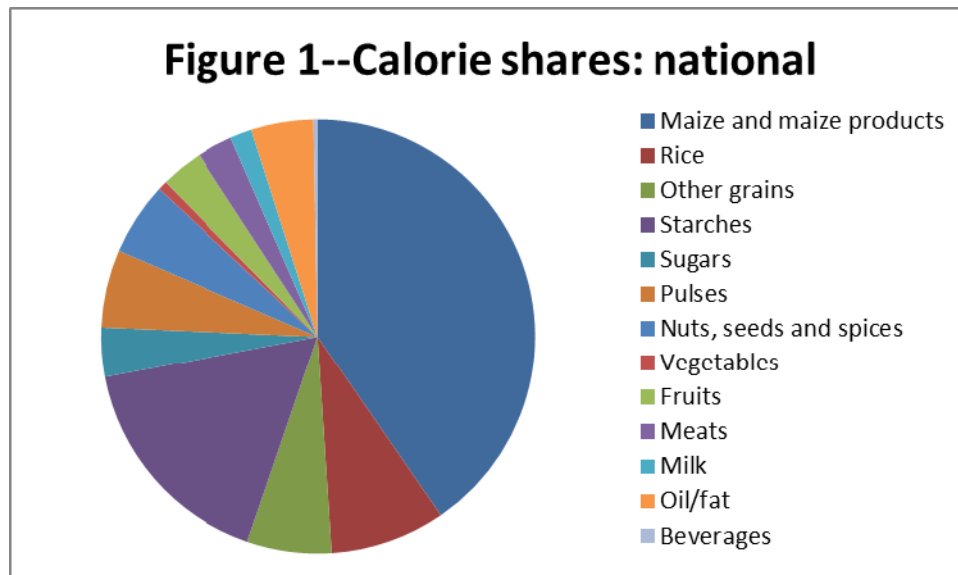
## ANNEX 2: Food Basket Analysis Methodology

### Food Basket Analysis as a Tool to Measure Food Access in Tanzania SERA Policy Project with support of the USDA Economic Research Service December 20, 2013

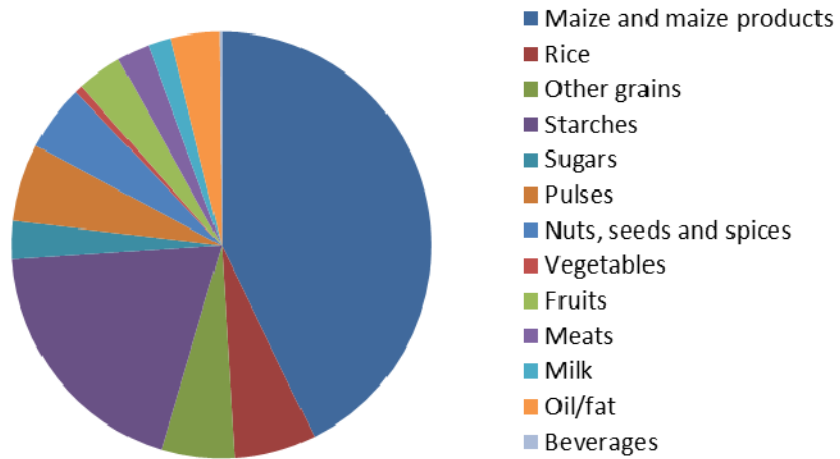
Between July 2011 and March 2013, the United States Department of Agriculture's (USDA) Economic Research Service (ERS) undertook a detailed assessment of the information system in place to measure food needs and availability in Tanzania. Based on this assessment, a pilot project was undertaken to estimate a food basket for the Mbeya and Mara regions as a way to assess food needs and compare results with the current approach of estimating food need on a maize equivalent basis.

The current approach to food security assessment, where the gap is expressed in maize equivalent tends to overstate the amount of maize required. Several GoT officials and other experts pointed this out as a weakness in the assessment of food needs. There was general agreement that while maize is an important part of the Tanzanian diet, people consume many other foods as well. Furthermore, there is considerable diversity in diets across regions and income groups. Not all regions favor maize, but turn to other foods as dietary staples. A number of districts showing shortfalls in maize production actually had surpluses of non-grain foods.

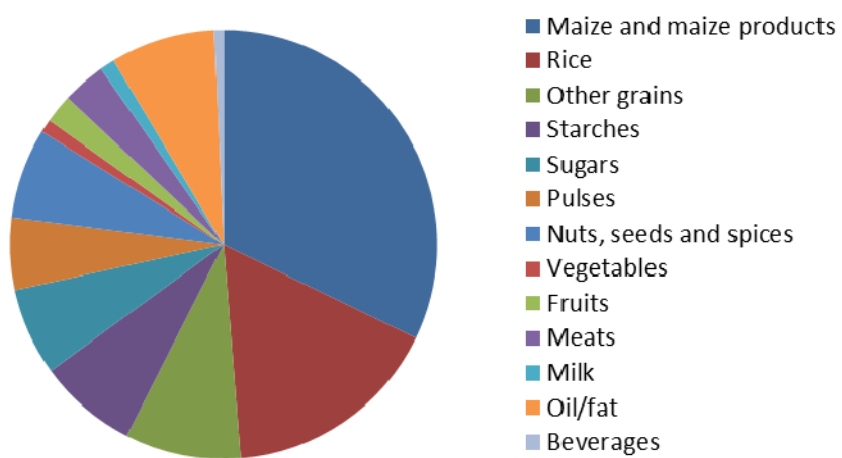
Results of the 2007 National Panel Survey (NPS), carried out by the National Bureau of Statistics with World Bank support, confirm the existence of dietary diversity. According to survey results, maize accounts for about 40% of calories consumed nationally, but the survey shows significant differences in consumption patterns for urban and rural populations, as well as across districts. Maize accounts for a slightly higher share of calories (43%) in rural areas, while it is significantly less important in Dar and other urban areas (Figures 1 – 3). The calorie share of maize also declines significantly as income rises. The wealthier quintiles consume more rice, meat, fruits and vegetables and less maize, and maize calorie shares vary by region (Figure 4).



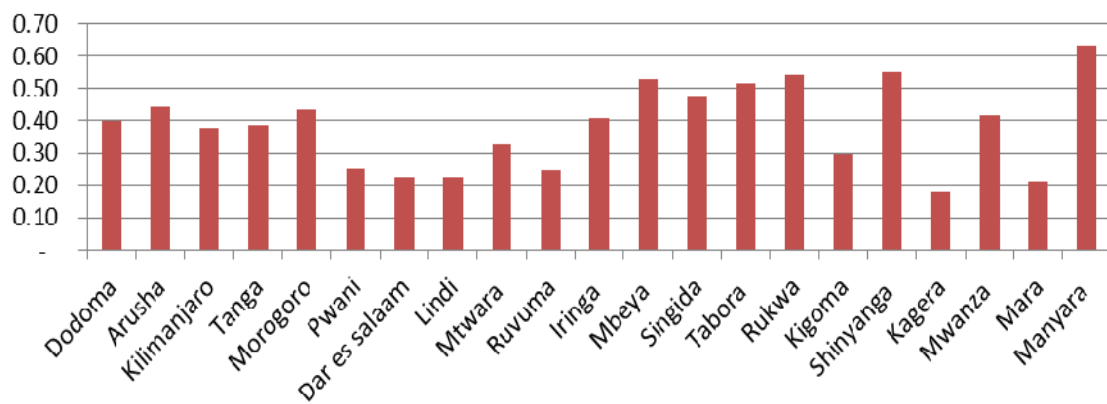
**Figure 2--Calorie shares: rural**



**Figure 3--Calorie shares: urban**



**Figure 4--Calorie shares from maize**





Since requirements are currently computed in maize equivalents and NFRA provides maize, it is quite possible that subsidized maize is being delivered to some regions where this is not the most appropriate food. A number of individuals interviewed said that this does indeed happen.

Based on this analysis, the USDA team recommended:

- Broaden the focus of the food security assessment and emergency assistance program to include a total food basket of staple foods. This could eliminate an over-estimation of maize requirements and better reflect consumption patterns.
- Undertake a regional food basket analysis to more accurately identify potential food insecure regions. This approach allows for measurement of changes in the total cost of acquiring a representative set of food items in response to all price changes relative to income. Access is defined as the ratio of the total cost of the food basket to income. The methodology can help measure the impact of a price shock for a specific commodity, such as maize, on the total cost of the food basket, as price shocks are weighted by the commodity's share in consumption. The analysis requires retail prices of the foods in the basket broken out to a regional level. These prices are collected by the National Bureau of Statistics and the Ministry of Industry and Trade (MIT).

### **Estimating the Food Baskets for Mbeya and Mara as a Test Case**

In order to test the feasibility of this method, USDA estimated representative food baskets for Dar es Salaam and the regions of Mbeya and Mara. Dar es Salaam was chosen because as the largest city and business capital, it shows a distinctly different consumption pattern. The two regions were selected because they are quite different both in their maize self-sufficiency and in their dietary preferences. Mbeya is a major maize growing region in the Southern Highlands, and NPS results show that maize comprises over 50 percent of calories consumed in that region. Mara is a maize deficit region bordering on Lake Victoria, and survey results show that less than 50 percent of the population's calories are derived from maize. Cassava has a large share in the typical Mara diet, but has a very small share in Mbeya.

Calorie shares from the 2010/11 NPS were used to estimate calorie shares devoted to 15 different foods or food groups. The included foods, which account for over 80 percent of average calories consumed, were chosen due to their important role in the Tanzanian diet and the availability of retail prices. Using the calorie shares, the quantities of the 15 foods needed to make up a basket providing 1800 calories per day were calculated. This minimal calorie allotment was chosen in order to calculate the cost of a minimally nutritious food basket.

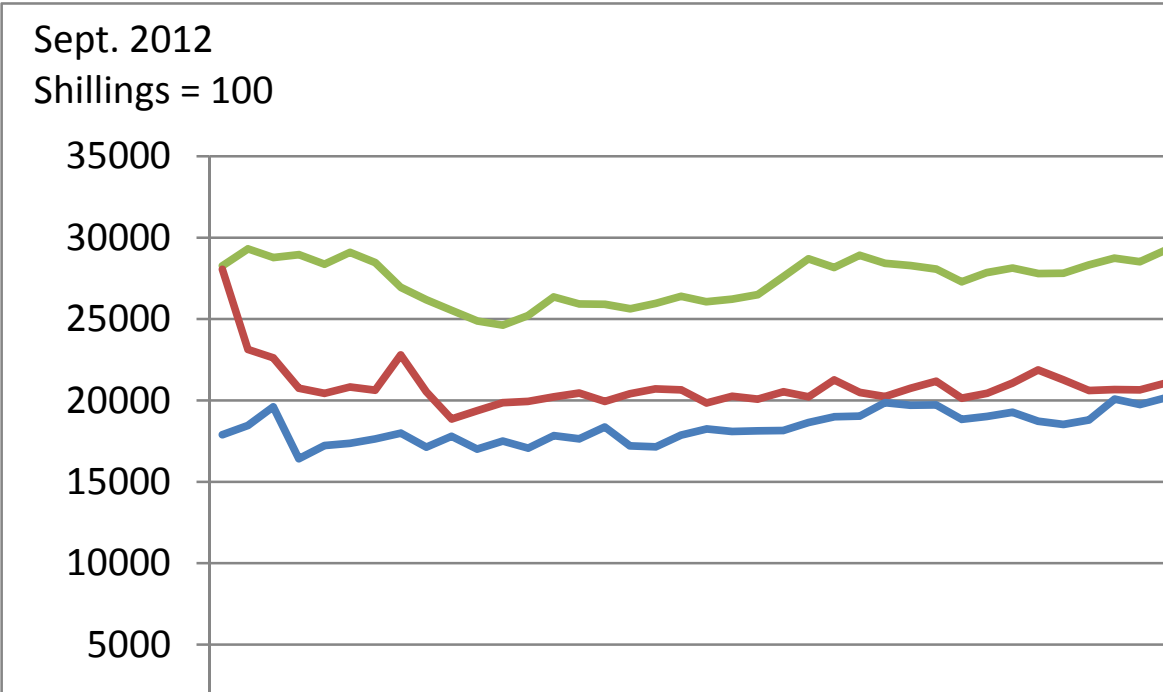
The baskets of foods represent 66 to 83 percent of the total food baskets typically consumed in a month. In order to give policymakers an accurate picture of the food security situation, it would be more useful to provide an estimate of the cost of the total food basket. To do this it is necessary to estimate the cost of other foods in the basket. This category includes dairy products, vegetables, nuts and spices, sugar and sweets, and beverages; each food group includes small quantities of a wide array of products that are difficult to measure and value. We estimated the value of other foods by using the expenditure shares derived from the NPS. The expenditure shares of foods listed in the tables sum to .59 for Dar es Salaam, 0.70 for Mbeya



and 0.78 for Mara. To estimate the value of other foods, we divided the sum of the values of the individual foods listed above by these expenditure shares.

The food basket costs (Figure 5) are lowest in Mbeya and, as expected, highest in Dar es Salaam. The low cost in Mbeya Highlands is driven by relatively low maize prices and a relatively high calorie share devoted to maize, and low consumption of high priced items such as meat and fish. The food basket in Dar es Salaam is most expensive, driven by generally higher food prices, and greater consumption of higher-priced foods such as rice, meat, fish, and other foods. To an extent the higher cost of the Mara food basket results from higher consumption of poultry, beef and fish – relatively expensive items. The primary driver of the higher cost, however, is the large calorie share devoted to cassava and relatively high cassava prices. In the caveats section below, we discuss the possibility that the cassava prices are measured with error; thus it is possible that the cost of the Mara food basket is exaggerated.

**Figure 5: Real Food Basket Costs have been more stable**



To measure access to food, the ratio of the monthly food basket cost to monthly per capita income is calculated. If the ratio is greater than 0.50 (that is, if the cost of the food basket is over 50 percent of total household income), the household is potentially food insecure. Decreases or increases in the ratio indicate improvements or declines, respectively, in access to food.

**How Do these Food Baskets Compare with MAFC Calculations?**

Table 1 compares the food baskets calculated for the two regions and for Mainland Tanzania with the basket calculated by Ministry of Agriculture, Food Security and Cooperatives (MAFC). In order to make the quantities comparable, we include only those products monitored by

MAFC; we further collapsed some of the MAFC categories to match the categories included in the NPS and converted all values to a grain equivalent. The food basket values were also scaled up to provide a daily diet of 2137 calories, which is the average caloric consumption calculated by Food and Agriculture Organization (FAO) in its Tanzanian Food Balances.

**Table 1: Comparing the food basket calculations to requirements calculated by MAFC**

Product	Ministry	Mara	Mbeya	Mainland Tanzania
	Grams per day, grain equivalent			
Maize	236	122	280	236
Rice	45	28	64	62
Beans/other pulses	36	19	40	35
Bananas	48	2	19	16
Millet/sorghum	98	42	4	17
Potatoes/sweet potatoes	52	25	12	11
Wheat/other grains	14	7	1	1
Cassava	121	218	5	50
<b>Total</b>	<b>650</b>	<b>463</b>	<b>424</b>	<b>428</b>
Calories	2,392	1,705	1,560	1,577

For Mainland Tanzania, our calculations are very close to the MAFC food basket for maize, rice, and beans. But NPS results suggest far lower consumption of the other crop products. Moreover, there are large differences in the number of calories derived from these crop products. According to our calculations, these products make up 74 percent of total daily calorie intake nationwide, 80 percent of calorie intake in Mara, and 73 percent in Mbeya. It is not clear whether MAFC assumes that these 12 products make up the entire food basket or just 74-80 percent of the food basket. The latter assumption would yield a total daily intake approaching 3000 calories. Consumption on this level would be typical of an active adult male, but likely overestimates average daily consumption for the entire population. If this basket is assumed to represent 100 percent of daily consumption, it is overstating the share of these products in the typical diet, since households are also consuming meat, fish, dairy products, fruits and vegetables. Either way, the USDA's conclusion is that MAFC is significantly overestimating requirements of these basic crop products.

**Directions for further work:**

- Extend the analysis to other regions;
- Calculate a more nutritionally balanced basket for each of the regions;
- Strengthen the system for collecting and reporting price data;
- Train MAFC staff on the methodology to calculate the Food Basket.

