

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Required Report - public distribution

**Date:** 3/21/2016

**GAIN Report Number:**

## Tanzania

### Grain and Feed Annual

### 2016 Tanzania Corn, Wheat and Rice Report

**Approved By:**

Kate Snipes

**Prepared By:**

Benjamin Mtaki

**Report Highlights:**

Post forecasts a decrease in corn production in Tanzania in the marketing year (MY) 2016/2017 due to unfavorable weather forecast by the Tanzania Meteorology Agency (TMA) in some of the key growing regions. Corn consumption is expected to increase due to higher demand in refugee camps but the demand will be met by local production. Consumption of wheat and rice will surpass production resulting in a deficit that will be offset by imports.

## Corn

Corn is a primary staple crop in Tanzania of high priority to the Government of Tanzania (GOT). The key growing areas are Iringa, Mbeya, Ruvuma, Rukwa, Tanga, Kilimanjaro, Kagera, Morogoro and Arusha/Manyara. Small-scale farmers produce 85 percent of national production while medium and large-scale farmers make up ten and five percent respectively. The GOT is implementing the Big Results Now (BRN) program. The goal of BRN is to increase maize production by 100,000 ha per year beginning in MY 2015/2016, and reach 350,000 ha in commercial production and 330,000 ha in smallholder production by 2025.

**Corn: Production, Supply and Distribution (PS&D) Table**

Corn Market Begin Year Tanzania, United Republic of	2014/2015		2015/2016		2016/2017	
	Jul 2014		Jul 2015		Jul 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	4000	4000	4000	4100		4200
Beginning Stocks	783	783	683	683		1403
Production	5000	5000	5500	6000		5500
MY Imports	50	50	50	20		20
TY Imports	50	50	50	20		20
TY Imp. from U.S.	0	0	0	0		0
Total Supply	5833	5833	6233	6703		6923
MY Exports	250	250	400	400		400
TY Exports	250	250	400	400		400
Feed and Residual	800	800	800	800		800
FSI Consumption	4100	4100	4200	4100		4200
Total Consumption	4900	4900	5000	4900		5000
Ending Stocks	683	683	833	1403		1523
Total Distribution	5833	5833	6233	6703		6923

(1000 HA) ,(1000 MT)

Sources: GOT, Global Trade Atlas (GTA) – otherwise Post estimates

### Notes on PSD table

- Area under corn is forecast to increase in MY 2016/2017 due to implementation of the BRN program
- In the MY 2016/17 maize production is expected to decrease due to erratic and below average rainfall that are forecasts by the Tanzania Meteorology Agency (TMA) in key growing regions
- Corn consumption is forecast to increase in MY 2016/2017, partly because of the increase in demand in refugee camps arising from the political crisis in Burundi and the Democratic Republic of Congo (DRC)
- Minimal reported imports are expected from neighboring countries due to informal cross-border trade
- Exports to neighboring countries are expected to remain flat
- Ending stocks will increase in 2016/2017 as GOT seeks to increase its strategic reserves

Tanzania's corn is grown under rain-fed conditions in two seasons, the short rains (Vuli) from October and January, and the long rains (Masika) between February and July. Marketing is done either through private traders or the Crop Board, an agency under the Tanzania's Ministry of Agriculture, Food Security and Cooperatives. Post-harvest losses due to poor storage infrastructure and weather variability are significant. GOT estimates that in some regions, post-harvest losses account for up to 40 percent of the total harvest, while nationally the financial loss due to aflatoxin is estimated at \$332 million USD per year. The GOT periodically limits corn exports to boost its strategic reserves.

### **Wheat**

Wheat is Tanzania's fourth most important crop after maize, cassava and rice. Over 90 percent of wheat produced in Tanzania comes from the northern highlands (Arusha, Kilimanjaro, and Manyara regions) and the southern highlands (Iringa, Mbeya regions). Production in the southern highlands is predominantly small scale and large scale in the northern highlands. Approximately 100,000 ha are currently devoted to wheat production.

The wheat milling industry is dominated by two companies that are based in Dar es Salaam, and supplies wheat products to consumers in all regions of Tanzania. Wheat consumption is higher in urban areas and the growth of major cities like Dar es Salaam, Mwanza and Arusha will further spur demand for wheat products. The main growth categories for the wheat industry are pasta, biscuits, and breakfast cereals.

The current production of about 100,000 tons per year accounts for only 10 percent of total domestic consumption and the deficit is offset by commercial imports mainly from Russia, Australia, Canada, Germany, and Brazil. Tanzania's wheat imports import bill is currently estimated at \$225 million USD per year. Wheat imports from the United States are primarily for Food Aid programs.

**Wheat: Production, Supply and Distribution (PS&D) Table**

Wheat Market Begin Year Tanzania, United Republic of	2014/2015		2015/2016		2016/2017	
	Jul 2014		Jul 2015		Jul 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	100	100	100	100		100
Beginning Stocks	45	45	140	135		255
Production	110	105	110	100		100
MY Imports	940	960	900	1000		1000
TY Imports	940	960	900	1000		1000
TY Imp. from U.S.	14	15	0	24		0
Total Supply	1095	1110	1150	1235		1355
MY Exports	5	5	5	5		5
TY Exports	5	5	5	5		5
Feed and Residual	0	0	0	0		0
FSI Consumption	950	970	975	975		980
Total Consumption	950	970	975	975		980
Ending Stocks	140	135	170	255		370
Total Distribution	1095	1110	1150	1235		1355

(1000 HA) ,(1000 MT)

Sources: GOT, GTA, otherwise Post estimates

**Notes on PSD table**

- Both area under wheat and production are forecast to remain flat in MY 2016/2017
- U.S. wheat imports in MY 2015/2016 are from a monetization program shipment
- Minimal exports due to informal cross-border trade is forecast in MY 2016/2017
- Marginal increase in consumption is forecast in 2016/2017

**Rice**

Rice is Tanzania's second most important food crop contributing 2.7 percent to the national Gross Domestic Product (GDP). According to the GOT data, an estimated 18 percent of farming households in Tanzania grow rice. The major rice producing regions are Shinyanga, Tabora, Mwanza, Mbeya, Rukwa and Morogoro. Others are Kilimanjaro, Arusha, Manyara, Iringa, Mara, Tanga and Kigoma.

On average, about 30 percent of rice that is produced in Tanzania is consumed by farm households, while the rest is absorbed into the domestic market. The city of Dar es Salaam is the principal end-market for rice and accounts for 60 percent of the total national consumption. Tanzanians generally prefer locally produced aromatic rice and most consumers purchase unpacked rice from either small retail stores or farmers' markets. Demand of rice in Tanzania is forecast to continue growing ahead of local production leading to deficits that will be offset by imports. Currently Tanzania imports rice from China, India, Indonesia, Pakistan, and Vietnam.

**Rice: Production, Supply and Distribution (PS&D) Table**

Rice, Milled Market Begin Year Tanzania, United Republic of	2014/2015		2015/2016		2016/2017	
	May 2014		May 2015		May 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1100	957	950	1000		1100
Beginning Stocks	0	0	0	70		150
Milled Production	1700	1700	1716	1750		1800
Rough Production	2576	2576	2600	2652		2727
Milling Rate (.9999)	6600	6600	6600	6600		6600
MY Imports	100	100	150	160		170
TY Imports	100	100	150	160		170
TY Imp. from U.S.	0	0	0	0		0
Total Supply	1800	1800	1866	1980		2120
MY Exports	30	30	40	30		30
TY Exports	30	30	30	30		30
Consumption and Residual	1770	1700	1826	1800		1900
Ending Stocks	0	70	0	150		190
Total Distribution	1800	1800	1866	1980		2120

(1000 HA) ,(1000 MT)

Sources: GOT, Global Trade Atlas (GTA), otherwise Post estimates

**Notes on PSD table**

- Area harvested is expected to increase in the MY 2016/2017 due to GOT policy to support farmers to increase land in rice production
- Consumption is expected to increase due to higher urban population, higher incomes, and increasing preference for rice