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Report Highlights:

MY 2021/22 wheat production is expected to decrease by 22.2 percent to 70,000 MT, while consumption is projected to increase by 2.9 percent to 1.2 million MT. Tanzania is expected to continue its absolute quota on wheat imports, and U.S. wheat imports are not anticipated this year. MY 2021/22 rice production is expected to increase by 13.6 percent to 2.4 million MT on a milled basis. MY 2021/22 rice imports are expected to drop by 27.7 percent to 130,000 MT due to an increase in local production and ongoing imports restrictions. MY 2021/22 corn production and harvest area are estimated to drop by 4.7 and 2.4 percent to 6 million MT and 4.1 million hectares, respectively, largely due to unfavorable planting conditions.

Corn

Table 1: Production, Supply, and Distribution (PS&D)

Corn	2019/2020		2020/2021		2021/2022	
Market Year Begins	Jul 2019		Jul 2020		Jul 2021	
Tanzania, United Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	4200	4200	4200	4200	0	4100
Beginning Stocks (1000 MT)	541	541	311	311	0	431
Production (1000 MT)	5820	5820	6300	6300	0	6000
MY Imports (1000 MT)	20	20	20	20	0	20
TY Imports (1000 MT)	20	20	20	20	0	20
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	6381	6381	6631	6631	0	6451
MY Exports (1000 MT)	170	170	100	100	0	80
TY Exports (1000 MT)	110	110	100	100	0	80
Feed and Residual (1000 MT)	900	900	900	900	0	920
FSI Consumption (1000 MT)	5000	5000	5200	5200	0	5000
Total Consumption (1000 MT)	5900	5900	6100	6100	0	5920
Ending Stocks (1000 MT)	311	311	431	431	0	451
Total Distribution (1000 MT)	6381	6381	6631	6631	0	6451
Yield (MT/HA)	1.3857	1.3857	1.5	1.5	0	1.4634

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Corn begins in October for all countries. TY 2021/2022 = October 2021 - September 2022

Sources: GOT, Trade Data Monitor, Post estimates

Production

MY 2021/22 corn production is expected to decrease by 4.7 percent to 6 million MT due to inclement weather, pests, and high input prices. This year, the Tanzania Meteorological Agency forecast below average rainfall for MY 2021/22. This will likely reduce yields as growers struggle to find ways to irrigate their fields. In February, swarms of locust invaded Tanzania's Kilimanjaro and Arusha regions and some remain. This has left the region vulnerable to further invasions and dampened the outlook for corn production.

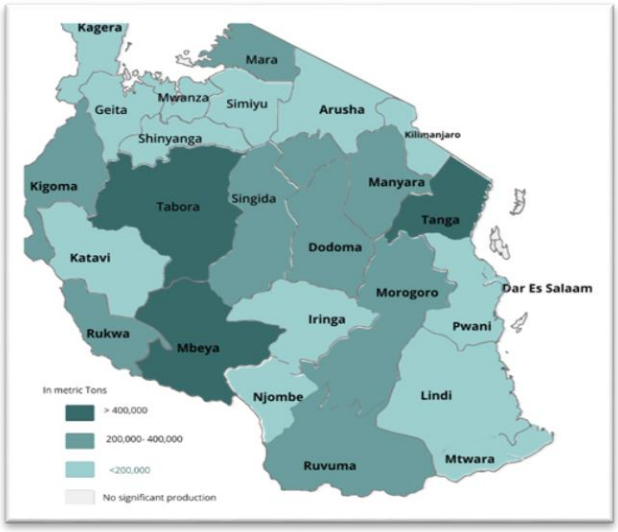
Fall armyworm and high input prices are also likely to affect production. The Ministry of Agriculture recently announced the presence of fall armyworm in nine regions, including Lindi, Mbeya, Morogoro, Dodoma, Tanga, Arusha, Kilimanjaro, and the coast. The Government of Tanzania (GOT), via the Tanzania Fertilizer Regulatory Authority, sets fertilizer prices by zone, region, and stock point. In MY 2020/21, the price of fertilizer and seed was higher than government prices. Importers said this is due to a complex procurement system which raises the cost of importing seeds and fertilizers and is likely to remain. Fertilizer indicative prices can be found here.

Approximately half of all corn produced in Tanzania comes from the Southern Highlands, particularly, Mbeya, Ruvuma, Njombe, Iringa, and Rukwa (see Figure 1). Small-scale farmers produce more than 80 percent of Tanzania's corn, growing for subsistence and as a cash crop.

Area Harvested

MY 2021/22 area harvested is projected to decrease by 2.4 percent to 4.1 million hectares due to below-average rainfall, desert locust invasion, and high input prices. Area for corn production is distributed across the country and adapted to agro-ecological zones from near sea level to 2,400 meters above it. Corn is also usually grown under low input and rainfed conditions. The choice to grow maize, even in areas of insufficient rainfall, is driven by a dietary preference over more drought-adapted traditional cereals such as sorghum and millet. The main agro-ecological zone for optimal corn growth falls between 500 and 1,500 meters above sea level. The Southern Highlands Zone and Lake Zone occupy 26 percent and 25 percent respectively of Tanzania's corn-producing area. These areas are followed by Eastern (13 percent), Northern (12 percent), Western (10 percent), Southern (8 percent), and Central (6 percent) zones.

Figure 1: Corn Growing Areas in Tanzania



Source: Ministry of Agriculture, Annual Sample Survey.

Consumption

MY 2021/22 corn consumption is expected to decrease by 2.9 percent to 5.9 million MT due to changes in dietary preferences. Some health awareness campaigns have linked the consumption of corn products with poor health outcomes such as obesity and diabetes, especially in urban areas. In the future, this trend is expected to further discourage consumption as consumers look for substitutes with more perceived health benefits.

Post forecasts an increase of 2.2 percent in feed and residual availability to 920,000 MT in MY 2021/22 due to higher demand for poultry feed. Seventy percent of farm-made diets include corn and protein concentrate in Tanzania. Post expects the poultry industry to grow, as it has in recent years, raising demand for feed from corn.

Smallholder farmers play a big role in corn production in Tanzania. Most smallholder farmers in the country produce corn for family consumption and typically sell 40 percent to the market. They often cannot afford commercial broiler feed, and corn is often a major source of income for those who are undernourished.

Annual per capita consumption of corn in Tanzania is 135 kilograms per person, and white corn is the most popular variety. Corn provides 80 percent of dietary calories and more than 35 percent of utilizable protein in the country. On average, maize accounts for 16 percent of household food expenditures, but there are big variations by region.

Trade

MY 2021/22 corn exports are forecast to decrease by 20 percent to 80 million MT due to COVID-19 disruptions. During the past year, there have been reports of truck driver screenings, lockdowns, and curfews in neighboring countries. This is believed to have increased border delays and the cost of cross-border trade with Tanzania's largest export markets for corn. Neighboring markets include Zambia, Malawi, Rwanda, Burundi, Kenya, and the Democratic Republic of Congo. Most corn imports are seed, corn oil, yellow corn for animal feed, and other corn products such as breakfast cereal. Tanzania imports the most corn from the EU, South Africa, United States, and Ukraine.

Stocks

MY 2021/22 ending stocks are projected to increase by 4.6 percent to 500,000 MT due to declines in exports and consumption. Food stocks are held by traders, millers, farmers, and the National Food Reserve Agency (NFRA). NFRA-held corn stocks are mainly corn grain and they have continued to increase since April 2020. This trend was mainly due to corn purchases during seasonal harvests (see table 2).

Table 2: Corn Stocks Held by NFRA from 2015 to 2020 (MT)

Period	2015	2016	2017	2018	2019	2020
January	459,561	125,668	86,835	91,947	93,037.2	43,596.7
February	454,592	88,414	86,444	91,313	85,524.5	41,231
March	452,054	68,727	86,443	83,650	78,336.3	39,597
April	433,547	64,825	86,278	73,468	68,747.8	38,053
May	406,846	63,341	74,826	68,893	68,057.7	38,291
June	353,702	61,838	70,393	63,844	67,335.9	52,725
July	282,401	49,632	68,697	62,288	67,410.1	90,255
August	268,515	59,832	78,434	62,317	68,407.0	92,991
September	265,046	86,545	85,403	78,224	61,710.8	109,733
October	253,655	90,905	89,248	87,435	55,852.5	110,895
November	238,134	90,900	93,353	92,402	52,726.9	110,289
December	180,746	90,800	92,074	95,534	52,498.1	110,398

Source: Bank of Tanzania, National Food Reserve Agency

Five years ago, Tanzania acquired a soft loan of $55 million from the Government of Poland to construct grain silos as part of an initiative to control aflatoxin and minimize the postharvest loss of grains. Currently, Tanzania is constructing silos in eight NFRA zones: Babati (Northern part),

Dodoma (Central part), Makambako (Southern Highlands), Mbozi (Southern Highlands), Shinyanga (Lake Zone), Songea (Southern Highlands), Sumbawanga (Southern Highlands), and Mpanda (West). So far, 68 percent of the Songea zone has been completed with final completion expected by MY 2022/23. When complete, sources note that NFRA will be able to store 546,000 MT of maize per year. Currently, NFRA owns 30 storage facilities with a total storage capacity of 246,000 MT (see Photo 1).

Photo 1

Construction Site of Silo Complexes at NFRA Songea Zone

Policy

Tanzania uses a facility called the Strategic Grain Reserve (SGR) to guarantee markets for farmers. The SGR absorbs corn surplus in the market by buying corn from farmers at a fixed price that is above market price. The facility is designed to help all farmers. However, those in large producing areas tend to benefit the most from the program. Tanzania frequently implements trade and market measures such as SGR to help maintain stable market prices for corn.

Two years ago, Tanzania launched a 10-year National Post-Harvest Management Strategy (NPHMS) and a 10-year implementation plan (SIP) 2019/2029. The purpose of the plan is to reduce post-harvest loss, facilitate agricultural marketing systems, strengthen institutional capacity, mitigate the effects of climate change, address inadequacy in post-harvest management financing, and develop a standard methodology for collecting data and estimating post-harvest loss in the country.

Marketing

Corn wholesale prices have fluctuated in recent years (see Table 3 below). From April to September 2019, prices declined 14.6 percent and then again by 10.5 percent during the same period in 2020. Following this period, wholesale prices increased in October 2020 compared to the preceding month and then declined again in December 2020.

Table 3: National Average of Wholesale Price of Corn in Tanzania

2019	Price in $ per 100 Kg	2020	Price in $ per 100Kg
January	21.12	January	40.00
February	22.00	February	37.00
March	22.00	March	28.00
April	24.00	April	26.00
May	26.00	May	24.00
June	26.00	June	25.00
July	26.42	July	25.12
August	28.50	August	24.40
September	31.00	September	23.50
October	35.00	October	25.00
November	37.00	November	25.00
December	38.00	December	24.51

Source: Bank of Tanzania, Ministry of Industry and Trade

Wheat

Table 4: Wheat: Production, Supply, and Distribution (PS&D)

Wheat	2019/2020		2020/2021		2021/2022	
Market Year Begins	Jul 2019		Jul 2020		Jul 2021	
Tanzania, United Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	100	100	90	90	0	70
Beginning Stocks (1000 MT)	59	59	187	187	0	157
Production (1000 MT)	100	100	90	90	0	70
MY Imports (1000 MT)	1248	1248	1100	1100	0	1100
TY Imports (1000 MT)	1248	1248	1100	1100	0	1100
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1407	1407	1377	1377	0	1327
MY Exports (1000 MT)	20	20	20	20	0	15
TY Exports (1000 MT)	20	20	20	20	0	15
Feed and Residual (1000 MT)	0	0	0	0	0	0
FSI Consumption (1000 MT)	1200	1200	1200	1200	0	1235
Total Consumption (1000 MT)	1200	1200	1200	1200	0	1235
Ending Stocks (1000 MT)	187	187	157	157	0	77
Total Distribution (1000 MT)	1407	1407	1377	1377	0	1327
Yield (MT/HA)	1	1	1	1	0	1
(1000 HA) ,(1000 MT) ,(MT/HA) MY = Marketing Year begins with the month listed at the top of each column TY = Trade Year, which for Wheat begins in July for all countries. TY 2021/2022 = July 2021 - June 2022						

Source: GOT, Trade Data Monitor, Post estimates

Production

MY 2021/22 wheat production is expected to decrease by 22.2 percent to 70,000 MT, largely due to high post-harvest loss, below-average rainfall, and desert locust invasions in Northern Tanzania. The majority of the country's wheat is grown in the North, specifically in Kilimanjaro, Arusha, and Manyara. Recent trends show that wheat is being replaced by more profitable crops or those more suited to local environments. MY 2021/22 area harvested is expected to fall by 22.2 percent to 70,000 hectares due to farmers switching to higher-priced

crops. Large commercial farms are switching from wheat to legumes and this trend is expected to continue, limiting room for wheat production.

More than 90 percent of wheat produced in Tanzania comes from large commercial farms in the Northern Highlands or small and medium-sized family farms in the Southern Highlands. Wheat mechanization in the country is comprised of three modes of production: large-scale mechanized, small- to medium-scale mechanized, and hand-tool production. Tanzania devotes 100,000 hectares to wheat production and has a production capacity of roughly 65,000 MT per year.

Policy

Tanzania is planning to increase domestic wheat production using market mechanisms. In January 2021, the Minister of Agriculture met with wheat millers, traders, and processors, requesting them to source 60 percent of their wheat from local producers at a premium price starting MY 2021/22. Under the proposal, local buyers will be allowed to import only 40 percent of total wheat in demand. The strategy seeks to encourage local farmers to increase wheat production and reduce Tanzania's dependence on imports. However, there is currently no evidence to suggest that Tanzania will meet its goal of reducing imports, and it is still widely believed that most wheat will be imported. Post will continue to monitor the situation and report on key developments.

Consumption

MY 2021/22 wheat consumption is projected to increase by 2.9 percent to 1.2 million MT. Bakeries and food processing facilities around peri-urban areas are expected to reopen following COVID-19 closures. Home baking, urbanization, and a growing middle-class are also expected to increase wheat demand.

Pasta, biscuits, breakfast cereals, mandazi, chapatis, cookies, stiff porridge (ugali), cakes, and doughnuts drive the wheat industry in Tanzania. Wheat consumption in Tanzania is ranked fourth after maize, cassava, and rice. Wheat is mainly consumed in the form of wheat flour, which is both an intermediate and final product. The wheat milling industry is dominated by local companies with mills and silos in Dar es Salaam. Urbanization and the growth of major cities like Dar es Salaam, Mwanza, and Arusha are expected to increase demand for wheat products as 80 percent of wheat is consumed in urban areas.

Trade

MY 2021/22 wheat imports are expected to remain at 1.1 million MT due to low domestic production and increasing local consumption. Tanzania imports wheat for commercial use from Russia, Australia, Canada, EU, and Ukraine, while imports from the United States are primarily used for food aid programs. While importers prefer U.S. wheat for its quality, traders note disadvantages with high transportation costs. Tanzania imports 90 percent of the wheat it consumes at 1 million MT per year. Post will continue to closely monitor Tanzania's new quota policy.

Table 5: Major Wheat Exporters to Tanzania (1000 MT)

Reporting Country	CY 2019	CY 2020
Russia	516	700
European Union	164	208
Ukraine	53	46
Canada	48	33
Australia	1	1
India	0	0
United States	102	0
Total	**884**	**988**

Source: Trade Data Monitor

MY 2021/22 wheat exports are expected to decrease by 25 percent to 15,000 MT due to continuing production shortage, declining demand from abroad, and high domestic demand. COVID-19 has also affected cross-border trading. Truck driver screenings, lockdowns, and curfews from neighboring countries have increased the cost of cross-border trade and contributed to border delays. Most wheat exports from Tanzania are recorded as re-exports from foreign suppliers to landlocked countries.

Stocks

MY 2021/22 ending stocks will decrease by 50.9 percent to 77,000 MT because of increased consumption, falling production, and high import procedures due to the absolute quota law. Wheat stocks are mainly held by traders, millers, and farmers.

Marketing

The price of wheat products has increased in recent years due to rising world prices. Popular wheat products in Tanzania include bread, chapatti, cakes, and buns. Local wheat production in Tanzania often cannot meet local demand and large-scale imports are often required. In major cities, the price of a 500-gram loaf of bread increased from $0.40 (in MY 2018/19) to $0.70 (MY 2019/20). During the same period, the price of chapatti increased from $0.10 to $0.30. The price of wheat flour in Tanzania fluctuates depending on the region and distance from Dar es Salaam where mills are located.

Rice

Table 6: Rice: Production, Supply, and Distribution (PS&D) Table

Rice, Milled	2019/2020		2020/2021		2021/2022	
Market Year Begins	May 2019		May 2020		May 2021	
Tanzania, United Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1200	1200	1250	1250	0	1300
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Milled Production (1000 MT)	2293	2046	2310	2112	0	2400
Rough Production (1000 MT)	3474	3100	3500	3200	0	3636
Milling Rate (.9999) (1000 MT)	6600	6600	6600	6600	0	6600
MY Imports (1000 MT)	200	200	150	180	0	130
TY Imports (1000 MT)	150	200	150	190	0	180
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2493	2246	2460	2292	0	2530
MY Exports (1000 MT)	30	30	30	30	0	15
TY Exports (1000 MT)	30	30	30	30	0	15
Consumption and Residual (1000 MT)	2463	2216	2430	2262	0	2515
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	2493	2246	2460	2292	0	2530
Yield (Rough) (MT/HA)	2.895	2.5833	2.8	2.56	0	2.7969

(1000 HA),(1000 MT),(MT/HA)
MY = Marketing Year begins with the month listed at the top of each column
TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2021/2022 = January 2022 - December 2022

Source: GOT, Trade Data Monitor, Post estimates

Production

MY 2021/22 milled rice production is projected to increase by 13.6 percent to 2.4 million MT due to favorable weather conditions and an increase in harvested area, making Tanzania the biggest rice producer in the region. The rice sub-sector has long been identified by Tanzania as a strategic priority for agricultural development due to its potential for improving food security and income for rural households.

MY 2021/22 area harvested is expected to increase by 4 percent to 1.3 million hectares due to favorable weather conditions and government support initiatives. In recent years, Tanzania has prioritized rice cultivation for local consumption and export to neighboring countries. To accomplish these goals, the Ministry of Agriculture offers technical and training support from non-government organizations. It is also building irrigation schemes for rice production and encourages efficient use of fertilizers via its 10-year National Rice Development Strategy Phase II (NRDS-II). The NRDS-II purpose is to double the area under rice cultivation from 1.1 to 2.2 million hectares from 2018 to 2030, double on-farm rice productivity from two t/ha to four t/ha by 2030, and reduce post-harvest loss from 30 to 10 percent by 2030.

Policy

Tanzania launched NRDS-II to achieve the following goals related to rice production: sustain rice self-sufficiency, contribute to regional self-sufficiency, become a rice market leader, and be

well-positioned to become more competitive through improvements in quality, quantity, and value of locally produced rice. The strategy aims to achieve these goals by improving climate resilience, enhancing regional market competitiveness of locally produced rice, sustainably orienting the Tanzanian rice farming system, and expanding rice cultivable area under irrigated, rain-fed, lowland, and upland ecosystems.

The mid-term and long-term targets for the NRDS II (2018 to 2030) are indicated in the table below:

Table 7: Mid-term and Long-term targets

Items	2018/19	2025 (mid-term)	2030
Area under cultivation (million ha)	1.1	1.43 (30%)	2.2
Output (milled rice; t/ha)	2	3 (50%)	4
Yield paddy – before milling t/ha	3.08	4.3	6.15
Post-harvest losses	30%	20%	10%
Harvest (milled rice, million MT)	2.2	4.29	8.8
Surplus (million MT)	0.4	1.7	5.3

See here for more information: National Rice Development Strategy Phase II

Consumption

The MY 2021/22 rice consumption and residual figure is expected to increase by 11.1 percent to 2.5 million MT due to changes in dietary preferences, affordability compared to wheat, accessibility, urbanization, increases in population, and availability. In Tanzania, rice is a staple food consumed in both urban and rural areas. Dar es Salaam is the principal end market for rice in the country and accounts for about 60 percent of consumption.

Tanzanian consumers pay close attention to the grain size, color, flavor, and aroma of rice. They typically prefer the following characteristics: long slender, translucent, intermediate amylose content, and aromatic to semi-aromatic. The most popular rice from Tanzania in local and regional markets are Supa and TXD 306 (SARO 5), and the most popular rice grades are Premium, Grade One, and Standard. Premium prices are usually given to aromatic rice, such as the Kyela brand and others when sold in attractive packaging. Increased rice consumption is both the result of population growth and an increase in preference among high-income households in big cities.

Tanzania's steady economic growth of 7 percent GDP has stimulated increased domestic production of rice and, as incomes rise, rice and wheat are preferred over sorghum and maize as they are easier to prepare and a symbol of increased social and economic status. Average rice consumption exceeds 25 kg/person/year.

Trade

MY 2021/22 rice imports are expected to decrease by 27.7 percent to 130,000 MT due to increased local production and import restrictions. Imports in the last quarter of 2020/21 are larger than normal because there is typically less rice in the market at this time of the year. Rice is not harvested in Tanzania from September to December, causing shortage of domestic supplies and encouraging imports.

Tanzania primarily imports long-grain milled rice from Pakistan. In the same period, Tanzania imported rice primarily from Thailand, China, and the United States (see Table 8 below). Tanzania does not often issue import permits. Tanzania's Ministry of Agriculture announced in September 2018 and March 2020 that it will begin rice import restrictions to protect farmers from foreign competition. As a member of the East African Community (EAC), Tanzania applies a common external tariff of 75 percent *ad valorem*, or $345 per MT (whichever is higher) for imports from non-EAC countries. Rice imports from the United States are primarily for food aid programs.

Table 8: Major Rice Exporters to Tanzania (1000 MT)

Reporting Country	TY 2019	TY 2020
Pakistan	146	0
Thailand	15	4
India	8	0
China	0	1
United States	0	0
Myanmar	3	0
Total	**172**	**5**

Source: Trade Data Monitor

MY 2021/22 rice exports to East Africa are estimated to decrease by 50.0 percent to 15,000 MT because import restrictions place higher demand on locally produced supply and COVID-19 restrictions limit cross-border trade. Major importers of rice from Tanzania are Uganda, Rwanda, Kenya, and Burundi, and occasionally Malawi and Zambia. Export markets are located in main rice-producing regions of the country and close to neighboring importing countries. Good quality Tanzanian rice is preferred in these markets but only irregularly available as a result of export bans and high export tariffs.

Stocks

MY 2021/22 ending stocks are not expected to change due to increased consumption. When ending stocks are available, they are mainly held by individual farmers, cooperative warehouses, traders, or millers in rented or individually owned warehouses.

Marketing

Rice markets in Tanzania are active throughout the calendar year. Consumers mostly prefer polished milled rice which is aromatic long grain rice. There is also demand for sticky, long grain, white rice. Brown rice and rice flour are available in limited supply, and value-added rice products like rice crackers are hard to find in markets. Rice consumers in Tanzania usually purchase loose rice from bulk sacks either from traditional small retailers or at farmers markets. Quality differentiation is limited mainly to the amount of broken rice present, to whether it is aromatic or non-aromatic, and to whether it is locally produced or imported. Rice branding for local rice in supermarkets, and the foodservice market is still limited.

Prices

Table 8: National Average Wholesale Prices of Rice in Tanzania

2019	Price in $per 100Kg	2020	Price in $ per 100 Kg bag
January	69.00	January	82.00
February	72.20	February	82.23
March	73.00	March	77.00
April	72.10	April	78.24
May	72.10	May	70.10
June	71.10	June	66.00
July	70.00	July	64.20
August	68.40	August	63.40
September	73.11	September	62.00
October	78.11	October	60.13
November	80.00	November	62.20
December	81.31	December	62.00

Sources: Bank of Tanzania and Ministry of Industry and Trade

Attachments:

No Attachments