Chapter 18
The Role of Agriculture in Tanzania:
Unpacking Industrialization Prospects and Constraints

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ABSTRACT

Agriculture's importance to industrialization efforts in Tanzania goes far beyond its direct impact on the manufacturing sector, but on farmers' incomes, economic stability, and reduction of poverty. The challenges are on both sides; agricultural development initiatives are needed on one hand while manufacturing obstacles are supposed to be dealt with on the other hand. Using literature review approach, the study found that there should be a balance between infrastructure development and agricultural support so that the two may support well the industrialization process. Massive efforts have been myths to the smooth changes which call for serious attention to the planners to review strategies, policies and programme. On the other hand, the potentials of the agricultural sector are observed to support the industrialization process in Tanzania. The potentials include food security, private investments support, employment, and exports enhancement and supply strain stabilization through various crops and produce.

INTRODUCTION

Agriculture in Africa represents a major economic activity and contributes, on average, 15% of gross domestic products (GDP), although this varies widely across the continent, from 2.5% in South Africa to 56% in Sierra Leone (World Bank, 2018a). The agricultural sector employs about 65% of the workforce (Osabuohien, 2020a; World Bank, 2017; FAOSTAT, 2015) and constitutes the primary income generating activity for many especially those in the rural areas. African agriculture is, therefore, believed to have the potential to contribute to eradicating poverty and hunger, by boosting agricultural investment and trade, creating jobs, and improving livelihoods (NEPAD, 2013; Osabuohien, 2020b). Tanzania's agricultural

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sector is among the most diverse in East Africa. The country's primary export crops include coffee, cotton, tobacco, cashew nut and tea. It also produces significant quantities of fruits and vegetables, pyrethrum – a plant used to make fertilizer – and sisal, which is derived from a species of agave plant and is used to create strong plant fibers for rope, twine and fabric (Katundu, 2020; Osabuohien et al, 2020).

In Tanzania, most of the population (more than 70%) is engaged in agriculture, residing in the rural areas and practicing small scale farming. Thus, Tanzania's agricultural sector makes sense in a number of ways ranging from employment creation, input supplies in the manufacturing sector and food security to the industrial work force and the nation at large a few to mention; not forgetting the constraints facing the agricultural sector to adequately support industrialization on the other side (Massay, 2020; Kumburu and Pande, 2020). Agriculture's importance to economic development goes far beyond its direct impact on farmers' incomes, as it is the driver for the economy and the best hope for the food security in Tanzania, Africa and world at large. Agricultural development has benefited millions through higher income, more plentiful and cheaper food and generates patterns of development that are employment-intensive and benefit both rural and urban areas. More important it has contributed to the economy even outside agriculture where growth and job creation are faster and has raised wages. Tanzania's economy has responded to the structural transformation with steadily increasing shares of total GDP from the services sector. Agricultural activities accounted for 30.1 per cent of the GDP in 2017, from 29.2 per cent in 2016 (URT, 2018). There are some indications of increase in trend for the subsequent years too.

According to the World Bank (2019), the current trends in agriculture in Tanzania offer a tremendous opportunity to catalyze private investment, both local and foreign, and raise the incomes of the poor. Since agriculture already accounts for a quarter of total GDP and two-thirds of jobs, enhanced agricultural growth must be part of the strategy to create more and better jobs and alleviate poverty. Recent signs of transformation in Tanzania's agricultural sector offer encouraging opportunities for acceleration of growth, job creation and poverty reduction, if urgent steps are taken to improve the sector's policy and regulatory environment and investments, according to a new World Bank report (2019).

Realizing the potential of agriculture for Inclusive growth and poverty Reduction, underscore the importance of having supportive public policies and spending which crowds in more private investments needed to catalyze a nascent agriculture transformation (Wolter, 2018). Signs of transformation within the study period (2008-2018) include a growing number of medium-scale farmers which has opened up opportunities for smallholder farmers through positive spillovers. These farms have created jobs for farmers through their demand for extra agricultural inputs and financial, traction rental, and especially, transport services.

With the in trend as explained above, the experience of weak farming practices of farmers are the common in most of developing countries as it is in Tanzania. Farmers normally operate low-technology, businesses on small and fragmented plots of land without access to proper infrastructures, improper inputs and other productivity enhancing methods (Duursma et al., 2012). These weaknesses can be triangulated and used as strength to rectify the system that has been doing thing for traditional for years. For instance, land inheritance to a member of families for cultivation range from 0.2ha to 2ha, besides, 70% of the land is hand tools worked, reliant on rain-fed farming, mostly without the use of proper inputs. The evidence shows that, only 11 percent (about 44 million hectares) of the total arable land under cultivation are owned by smallholder farmers in Tanzania (Wolter, 2018). The planted area has been stable for some years, indicating that land expansion has ceased to be a major source of agricultural growth. Agriculture growth has been stagnated, slowing wider economic growth and exacerbating poverty with it.