

MONTHLY BRIEFS

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Watch out (every month) for this educating bulletin that keeps you informed on what TAHA is doing to make you ever comfortable in the sector!!

FROM THE SECRETARIAT

Dear Readers,

Welcome to the March Newsletter. The month of March has been a conference month (if you allow me to call it) for TAHA. It is not only the TAHA Secretariat but different stakeholders have also admitted that they have been involved in various meetings and conferences this month. All this has been in the interest of the industry and we hope that there is no conference left out in this useful bulletin that keeps the industry up to date.

We try as much as we can to reach all the stakeholders using this newsletter. Should you know of any important stakeholder that you think is not receiving this newsletter, please let us know so that we can make arrangements of getting this very important bulletin to him/her

Enjoy your reading.



TAHA PAYS A VISIT TO FPEAK

In a spirit of partnership and in efforts to learn from each other, TAHA paid a visit to the Fresh Produce Exporters Association of Kenya (FPEAK). The association was represented by its programs officer Mr. Onesmo Kenneth. The study tour was sponsored by TAHA in collaboration with the SME Competitiveness Facility (SCF), an organization that has been very keen in supporting the Tanzania Horticultural Industry.

Among the places visited in the study tour include the FPEAK offices, the Seed Traders Association of Kenya (STAK), the Kenya Plant Health Inspection Services (KEPHIS) and InduPack which is a packaging industry as well as a fruit and vegetable exporter.

This was a very important opportunity in which the horti-

cultural overview of Kenya was well explained to us. Among the factors that boost the Kenyan Horticultural industry include the availability of skilled labor, good government policies to promote the industry, sufficient freight both air and sea and good private sector policies. The Kenyan horticultural industry has more than 300 investors earning the country about 800 million dollars annually. Another factor that has really led to the growth of the Kenyan horticultural industry is the great interest it enjoys from the public. This has really facilitated the industry's growth.

Generally, the tour was a good opportunity to learn from our Kenyan counterparts and promote the spirit of brotherhood in the current East African Community

A SLAP ON THE FACE OF HORTICULTURAL DEVELOPMENT

This month TAHA has learnt with a lot of regret a very unfortunate event in the industry. As reported by various media houses this month, one of the horticultural investors was attacked and seriously injured by irate Morans in Oldonyo Sambu area in Arusha region. Also attacked were the workers of the Korfovouni estate and the Arusha Regional Land Surveyor.

The Morans had allegedly been incited by some local leaders who have been secretly eying the piece of land on which the investor is farming. Having learnt that the investor was planning to make more investments in the farm, the leaders sent the Morans ensure that no development is made on the piece of land. Despite injuring the people, the Morans also destroyed property worth Tsh. 25 million.

The issue was reported to various leaders in the district but no serious action seems to have been taken. In fact no arrests seem to have been made nor any property recovered. TAHA has sought the intervention of the Regional Commissioner on this matter and is looking forward to his intervention. Currently the investor is contemplating transferring this multi-billion investment to either Kenya or Ethiopia having seen that his plight seems to be landing on deaf ears.

TAHA regards this as another big blow not only to the horticultural industry but also to the entire nation's economy. However, there seems to be some light at the end of the tunnel and we are optimistic that with the intervention of the Regional Commissioner some viable solution might be arrived at.

A NEW APPROACH IN THE MINIMUM WAGE DEBATE

On the 18th of this month, the minister for Labor, Employment and Youth Development chaired a meeting meant to deliberate on the impact of the newly announced salary schemes. This was a follow up meeting with the minister's office on the minimum wage proposal which was presented to the minister last year. The meeting which was held in Dar es Salaam was attended by the Agricultural Sector Groups under the umbrella of the Agricultural Council of Tanzania (ACT).

This meeting was a forum in which private sector was given an opportunity to give their views and analyses on the newly announced salary scheme and recommend any changes that would make the scheme better. The horticultural sector was represented by the TAHA Executive Director Ms. Jacqueline Mkindi.

The participants expressed their concerns

that the government had set a very high minimum wage, leaving no room for any adjustments using the Collective Bargaining Agreements (CBA). They therefore requested the minister to consider lowering the minimum wage so that through the CBAs the employers and the trade unions can make some adjustments for mutual benefits.

After listening to the presentations from the private sector, the minister and his team had the following feedback:

1. There is a study in the Private sector commissioned to ESRF by the Ministry. The study aims at analyzing the feasibility of the newly established Minimum Wage and the capacity of the private sector to implement the scheme (Tshs. 65,000 in the agric. Sector).
2. The Minister asked us to cooperate with the team and forward our concerns to the committee for incorporations into a single

document. After the survey, the team will come up with its recommendations (based on our issues) and present them to the Minister.

The Minister will give us an official letter, allowing us to continue paying salaries based on the previous salary scheme (upon negotiations with workers) until the government announces its new stand on the issue. ACT will follow up on this letter and circulate it to all of us.

However, the team advised the Minister that, in future, he should come up with a fair Minimum Wage that gives room for further negotiations through CBAs, something that the Minister was ready to adopt. The private sector then agreed that ACT will organize for a group meeting with ESRF experts for presentations.

TAHA FINALLY MEETS THE TAX REFORM COMMITTEE

The month of March has been a very lucky month for TAHA. TAHA finally managed to get the audience of the Tax Reform Committee of the Ministry of Finance and Economic Affairs and express its tax concerns. This meeting was organized by the Agricultural Council of Tanzania and was meant for all the agricultural stakeholders in the country.

As we had previously circulated to the members, our proposal was based on three issues which we presented to the reform committee. These were:

VAT Claims

Regarding VAT claims, the committee admitted that there has been unnecessary bureaucracy in the claim procedures. The Committee then promised to forward these concerns to higher authorities.

Produce Cess

The reform committee was very posi-

tive on this point. They have also noticed the confusion in the systems of these cess collections made by district councils. They also promised a follow up on this and this will be well depicted in their report and recommendations.

Double Taxation at the Namanga Border

This was a surprise to the Committee. According to them, there should be no taxation on horticultural exports. TAHA was therefore tasked with looking for the specific cases under this issue and forward them to the committee.

TAHA sees this as a very big success since members have suffered with the tax issues for a long period now.

A VISIT BY EVD

This month TAHA was honored by the visit of a delegation from the Dutch Cooperation Match-making Facility (EVD International). The delegation was led by the Counselor for Agriculture, Nature and Food Quality to Kenya, Tanzania and Uganda who is also the counselor for UNEP Embassy of the Kingdom of the Netherlands Nairobi.

The gist of this visit was to deliberate with TAHA on how the two parties can work together to link horticultural business people to various Dutch investors. The goal of EVD is to stimulate investment in various countries and in so doing it links serious companies in developing countries with Dutch businesses. Having established itself in more than 40 countries in Africa and Latin America EVD receives proposals for cooperation with Dutch companies through the Dutch embassies of the applicants.

This is another promotional opportunity for TAHA members to get more markets for their products. The EVD officials also shared with the TAHA Executive Director how they have successfully managed to penetrate the Ethiopian Horticultural Industry a phenomenon that has been greatly facilitated by the current lucrative incentive package in the country.

ANOTHER PACKAGE FROM AVRDC AND GHI

TAHA was honored with the visit of Dr. Remi Nono, the Plant pathologist of the Asian Vegetable Research and Development Centre (AVRDC). The mission of this visit was to establish the industry's developments realized through the association and to discuss how best AVRDC and TAHA can partner in fostering more development for the Tanzania Horticultural Industry. In his conversation with the TAHA Executive Director, the expert discussed some of the challenges the industry is faced with and how best to go about these challenges.

In attempt of getting some solutions, Dr. Remi put TAHA through to the Global Horticultural Initiative (GHI) by arranging for a meeting between the TAHA Executive Director and Dr. Remi Kahane who is the GHI's Interim Executive Secretary.

In the discussion between TAHA and GHI,

the following issues were discussed: TAHA and GlobalHort will work together at the promotion of horticulture, at different levels only (national/international). Both are complementary and should develop common views and projects for their own efficiency. Capacity building and knowledge management appeared to be a key area for immediate and strong partnership. GlobalHort will deliver all kind of information of interest for TAHA regarding existing networks, on-going projects and programs in preparation. For example: **ISHS** reference to get a member, **CTA** contacts for training supports and facilitators, **PIP** information newsletter and **Challenge Program** on High Value Crops in preparation. GlobalHort invitation to TAHA to become a member of ISHS, and to its farmers' organizations to become members of **IFAP**, the International Federation of

Agricultural Producers. The statutes of TAHA could be forwarded to IFAP to know its eligibility to become itself a member. TAHA will invite GlobalHort to introduce its activities during the forthcoming Stakeholders meeting, 24-25 April in Arusha, to place all national initiatives in a sub-regional or international context. TAHA will inform GlobalHort about its regional assessment of the needs of Tanzanian horticulture industry in terms of training and education for its staff, and its business plan to be implemented. Joint efforts at national and sub-regional levels could better succeed in raising funds to support this plan and potentially develop a wider program. A detailed concept note on a regional horticultural platform for information management, education and research, training and technology transfer, would be gratefully acknowledged by the French Embassy and its donor partners.

A (HORTICULTURE) STUDY TOUR ON THE POINTS OF ENTRY IN THE USA AS FROM 26TH TO 3RD MARCH 2008.

This month the TAHA ED joined an East African delegation from the Horticultural sector to the USA under the sponsorship of the United States Department of Agriculture (USDA). The visits took place as from 26th February to 3rd March, 2008 and the group had an opportunity to also participate in the World Floral Expo in Miami, Florida.



The Objectives of the trip were:

- To study the USA official control systems which are quite different from those in the EU which the industry is familiar with. The complicated import procedures into the US market are to some extent be considered as Technical Barrier to Trade between our countries and America.
- To find ways to diversify our "market basket" as a means of cushioning private sector against region-specific market shocks.

Some aspects of increased market penetration into the USA will require collective action by industry and private sector in Tanzania, and a deep knowledge of the market in the USA, together with possible collaboration with US-oriented development partners.

It was observed from the meetings in the DC area with large corporate buyers of fresh flowers and vegetables that:

- US market has interests in our fresh produce products.
- Our quality and variety is desired by the market
- Given sufficient order size, our product can compete

Logistics are problematic but can be worked out. It was clearly noted that we can not compete on freight with the Columbians to the USA market for example, but we could compete by delivering to west coast destinations.

At the USDA, the team held discussions with government officials from the USDA Office of CAPACITY Building, Agriculture Marketing Services, Food safety team, APHIS headquarters at Riverside. The Private sector visits included Claymore Sieck Inc (Floral wholesaler) and Costco (Supermarket) both in Washington DC

WORLD FLORAL EXPO 2008

The World Floral Expo 2008 is the only international flower show in the USA which focuses on growers meeting importers



and large volume wholesalers. Again this year there was an East African stand constituted by products from East African flower exporting companies. The EA Pavilion won a SILVER MEDAL for the best presentation and design of the stand.

While at Miami, the TAHA ED had good discussions with several buyers who indicated interest in buying our flowers. Flower companies (TAHA MEMBERS) interested to sell flower to the American market, if not today but even in future, are encouraged to contact the Secretariat for contact details.