



**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF LIVESTOCK DEVELOPMENT**



**INVESTMENT OPPORTUNITIES IN THE
LIVESTOCK INDUSTRY**

APRIL, 2006

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ACRONYMS

ADRI	Animal Disease Research Institute
AU	Africa Union
DFZ	Disease Free Zone
DSM	Dar es Salaam
DVO	District Veterinary Officer
DVS	Director of Veterinary Services
FAQ	Fair Average Quality
GDP	Gross Domestic Product
IBAR	Inter African Bureau of Animal Resources
KIA	Kilimanjaro International Airport
LMU	Livestock Multiplication Unit
MLD	Ministry of Livestock Development
MT	Metric ton
NARCO	National Ranching Company
OIE	Office Internationale des Epizootes
PCB	Prevention of Corruption Bureau
SADC	Southern African Development Council
SPS	Sanitary and Phytosanitary
TAZARA	Tanzania Zambia Railway Authority
TIC	Tanzania Investment Centre
TLMP	Tanzania Livestock Marketing Project
TRC	Tanzania Railway Corporation
TSZ	Tanzania Shorthorn Zebu
TZS	Tanzanian Shilling
VIC	Veterinary Investigation Centre
WTO	World Trade Organization
ZIS	Zoosanitary Inspectorate Services

1.0 INTRODUCTION

1.1 Country Profile

Tanzania is located in Eastern Africa between longitude 29⁰ and 41⁰ east. Latitude 1⁰ and 12⁰ south. The country is bordering Kenya and Uganda to the North, Rwanda, Burundi and Democratic Republic of Congo to the west, Zambia, Malawi and Mozambique to the south and the Indian Ocean to the east.

It has a spectacular landscape of mainly three physiographic regions namely the Islands and the coastal plains to the east; the inland saucer-shaped plateau; and the highlands. The Great Rift Valley that runs from north east of Africa through central Tanzania is another landmark that adds to the scenic view of the country. The rift valley runs to south of Tanzania splitting at Lake Nyasa; one branch runs down beyond Lake Nyasa to Mozambique; and another branch to north-west alongside Burundi, Rwanda, Tanzania and western part of Uganda. The valley is dotted with unique lakes which include Lakes Rukwa, Tanganyika, Nyasa, Kitangiri, Eyasi and Manyara. The uplands include the famous Kipengere, Udzungwa, Matogoro, Livingstone, and the Fipa plateau forming the southern highlands. The Usambara, Pare, Meru, Kilimanjaro, the Ngorongoro Crater and the Oldonyo Lengai, all form the northern highlands. From these highlands and the central saucer plateau flow the drainage system to the Indian Ocean, Atlantic Ocean, Mediterranean Sea and the inland drainage system.

1.1.1 Climate

Tanzania has a tropical type of climate. In the highlands, temperatures range between 10⁰C and 20⁰C during cold and hot seasons, respectively. The rest of the country has temperatures which hardly go below 20⁰C. The hottest period spreads between November and February (25⁰C - 31⁰C) while the coolest period occurs between May and August (15⁰C - 20⁰C). Two rainfall regimes exist, one unimodal (December - April) and bimodal (October -December and March - May). The former is experienced in southern, south-west, central and western parts of the country, and the later is found to the north and northern coast. In the bimodal regime the March - May rains are referred to as the long rains (*masika*), whereas the October - December rains are generally known as short rains (*vuli*).

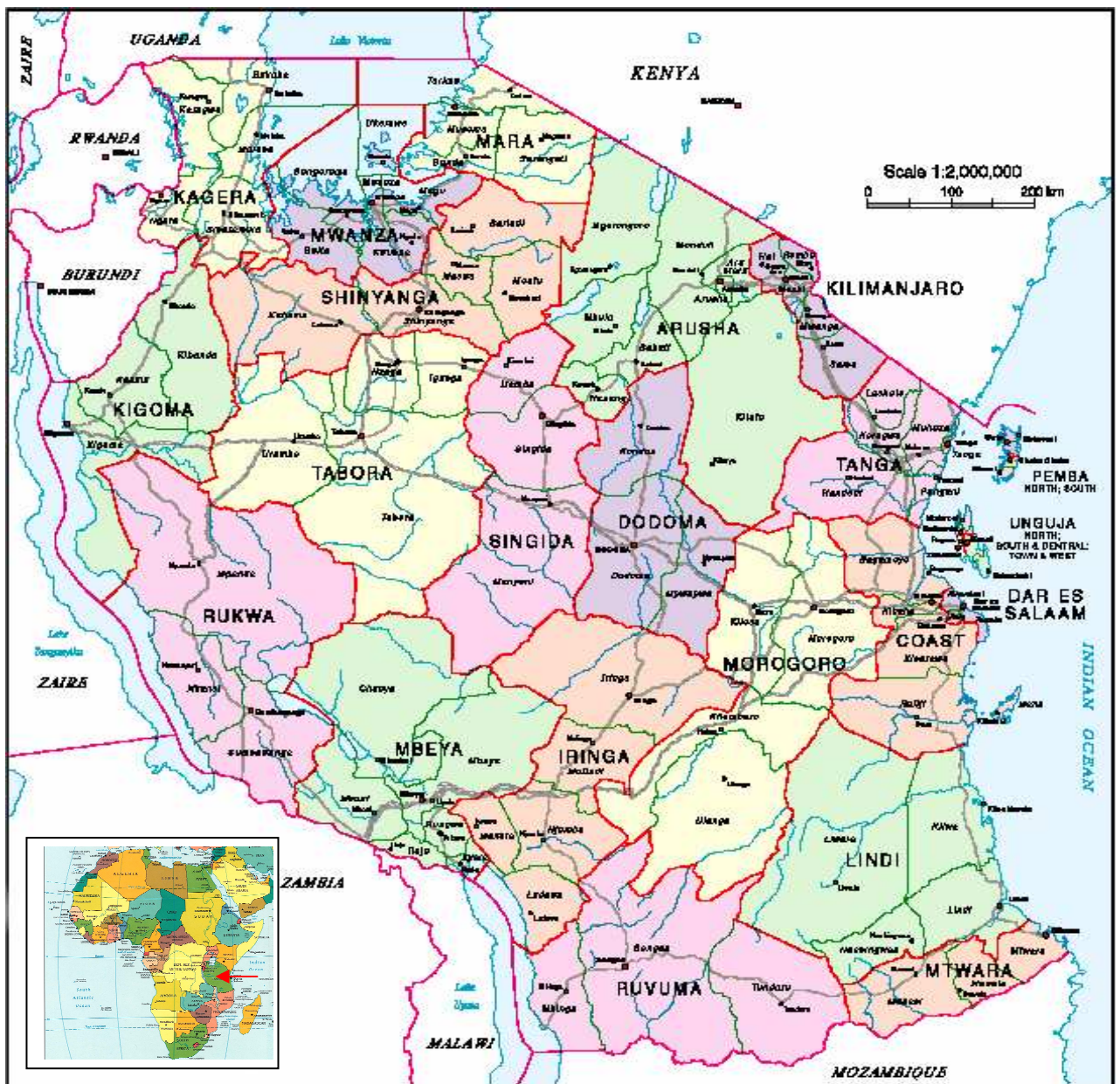
1.1.2 Land and Soils

The country covers an area of 94.52 million hectares of which 88.6 million hectares is land mass and 62.0 million hectares is covered by water. Figure one presents administrative regions and the location of the country in Africa.

Most soils in Tanzania are the reddish-brown soils derived from the volcanic rocks, although elsewhere *mbuga* and other alluvial soils have good potential. The interior plateaux are covered with red and yellow tropical loams of moderate fertility. The natural vegetation of the country has been considerably modified by

human occupation. In the south and west-central areas there are large tracts of woodland covering about 30% of the country, while on the uplands are small but important areas of tropical rain forest (0.5% of the country). Clearly marked altitudinal variations in vegetation occur around the upland areas and some distinctive mountain flora is found.

Figure 1: Map of Tanzania



1.2 Livestock Industry Resources

Tanzania is endowed with a livestock resource and ranks third in Africa in terms of cattle population. The estimated livestock population amounts to 18.5 million cattle, 13.1 million goats, 3.6 million sheep and 30 million indigenous chickens.

Table 1: Livestock Population

REGION	CATTLE	GOAT	SHEEP	PIGS	POULTRY
Dodoma	802,894	685,114	121,250	43,835	1,825,867
Arusha	1,520,957	1,745,142	716,903	7,958	931,178
Kilimanjaro	598,315	605,434	267,344	155,070	1,561,340
Tanga	304,392	319,836	82,342	6,281	1,788,767
Morogoro	112,374	293,271	57,603	44,986	2,100,861
Pwani	124,884	68,099	7,892	3,673	1,420,152
Dar es salaam	19,462	73,080	7,476	12,993	525,052
Lindi	6,566	96,798	7,980	4,956	1,261,290
Mtwara	22,452	253,162	21,935	6,293	710,132
Ruvuma	91,929	901,024	59,119	134,951	1,555,617
Iringa	1,094,701	356,296	98,573	180,904	2,241,683
Mbeya	832,335	349,351	69,662	229,465	2,559,913
Singida	1,768,537	1,208,021	454,541	6,375	1,658,178
Tabora	1,788,618	909,469	247,201	6,286	2,507,469
Rukwa	407,473	250,896	13,098	58,754	1,122,432
Kigoma	129,519	474,103	43,025	23,698	797,537
Shinyanga	3,812,387	2,075,358	832,910	3,266	2,979,590
Kagera	813,718	857,676	64,289	145,761	918,858
Mwanza	2,183,546	873,009	166,864	610	2,620,818
Mara	1,284,033	657,085	195,202	2,409	1,521,166
*Manyara				50,699	699,345
Total	18,398,327	13,052,226	3,535,212	1,129,223	33,307,248

* Manyara is included in Arusha livestock population

Source: National Sample Census of Agriculture 2002/03 - National Report

Rangeland resource is estimated at 61 million hectares of which about 44 million hectares are for grazing and 17 million hectares are fallow and forestland. This resource is currently supporting about 17 million tropical livestock units (TLU). However, if the rangeland resource is well developed and managed will open up more grazing land that will support over 20 million TLU. There is therefore room for expansion of the livestock industry and hence the potential for investment opportunities.

Distribution and ownership of livestock is highly skewed with about 70% of the herd being concentrated in eight administrative regions including, Shinyanga, Mwanza, Singida, Mara, Tabora, Arusha, Manyara and Dodoma.

1.3 Policy and legal framework reforms

Since mid 1980's the country has been undertaking gradual and fundamental macro and micro economic reforms aimed at transforming the economy from central planned to market economy. Some of the policy reforms which have been implemented include trade liberalization, financial sector reforms, privatization and promotion of public private partnership, tax reforms, civil service reforms and enforcing accountability.

Fifteen major legislations have been reviewed, formulated and enacted between 1991 and 2005 including the Tanzania Investment Act 1997 that provided for the establishment of Tanzania Investment Centre (TIC). Similarly, shortfalls in the previous policy have necessitated coming up with a new policy to accommodate and address globalisation in livestock and livestock products trade.

1.4 Agricultural Sector Development Strategy-ASDS

The Agricultural Sector Development Strategy is an integral component of the ongoing macroeconomic adjustment and structural reforms in Tanzania, which sets the framework for achieving the sectors objectives and targets.

More than 80 % of the population lives in the rural areas where their livelihood depends on crops and livestock activities. The Agriculture Sector contributes over half of the Gross Domestic Product and export earnings.

The main objective of the strategy is to move to a more market based production system where the public and the private sector work in partnership. The approach which supports this strategy includes;

- Focussing on agricultural productivity and profitability by creating a favourable environment for the private sector investments,
- Promotion of partnership between the public and private sectors and also between processors and producers
- Participatory implementation of the ASDS through District Agricultural Development Plans (DADPs).

Thus, the ASDS priorities are to create a favourable environment for commercial activities; improve delivery of support services with a delineation of public/private roles; improve the functioning of output and input markets; and strengthening the institutional framework governing the agricultural sector.

The ASDS contains a set of innovative and practical actions which are further developed in details in the Agricultural Sector Development Programme-ASDP. ASDP provides the overall framework and processes for implementing the ASDS. Development activities at national level are based on the strategic plans of the line ministries, while activities at district level are implemented by Local Government Authorities LGA based on DADPs which are part of the broader District Development Plans (DDPs).

1.5 The National Livestock Policy

The National Livestock Policy aims at stimulating development in livestock industry in order to exploit the available resource with due concern for the conservation of environment. The policy emphasizes the importance of competitive markets; commercialized livestock industry, addition of value of livestock products and sustainable livestock development. The policy is amongst many of the initiatives that invites and opens the doors to the private sector investments.

1.6 Livestock investment Opportunities in Tanzania

Livestock contributes to the national food security; converts rangelands resources into products suitable for human consumption and is a source of cash incomes and inflation-free store of value. Livestock production is mainly for the domestic market with little or no export of live animals or livestock products. Despite of the large numbers of livestock, its contribution to the National Economy is only 6.1% of the Gross Domestic Product (Economic Survey- 2004).

There is significant potential for market-led commercialisation of the livestock sub-sector, driven by domestic urban demand and to some extent neighbouring countries demand.

Generally, properly exploited opportunities will greatly improve livestock contribution to the economy:-

- (i) A large herd of indigenous livestock, which once exploited can significantly contribute to the national GDP.
- (ii) Land resource base estimated at 94 million hectares out of which 50 million hectares are rangelands suitable for livestock production.
- (iii) Abundant water resource consisting of major rivers, lakes, and swamps.
- (iv) Legislation on land ownership, registration, and rights enacted in 1999 as Land Act No.4 and the Village Land Act No.5.
- (v) Diverse and favourable climate and agro-ecological zones, which can support a wide range of livestock species and activities including free ranging.
- (vi) Readily available domestic market due to high population growth, increased urbanization and high economic growth all of which stimulate higher demands for animal products.
- (vii) Excellent geographical location, which makes it accessible to potential, export markets.
- (viii) Availability of labour and existence of a wide range of valuable Indigenous technical knowledge (ITK) related to livestock production.
- (ix) Political and social stability.

2.0 LIVESTOCK PRODUCTION AND PROCESSING

2.1 Meat Industry

Most of the meat consumed in Tanzania comes from the traditional cattle, which is composed of the Tanzania Shorthorn Zebu (**TSZ**) cattle. It is estimated that about 1,500,000 cattle, 2,500,000 goats and about 550,000 sheep are slaughtered annually countrywide, producing about 335,000 tonnes of meat annually. This is entirely used for local consumption with little available for export. There is a vast potential for improvement of the traditional livestock sub sector through the adoption of new, advanced production, processing and marketing technology.

Meat production is increased through improved husbandry and provision of basic requirements to traditional livestock keepers. Most state owned ranches are being privatised as such, private investors on individual and group basis are welcome to invest in the in the meat industry.

National Ranching Company Limited (**NARCO**) is a parastatal organization established in 1968 under the Company Ordinance. The main activity of NARCO is ranching of beef cattle, goats and sheep, at present NARCO sales on average of 12,250 cattle annually. NARCO ranches were established by a World Bank Loan under the low cost investment strategy that envisaged establishment of basic ranching infrastructure such as dam construction, roads-firebreaks, and other basic livestock structures like dips and cattle handling yards. Little emphasis was put on pasture development, fencing and breeding programme. The company's future outlook is focusing towards intensive production strategies using modern production technologies.

According to the ongoing divestiture programme, NARCO is operating 9 ranches in 7 regions, which together holds a total of 45,000 cattle, 3025 sheep and goats, but have a potential to carry 80,000 to 90,000 cattle. At an off take rate of 22-23% the present herd can supply about 10,000 steers which can produce 1500 tonnes of beef per annum.

Kongwa and Ruvu ranches have be retained as potential disease free areas. The rest of the ranches will be sub-divided into core ranches of 20,000 ha each to continue under NARCO management as a modal ranch for the medium commercial ranches to be established. The remaining areas of the ranches including the whole of Usangu and Uvinza ranches have been sub-divided into 4,000 ha units for medium commercial ranching activities. The status of the different ranches and their capacities is as follows

Table 2: Privatization of Ranches – Under NARCO

S/No.	Name of Ranch	Total Area (Ha)	Area Under Main Ranches (Ha)	Area Under Setelite Ranches (Ha)	No. of Setelite Ranches
A. Group of Ranches to be Privatised					
1	Mkata	71,000	20,000	51,000	13
2	Usangu	43,725	NIL	43,725	11
3	West Kilimanjaro	30,354	20,000	10,354	3
4	Uvinza	56,175	NIL	56,175	14
5	Mzeri	41,246	20,000	21,246	6
6	Kalambo	64,650	20,000	44,650	11
7	Missenyi	60,851	20,000	40,851	10
8	Kitengule	41,700	20,000	21,700	5
9	Kikulula Complex	76,940	20,000	56,940	14
B. Ranches to become Disease Free Zones					
10	Kongwa	38,000	38,000	NIL	NIL
11	Ruvu	48,383	48,383	NIL	NIL
Total		573,024	226,383	346,641	87

Most of the NARCO Ranches needs to be strengthened in terms of basic farm infrastructures and breeding herd so that these ranches can produce quality animals for beef to meet the domestic and external markets demand.

2.2 Livestock Marketing Infrastructure

There are two public abattoirs namely Arusha and Dodoma with the capacity to slaughter about 200 cattle and 200 small ruminants each per day. The Dodoma abattoir has a Meat Technology Training Centre, which is being used to train local entrepreneurs on meat cuts technology.

A number of private meat processing plants are emerging. This is creating a demand for quality livestock products, thus motivating livestock producers to increase off take rate and consequently increase efficiency in the production chain.

Table 3: Meat Processing Plants

S/No	Region	Processing Plants
1.	DAR ES SALAAM	Makela Foods
		Tanzania Meat Company (Tanmeat)
2.	ARUSHA	Arusha meat
		Happy Sausage
		Meat king
3.	IRINGA	CEFA/Boma la ng'ombe Village Company
4.	RUVUMA	Peramiho Mission
5.	RUKWA	Sumbawanga Agricultural and Animal Feeds Industries (SAAFI) – Meat Processing Plant.
6.	MOROGORO	Tanzania Pride Meat – Morogoro
7.	COAST	Best Beef - Mlandizi

2.3 Dairy Industry

In 2005/2006 a total of 1.412 billion litres of milk were produced out of which 70% came from the traditional sector. Milk production is still low and does not meet the growing demand from the increasing human population. The installed processing capacity of dairy plants is about 500,000 litres per day but is operating at 30% capacity. The national per capita consumption of milk is about 39 litres per annum which is low compared to the FAO recommended level of 210 litres per annum.

There are a number of privately owned dairy processing plants. One of the them received a gold medal award in 2004 for quality dairy products. The general situation with the milk processing industry is as following;

Table 4: Milk Processing Plants and their Capacities

S/No.	Region	Processing Plants	Capacity (Lts/Day)
1.	DAR ES SALAAM	Royal Dairies	90,000
2.		Azam Dairy	3,000
3.		Tommy Dairies	15,000
4.		Tan Dairies	6,000
5.		Ideal Products	3,000
6.	TANGA	Tanga Fresh	15,000
7.		Morning Care Dairy Products	27,000
8.	KILIMANJARO	Nronga Group	1,000
9.		Kalali	1,000
10.	ARUSHA	Arusha Dairy	4,500
11.		New Northern Creameries	45,000

12.		International Dairies	3,000
13.	MARA	Utegi	45,000
14.		Baraki sisters	3,000
15.		New Mara Dairy	20,000
16.		Musoma Dairy	10,000
17.		New Musoma Dairy	120,000
18.	MWANZA	Victoria Dairies	15,000
19.	KAGERA	Bukoba Milk Trade	6,000
20.	TABORA	Tanzania Christian Fran Dev, Trust- Nyamwezi Creameries	3,000
21.	IRINGA	ASAS Dairy Plant	10,000
22.		CEFA/Njolifa	40,000
23.	COAST	Mohamed Ent. Ltd/Majota	4,500
24.	OTHERS		20,000
	Total		510,000

2.4 Hides and skins

In Tanzania, Hides and skins are a good foreign exchange earner in the livestock sector. About 4.0 million pieces of hides and skins are collected and sold annually, but Most of hides and skins produced and collected are exported as raw. A small proportion is sold as semi-processed. There are 7 tanneries with an installed capacity to process about 40 million squares ft of hides and skins per annum, but most of these industries are operating under capacity due to capital and technological limitations. Currently the Government is encouraging in country processing to add value. Raw hides and skins are charged an export levy of 20% to encourage in country processing. These industries will be very instrumental in reducing the export of raw hides and skins and increase value added to the products and at the same time create employment. This gives room for more investment in hides and skins processing. The collection of Hides and Skins and existing tanning industries are as listed below.

Table 5: Collection of Hides and Skins from 2002/2003 to 2005/2006

YEAR	CATTLE HIDES PIECES (thousands)	GOATS SKINS PIECES (thousands)	SHEEP SKINS PIECES (thousands)	VALUE (TZS) (billions)
2002/03	1,400	800	460	6.0
2003/04	1,600	1,200	650	6.5
2004/05	1,600	1,500	750	5.5
2005/06	1,660	1,400	950	6.8

Source: MLD Reports

Table 6: Hides and skins export from 2002/03 to 2005/06

YEAR	CATTLE HIDES PIECES (thousands)	GOATS SKINS PIECES (thousands)	SHEEP SKINS PIECES (thousands)	VALUE (TZS) (billions)
2002/03	1,305	600	375	4.6
2003/04	1,774	1,431	488	7.4
2004/05	1,400	1,200	597	8.3
2005/06	1,364	1,217	862	7.5

Source: MLD Reports

Table 7: Tanning Industry in the country

Name	Ownership	Installed capacity	Status
Africa Tanneries-Mwanza	Africa Trade Development-(ATD).	10 m sq.ft per annum	Closed
Tanzania Leather Industries-Morogoro	Africa Trade Development-(ATD).	10 million Sq. ft per annum	Going into Joint Venture with East Hides
Moshi leather Industries Tel. 2863017	Industrial Promotion Services-(IPS) Group	10 million Sq. ft per annum	Operating
Kibaha Tannery	Lake Trading Company	250 hides, 3,000 skins per day	Operating
Afro leather Industries	Afro leather	500, hides, 3,000 skins per day	Operating
Himo Tanners	Olviso Company	100 hides per day	Operating
NEW TANNERIES/PROJECTS			
Salex Tanners Arusha	A big exporter of raw hides/skins in the country now turning into tanning Industry		
Sata 2003 Tannery Dodoma	A new tanner		

On average the Country collects a total of 4.0 million pieces of Hides and Skins annually and most of them are exported raw, due to the problems facing the Tanning Industry in Tanzania.

2.5 Poultry Industry

Poultry production has a lot of opportunities for the private sector investment. The Small and Medium Enterprises have managed to increase numbers of local chicken from 27 million in 2001 to 30 million in 2006 while the commercial stock increased from 20 million to 25 million. On average 5.5 million Hatching eggs and 1 million Day old parent chicks are imported annually to produce a total of 25 million Day Old Chicks for commercial purposes. This figure is low compared to the actual requirement of 60 million Day old chicks per year.

Egg production has increased from 790 million in 2002 to 1.8 billion in 2006. The observed increase is due to sensitization on good poultry husbandry practices and use of thermo stable New Castle Disease vaccine. The per capita consumption of eggs has increased from 23 eggs to 50 eggs per person per year. The rising demand for day old chicks, meat and eggs calls for more investments. The hatcheries and their capacities are as indicated below;

Table 8: Hatcheries and Their Production Capacities in Selected Regions

S/No	Regions	Name	Capacity (No. of chicks for 3 Weeks)
1.	DAR ES SALAAM	Amadori/ Pollo – Italia	160,000
		Interchick	260,000
		Twiga hatcheries	120,000
		Ideal Chiks	120,000
2.	COAST	Kibaha E.C	120,000
		Ruvu KJT	30,000
		Kiluvya Poultry Products	30,000
		Mkuza Chicks	360,000
3.	ARUSHA	Tanzania Poultry Farms	180,000
4.	KILIMANJARO	Kilacha	30,000
		Kibo Hatcheries	60,000
5.	IRINGA	CEFA/Matembwe – Njombe	30,000

3.0 LIVESTOCK TRADING AND CLASSIFICATIONS

Tanzania has formulated and instituted a business friendly policy that eliminates inefficient practices, improves markets accessibility, promotes linkages and facilitates trade. The tariff barriers and quota system have been replaced by sanitary aspects. Basing on these facts and the available land and livestock resources, Tanzania can now embark on trade in livestock and livestock products with interested parties around the world.

Tanzania has a well developed livestock marketing infrastructure in the form of primary and secondary markets, holding grounds and veterinary checkpoints. In addition there is well organised veterinary services are in compliance with WTO/SPS protocols and is also a member of OIE/FAO.

Tanzania entered the Livestock export market in November 2002 when **382** live cattle and **165** goats and sheep were shipped to Comoro. Up to this year, a total of **3,685** cattle and **2,160** goats have been exported. The main trading partner so far is Comoro, efforts to access other livestock markets in the Gulf States and other areas are underway.

Among the neighbouring countries, Kenya is the main livestock-trading partner although much of it is informally transacted, due to porosity of our borders. It is estimated that, about 300,000 heads of cattle cross the border every year to neighbouring Country.

There is an unofficial livestock movement across the borders. The potentiality of the market is high if the political situation is contained in these neighbouring countries

3.1 Characteristics and Major Sources of available Beef Breeds

The major source of beef cattle is the indigenous stock which is found in the traditional sector where over 98% of the animals are raised. The main breeds of beef cattle are Tanzania Shorthorn Zebu (TSZ), Ankole, Boran and their crosses with exotic breeds.

i) The Tanzania Shorthorn Zebu (TSZ)

The Tanzania Shorthorn Zebu is a local breed native to Tanzania that provides the bulk of meat consumed in the country. The beef is known for its taste, juiciness, marbling and tenderness when fattened and slaughtered at the age of two to three years. Approximately, 4,000,000 steers weighing 180 to 350 kg at the age of 2 to 4 years may be available for fattening/slaughter at any one time.



Figure 2: Fattened TSZ cattle at Mtibwa Feedlot

ii) Boran

The Boran is a relatively large sized fast growing breed that reaches a mature live-weight of about 300 kg in three years under natural pastures. Steers may attain up to 350 kg live weight within 90 days under feedlot conditions producing high quality carcasses. Borans are mainly found in the nine NARCO farms and few privately owned ranches.



Figure 3: Boran Cows at Kongwa Ranch

iii) Crossbred cattle

The majority are crossbreds of TSZ or Boran with dairy breeds such as Ayrshire and Friesian and beef types such as Simmental, Charolais, and Chianina. Steers at the age of 9-12 months may attain up to 350 kg from an initial weight of 220 to 250 kg in 90 days under feedlot condition producing good quality carcasses. The major sources of these animals are small scale dairy farms, state farms and ranches including Livestock Multiplication Units (LMUs) and The National Ranching Company (NARCO).



Figure 4: Ayrshire x Boran crosses at Mtibwa feedlot

3.2 The Livestock Multiplication Units

These Units are responsible for producing quality crossbred heifers for distribution to smallholder dairy farmers and other commercial farms. Steers and bulls from these units are a source of quality animals for fattening. The units have a holding capacity of about 10,000 heads of cattle allocate in five farms. As at the beginning of 2006 the number of cattle in each LMUs is as follows:-

3.2.1 Mabuki LMU

The farm is located in Kwimba district along the Shinyanga –Mwanza highway, about 60km from Mwanza city. It can be accessed by road (900km) from Dar es Salaam or by air. The farm has a land area of 9,793 hectares capable of supporting about 6,000 Livestock Units. However, at the end of 2005 the farm

had only 2,910 improved cattle mainly of Friesian, Boran and Tanzania Shorthorn Zebu crosses.

3.2.2 Sao Hill LMU

The farm is located in the Southern Highlands about 572 km from Dar es Salaam and has a land area of 6,500 ha with a holding capacity of about 4,500 Livestock Units. Currently, the farm has 1,759 heads of cattle of Boran and Ayrshire breeds and their crosses.

3.2.3 Nangaramo LMU

The farm is located in Masasi District, Mtwara region which is about 630 km from Dar es Salaam and has land area of 6,175ha capable of supporting 4,000 Livestock Units. However, the farm has only 441 cattle of Boran, Ayrshire and their crosses.

3.2.4 Kitulo Dairy Farm

The farm is located in the Southern Highlands about 980 km from Dar es Salaam and has a land area of 5,000 ha with a capacity of supporting 3,500 Livestock Units although currently it is holding only 970 Friesian dairy cows.

3.2.5 Ngerengere LMU

The farm is located in Morogoro region, about 150 km from Dar es Salaam. It has a land area of 4,562 ha with a holding capacity of 3,500 Livestock Units. At present, the unit has only 574 boran cows, Ayrshire bulls and their crosses.

3.3 Private livestock farming.

There are a number of private investors engaging in beef ranching. Through a government initiative of promoting private ranching, NARCO has subdivided and subleased to Tanzanian investors 124 small and medium scale ranches capable of holding over 120,000 cattle.

3.4 Classification of Beef Produced in Tanzania

Beef is classified into four grades:-

i) Standard Beef

This is derived from pastured mature TSZ steers and cows at the age of 3 to 4 years with a live weight of 250 to 350 kg. The carcass weight ranges from 130 to 182 kg with a composition of 68.01% Lean, 25% Bone and 6.99 % Fat. This is the most preferred type of beef for stew (Figure 5a).



Figure 5a: Standard beef



Figure 5b: Fair Average Quality Beef

ii) Fair Average Quality Beef

Fair Average Quality (FAQ) beef is preferred in tourist hotels and restaurants due to its tenderness, marbling and juiciness. The beef is derived from pastured TSZ steers aged 2 to 3 years with a live weight of 220 to 280 kg and finished in feedlot for 90 days. The carcasses weight range from 120 to 150 kg, with composition of 69.64 % Lean, 19.05 % Bone and 10.71% Fat.

iii) Prime Beef

Prime beef is produced from Boran crosses raised on natural pastures. At three years of age the live weight range from 300 to 350 kg yielding a carcass weight of 150 to 180 kg. The beef is tender with moderate back fat cover (Figure 6).

iv) Choice Beef

Choice beef is produced from steers aged between 9-12 months weighing 220 - 250 kg, fed high-energy rations in feedlots for 120 - 150 days. They attain a live weight of 350-380 kg yielding high quality beef which is tender, juicy and marbled. The carcass composition is 61.38% Lean, 18.21% Bone and 20.41 % Fat. Choice beef is preferred for grilling and roasting (Figure 7). Currently 198 tonnes of choice beef is being produced. However there is room for increasing production through development of commercial feedlots, which can fatten young steers.

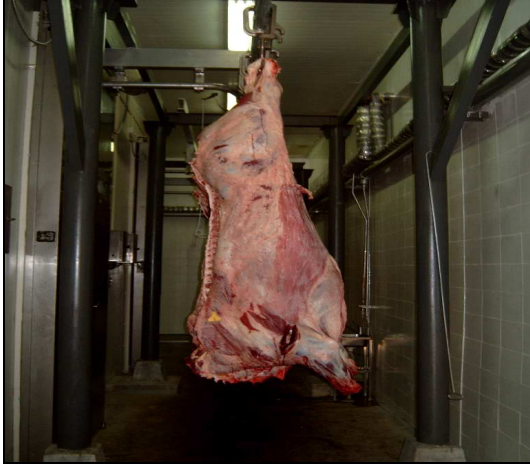


Figure 6: Prime Beef



Figure 7: Choice Beef

4.0 LIVESTOCK MARKETING INFRASTRUCTURE

The livestock marketing infrastructures in the country support the supply chain from the producer to the consumer (Figure 9). It consists of primary markets (300) located in the districts close to producers and secondary markets (10) located in Arusha, Dodoma, Singida, Tabora, Shinyanga, Kagera, Mwanza, Mbeya and Mara and 4 terminal markets located close to areas of major consumption namely Pugu in DSM, Themu in Arusha, Weruweru in Kilimanjaro and Korogwe in Tanga. In addition there are 13 holding grounds and 10 railway cattle loading ramps. 15 veterinary checkpoints located at regional boundaries and at natural barriers (major rivers).

4.1 Abattoirs

Currently there are two public modern abattoirs, one in Dodoma and the other one in Arusha. The capacity for Dodoma abattoir is to slaughter 214 cattle per day, while the one in Arusha is 200 cattle per day.

Dodoma abattoir is a newly constructed slaughter facility. It is centrally located, accessible from the Central, Western and Lake Zones that have high livestock populations. As indicated earlier in this paper the abattoir has a slaughter capacity of 214 cattle and 200 sheep/goats per day. This structure is available for sale on a majority share basis.

Figure 8: View of Dodoma Abattoir

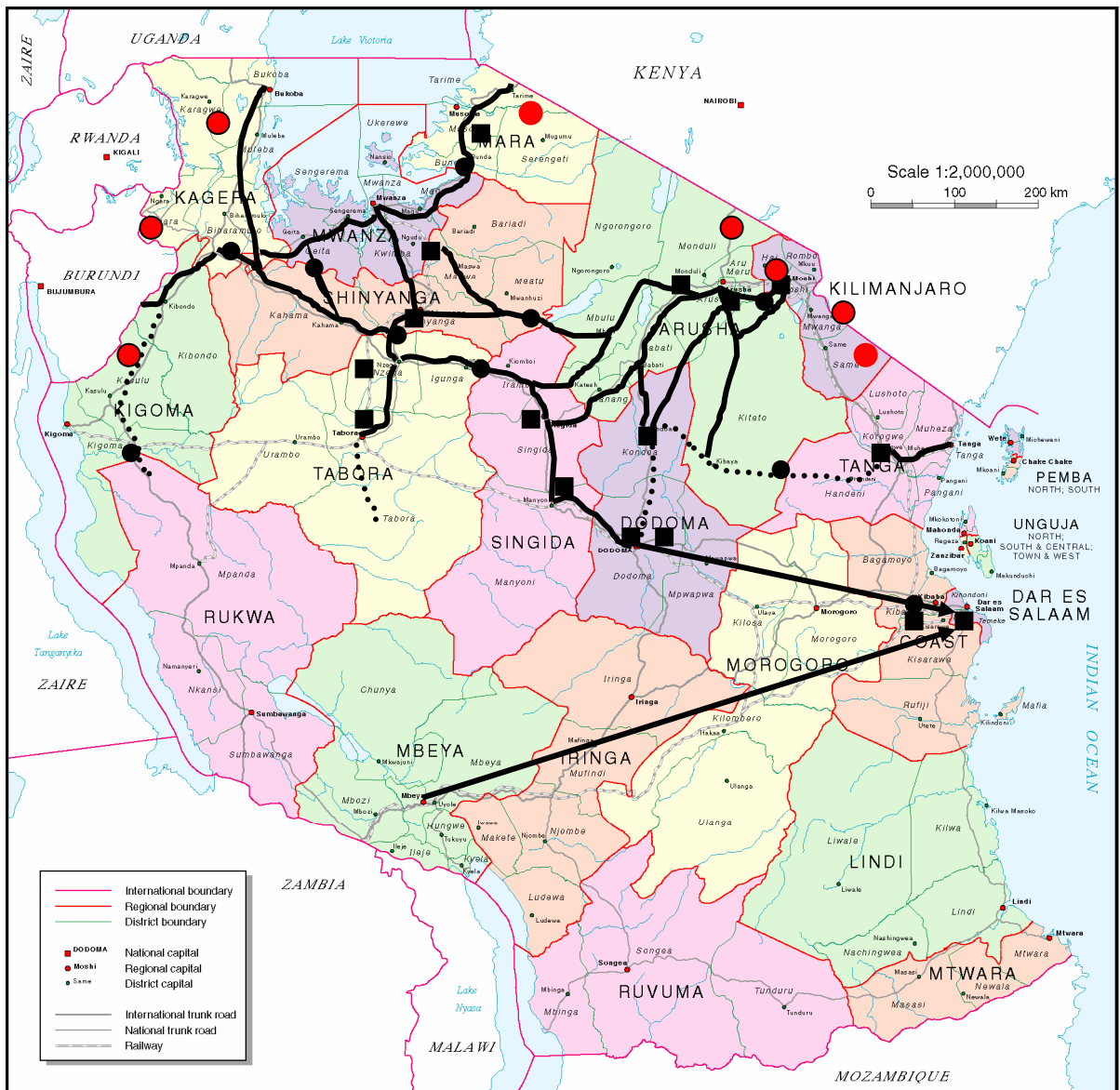


The Arusha Abattoir is located in the northern zone, about 40 km from the Kilimanjaro International Airport (KIA) and about 470 km from Tanga port. Apart from these abattoirs there are other two privately owned modern abattoirs being constructed at Morogoro and Sumbawanga in Rukwa Region.

The government is encouraging the private sector to invest in marketing infrastructures such as feedlots, slaughter facilities, watering facilities, dips, cattle handling facilities, and fencing.

The available livestock marketing infrastructure is as shown below.

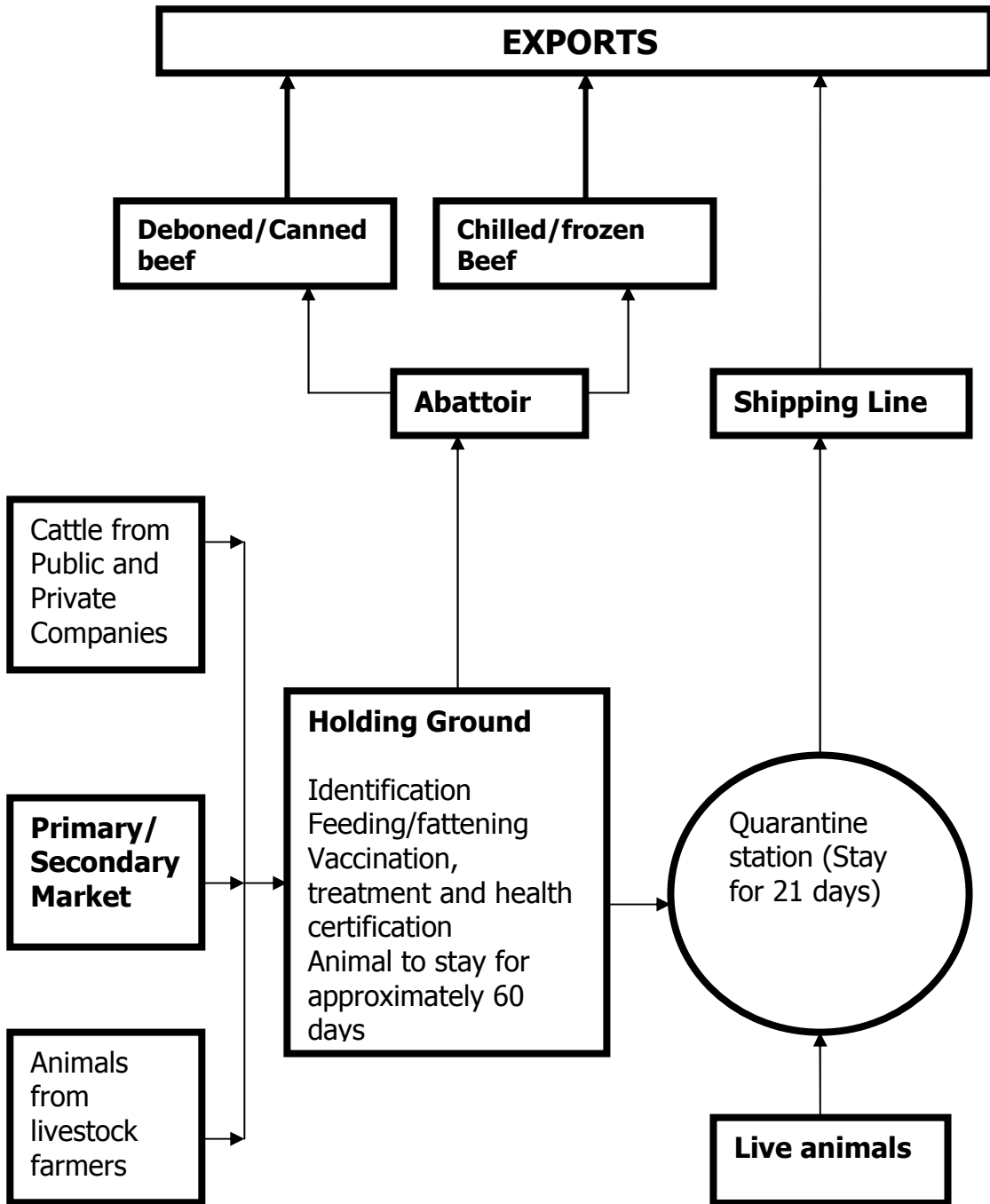
Figure 9: Marketing Infrastructure Network



4.2 Livestock and Meat Trade Supply Line

Slaughter stock is trucked into holding grounds where they rested and examined before moving into slaughter facilities. Export bound stock is normally trucked into the quarantine stations for veterinary certification before they are shipped (Figure 10).

Figure 10: Livestock Export Trade Supply Line



5.0 VETERINARY SERVICES

Trade in livestock and livestock products require an efficient veterinary system that addresses compliance to WTO/OIE sanitary requirements. The quality of veterinary services in Tanzania meets these requirements (Figure 11). Measures for the control and eradication of animal diseases that have been put in place have enabled Tanzania to be an eligible trade partner in livestock and livestock products. The country was declared *Rinderpest* free by OIE in 2005.

5.1 Disease Surveillance and Monitoring

We have seven Veterinary Investigation Centres (VICs) that are located strategically in the seven agro ecological zones of the country. Animal diseases information flows from the Districts to the VICs and then to the Director of Veterinary Services. (figure.12).

Figure 11: Location of Veterinary Investigation Centres

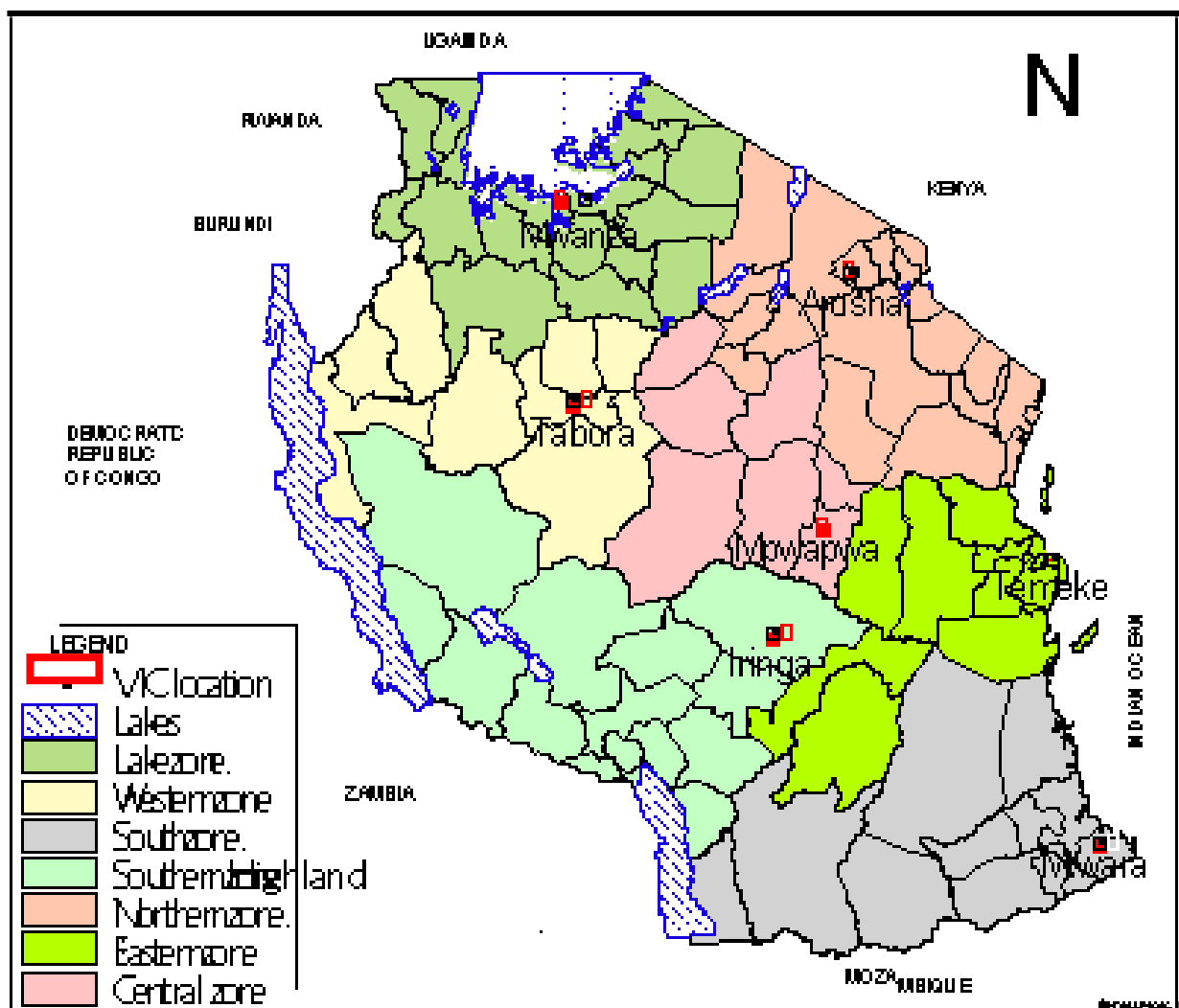
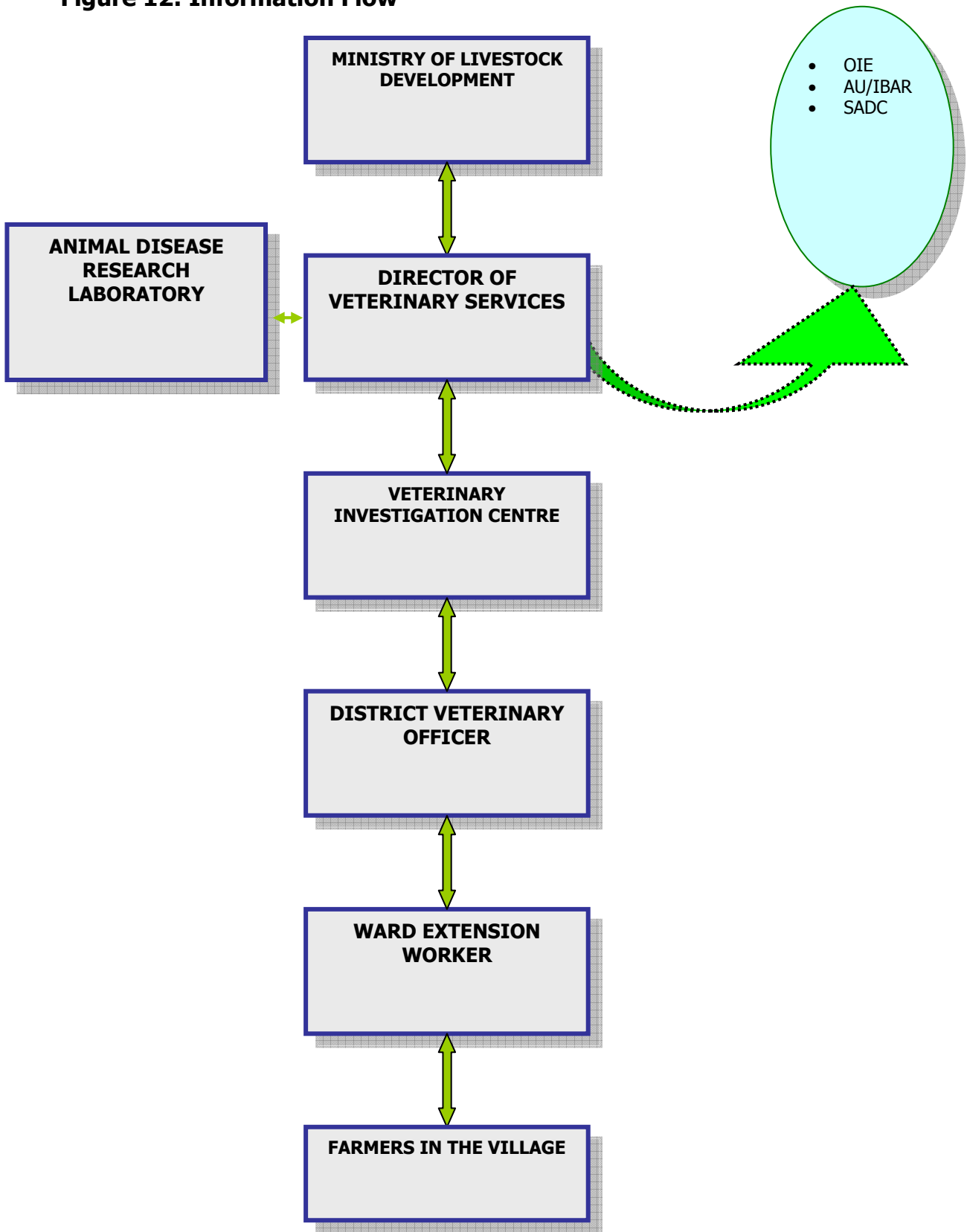


Figure 12: Information Flow



5.2 Zoosanitary Inspectorate Services (ZIS)

Zoosanitary inspectorate services have been strengthened to control livestock movement and thereby check the spread of livestock diseases. There is a network of 36 posts distributed along all official ports of entry/exit, 19 quarantine stations and 381 internal check points. Kwala holding ground in Kibaha district, Coast Region is a quarantine export facility which is close to the port of Dar es Salaam

5.3 ZOOSANITARY INSPECTORATE EXPORT AND IMPORT PROTOCOLS

5.4 Export Procedures

5.4.1 Live Animals (Cattle, sheep & Goats, Camels, Horses)

- The prospective exporter should apply to the Director of Veterinary Services for export permit attaching import requirements from importing country
- Animal should be held in a quarantine facility or on a farm under close supervision of a veterinarian for a specified period of time
- Animals are shipped subject to the conditions prescribed by the importing country

5.4.2 Meat/Meat products

The prospective exporter should apply to the Director of Veterinary Services for export permit attaching import requirements from importing country

Different countries have different import requirements (e.g. Muslim countries will require certified Halal certificates). Slaughtering and processing should be undertaken in approved abattoirs only

5.4.3 Hides and Skins and wet blue leather

Exporters must have:

- A registered company
- Export business license issued by the Ministry of industry ,Trade and Marketing
- Valid export premises license
- Fumigation certificate

The exporter can apply to the Director of Veterinary Services for issuance of veterinary export health certificate.

5.4.4 Livestock by products (Horns and Hooves)

Exporter should provide the following documents

- List and quantity of items to be exported
- Veterinary import requirements from the importing country
- Fumigation certificate

The exporter can apply to the Director of Veterinary Services for issuance of veterinary export health certificate.

5.5 Import Procedures

5.5.1 Live Animals (Cattle, Goats, sheep, Pigs, Camels etc) for breeding purposes.

Prospective importer must apply for an import permit from the Director of Veterinary Services indicating the place and country of origin of animals (Farm/Ranch).

On arrival animals should be transported to a quarantine station or approved holding ground and held for specified period. A movement permit should be issued by the Director of Veterinary Services for release of the animals from the quarantine facility.

5.5.2 Meat and Meat Products

Prospective importers should submit the following documents:

- Veterinary health certificate from exporting country
- An Invoice

The Director of Veterinary Services shall in turn issue a Veterinary import certificate. Veterinary import certificate shall be issued subject to prescribed conditions.

5.5.3 Milk & Milk Products

Prospective importers should submit the following documents

- Veterinary health certificate from exporting country
- An Invoice

Veterinary import certificate shall be issued subject to prescribed conditions

5.5.4 Poultry and Poultry Products:

For Hatching eggs and Day Old Chicks the prospective importers should submit the following documents;

- Application letter specifying Quantity, Country of origin, means of transportation
- Point of entry

- Name and address of the importer
- Veterinary health certificate from exporting country
- An Invoice

Veterinary import certificate shall be issued subject to prescribed conditions

6.0 INVESTMENT ENVIRONMENT IN TANZANIA

The country is endowed with political stability, favourable climate and strategic geographical location which makes it accessible to potential export markets in the region and the Gulf States. The livestock sector is among the lead sectors with a lot of investment opportunities.

To attract Foreign Direct Investment (FDI) Tanzania has created favourable environment for investors which covers attractive fiscal policies, rule of law, efficient transport system, good governance, peace, strong economy and clear financial policies. Establishment of the Tanzania Investment Centre (TIC), as a one stop facilitative Centre with officers from Ministry of Trade and Industry and Marketing, Business Registration and Licensing Authority (BRELA), Lands, Immigration, Labour and Tanzania Revenue Authority (TRA) stationed at the TIC offices shows the seriousness of the government to lure in FDI. This arrangement shortens the process of setting up a business in Tanzania to within forty-two days as indicated below:

Application	Time taken (days)
i. Company Registration	3
ii. Business licensing	3
iii. Certificate of incentives	7
iv. Resident Permit Class 'A'	14
v. Resident Permit Class 'B'	14
vi. Special pass	1

6.1 Taxation

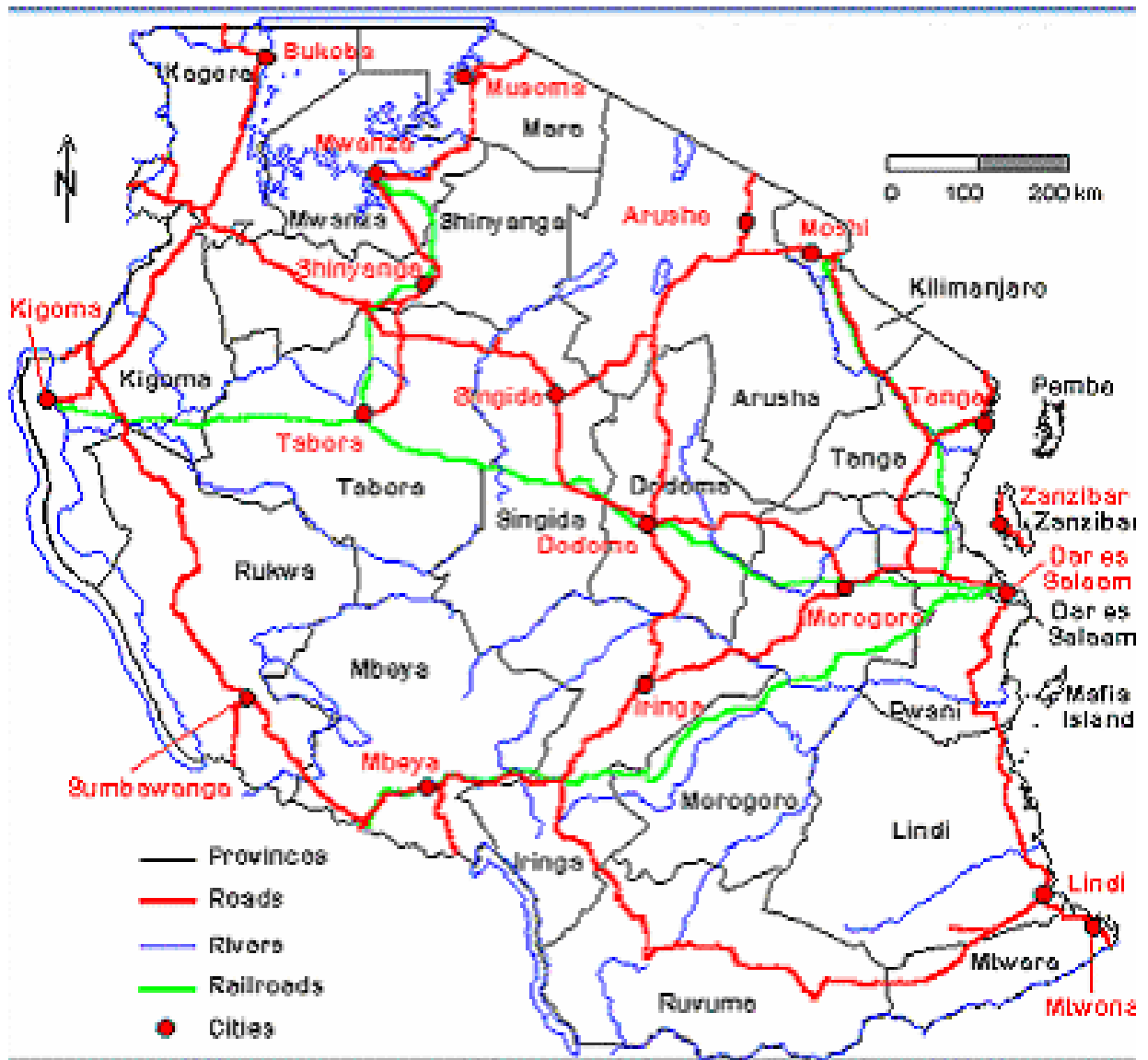
To improve the investment climate in Tanzania, stable and predictable fiscal incentives have been put in place to provide a soft landing platform for all investors during the initial period of project establishment in recognition of the fact that investors need to recover their investment costs.

6.2 Communication and Transportation systems

Communication and transport infrastructure which includes roads, railway lines, airports, marine services and information communication systems is being improved to facilitate investment (Figure 13). The Southern Highlands are served by the Tanzania Zambia Railway line and the Central and Lake Zone cattle countries are served by the Central Line. Major airports are located in Dar es

Salaam, Kilimanjaro, Mwanza and Mbeya. Along the coast we have three major sea ports of Dar es Salaam, Tanga and Mtwara and then we have Mwanza port and Kamendo Bay in Lake Victoria, Kigoma port in Lake Tanganyika and Mbamba Bay/Itungi Port on Lake Nyasa.

Figure 13: Existing road and railway network



6.3 Priority areas of Livestock Investment in Tanzania are as following;

Apart from trade in livestock and livestock products, there are areas of investment that investors are encouraged to venture into. Potential areas include:

- (i) Acquisition of a Dodoma modern abattoir in (Fig. 8)
- (ii) Acquisition of Mbeya and Shinyanga slaughter facilities.
- (iii) Partnership with the National Ranching Company in developing and running existing ranches (230,384 ha.)
- (iv) Partnership with the smallholder Ranches in subleased NARCO ranch units (a total of 289,069 ha).
- (v) Investing in hides and skins processing
- (vi) Establishment of export facilities such as holding grounds, quarantine facilities and cold rooms
- (vii) Establishment of animal feeds production (pasture & concentrates)
- (viii) Poultry Farming (Hatchery and Breeding stocks)
- (ix) Dairy Farming and Milk Processing

- (x) Development of Abattoirs and Meat Processing.

7.0 CONCLUSION

While the Government has taken the initiative to facilitate investments, the investors are invited to proactively engage with local business community either individually or through joint ventures to capitalize on the available opportunities.