

Tanzania to triple sisal exports

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The Tanzania Sisal Board (TSB) plans to increase both production and productivity of sisal crop whose prices have been escalating in the local and international markets in the recently years.

TSB said sisal products are set to increase from 24,600 tons as of last year to over 200,000 tons by 2020. Speaking to the EastAfrican Business Week during the 35th Dar es Salaam International Trade Fair (DITF) , the TSB Quality Assurance Officer, Mr. Olivo Mtung'e said the global demand for sisal exceeded by far the supply, pushing up prices as a result.

"The global demand was now 230,000 tones of sisal as of last year, against the supply of about 130,000 tones only to the global market," said Mr. Mtung'e. Mr. Mtung'e said that for the time being, local production remains low with the country producing about 25,000 tons as of last year, up from 21,000 tons in 2009. He further added, the local demand for sisal is increasing fast because of many small entrepreneurs who produce handcraft products from sisal.

The sisal board envisaged increasing the size of land under sisal cultivation from the current 45,000 hectares to about 130 hectares, with productivity of over one tone per hectare.

According to the sisal board, the current productivity per hectare averages some 700 kilogrammes.

Minister for Industry, Trade and Marketing, Dr Ciril Chami said in order to increase the industry's production and productivity, Tanzania plans to involve small scale growers to the production processing. According to Dr Chami, the planned engagement of small out growers will boost production of the cash crop.

He further said, the governing through sisal board is consulting the Small Industries Development Organisation (SIDO) to have small sisal processing machines for individual sisal growers. The TSB's Senior Quality Assurance Officer, Mr. Yunus Mssika said, the board members set the target during their annual general meeting last April, this year.

Mr. Mssika added, the demand of fibre has increased rapidly both at local and international markets. "We are still not able even to meet the local market demand of sisal fibre and its products since the production is minimal," said Mr. Mssika.

The sisal board pavilion was among top winners at this year's DITF competition for earning the country more foreign currency through exports. According to Minister for Finance and Economic Affairs, Mr. Mustafa Mkulo, last year, the country's earned \$ 10.4 million from fibre and \$ 8.3 million from sisal products exports. China and Saudi Arabia are leading the market of fibre while Kenya and Uganda import much of the sisal products like bags, ropes and mats. "Much of our sisal is being exported as fibre because producers earn more than manufacturing the products," Mr Mssika said.

He said it is an undeniable fact that the agriculture sector faces the financing problem since most of commercial banks are unwilling to provide low interest rate credit to the sector. When presenting the 2011/12 budget estimates, Minister Mkulo said that, in order to boost agriculture outputs, there are some funds which have been allocated to establish agriculture development bank.

Minister Mkulo said, an agriculture lending window which is currently at Tanzania Investment Bank (TIB) with more than Tsh50 billion (\$32.1m) seed money, will also relocate to the new bank that will offer farmers and agro-processors low interest long term loans to finance agriculture projects.

According to Executive Secretary of the Sisal Association of Tanzania, Mr. Raphael Ngalondwa, the rising sisal prices in the world market to \$ 1,500 per ton has reportedly resulted into some local sisal processors to export the cash crop in its raw form. "The prices of sisal in the world markets have become so attractive that the processors have ceased the processing and they are exporting sisal fibers," said Mr Ngalondwa and adding, "This is worsening the shortage of raw materials for local entrepreneurs who make handcrafts."

Planning and Sales Manager with Amboni Spinning Mill, Mr. Semwaiko Robert said, researches have already been conducted to enable 100 percent use of the sisal in the country. "It has been scientifically proven that sisal can produce good juice, power, fertilizer, animal feeds, human medicines," said Mr. Robert. Global production of sisal fibre in 2007 amounted to 240 thousand tons of which Brazil, the largest producing country, produced 113,000 tons. Tanzania produced approximately 37,000 tons, Kenya produced 27,600 tonnes, Venezuela 10,500 tonnes and 9,000 tonnes were produced in Madagascar.

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